

BANCO PRODUCTS (INDIA) LIMITED



**49th ANNUAL REPORT
2009-2010**



VISION
A WORLD CLASS COMPONENT MANUFACTURING
COMPANY BASED IN INDIA WITH GLOBAL ASSOCIATES

CORPORATE MISSION
DEVELOP AND SUPPLY TECHNICALLY SOUND PRODUCTS
AT COMPETITIVE PRICES, INTEGRATING
INNOVATIVE MANUFACTURING
WITH ECO-FRIENDLY TECHNOLOGIES



Board of Directors	:	Vimal K. Patel Atul G. Shroff Samir K. Patel Mehul K. Patel Ram Devidayal Mukesh D. Patel S. K. Duggal M. G. Patel Kersi P. Kapadia Shailesh A. Thakker Kiran Shetty	Chairman w.e.f 07.11.2009 Executive Director (upto 31.05.2010) Executive Director & C F O Executive Director (w.e.f 31.07.2010)
Company Secretary	:	Dinesh Kavthekar	
Bankers	:	Bank of Baroda State Bank of India HDFC Bank Ltd.	
Auditors	:	Shah & Company, Chartered Accountants, Mumbai.	
Registered Office	:	Bil, Near Bhaili Rly.Station, Padra Road,Dist.Baroda -391 410	
Works	:	At Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda-391 410 At Ankhi, Tal. Jambusar, Dist. Bharuch. At Jamshedpur At Rudrapur	
Listing	:	Bombay Stock Exchange Limited National Stock Exchange of India Limited	

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NOTICE

Notice is hereby given that the 49th Annual General Meeting of Banco Products (India) Limited. will be held on Tuesday, the 28th September, 2010 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.,2010 and Balance Sheet as of that date together with the reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Atul G. Shroff who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Manubhai G. Patel who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri Kiran Shetty 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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309 and other applicable provisions, if any, of the Companies Act,1956, including Schedule XIII to the said Act, as amended up-to-date, Consent be and is hereby accorded to the appointment of and the remuneration and perquisites being paid or provided to Shri Kiran Shetty as the Executive Director of the Company, for a period of three year from 31.07.2010 to 30.07.2013 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Kiran Shetty and which is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the said remuneration and perquisites including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Shri Kiran Shetty shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modifications(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under and the terms of the aforesaid Agreement between the Company and Shri Kiran Shetty be suitably modified to give effect to such variations or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Shri Kiran Shetty the Executive Director the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Kiran Shetty as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII and as may be amended from time to time or any equivalent statutory re-enactment(s) thereof for the time being in force.”

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

“RESOLVED THAT the supersession of all the Resolutions passed, earlier, consent of the Company be and is hereby granted pursuant to Section 293(1)(d) and other applicable provisions of the Companies



Act, 1956 or any Repeal or Re-enactments thereof, to the Board of Directors to borrow, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company apart from (temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), which may exceed the aggregate of the Paid up Capital and Free Reserves, that is to say, reserves not set apart for any specific purpose of the Company, from time to time provided that such amount shall not exceed Rs. 500/- Crores at any time."

By Order of the Board,

Date : 31.07.2010

Place : Bil

Vimal K. Patel

Chairman

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, 7 & 8 is annexed hereto.
3. The Register of Members and Transfer Books of the Company will be closed from Saturday, 18th September, 2010 to Tuesday, the 28th September, 2010 both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting. Payment of such dividend will be made on after 28th September, as under.
 - I) To all Beneficial Owners in respect of shares held in electronic form, as per the date made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 17.09.2010.
 - II) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 17.09.2010
4. The identities/signatures of Members holding shares in electronic form are liable for verification with the specimen signatures as may be furnished by NSDL and CDSL to the Company. Such Members are advised to bring the identity cards issued by their Depository Participants.
5. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, as amended with effect from 31st October, 1998, dividends which remain unclaimed for a period of 7 years from the date of transfer of the same under sub section (1) of the said Section, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the said Act. According to the provisions of the said Act, as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
6. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to either the Company or Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited, 308, 1st Floor, Jaldhara Complex, Opp, Manisha Society, Manisha Char Rasta, Old Padra Road, Vadodara – 390 015 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.
7. Shareholders are requested to bring their copy of the Annual Report at the meeting send all communications relating to their shareholding, quoting Folio No./ Client ID & DP ID, at Registered Office only.
8. Members desirous of obtaining any information with respect of the accounts of the company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.

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

Item No. 6 & 7

The Board of Directors of the Company has appointed Shri Kiran Shetty, as an Additional Director of the Company, with effect from 31.07.2010, 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 upto 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 Kiran Shetty for appointment as Director of the Company. Consent in writing has been received from him to act as Director of the Company, if appointed.

Kiran Shetty is a Bachelor of Technology in Industrial engineering and has an experience of 19 years in various operational areas. He has been associated with Banco Products (I) Ltd since April 2007. Prior to this he was associated with Serck Services, UAE and Tata Toyo Radiators Ltd., Pune.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 31.07.2010 appointed Shri Kiran Shetty as Executive Director for a period of 3 years with effect from 31.07.2010 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Kiran Shetty in respect of his appointment, inter alia, states the following;

1. Shri Kiran Shetty is appointed as a Whole Time Director of the Company designated as the "Executive Director" with effect from 31.07.2010.
2. **TENURE :**
 - a. The appointment of Whole Time Director is valid for a period of 3 years from 31.07.2010.
 - b. The tenure of the appointment can be further extended from time to time with the mutual consent of the parties.
3. **FUNCTIONS, DUTIES AND POWERS :**

Subject to the supervision, direction, superintendence and control of the Board of Directors, the Whole Time Director shall perform such functions and duties as may be assigned to him by the Board of Directors from time to time as are necessary for the purpose of conducting the business and affairs of the company on such terms and conditions as may be decided from time to time including the following :

- a) Hours of work shift, weekly holidays, etc shall be regulated by the company to suit the duties entrusted to you and will be subject to change as per the requirement of the company from time to time.
- b) During the tenure of employment the services are liable to be transferred in any other Department, Branch, Subsidiary or related Company unit, situated at any place in India as per the requirement of the company and shall have to work at such place in future. The decision of the Management in regard to transfer shall be final and binding in all respects.
- c) The age of retirement shall be 55 years and on completion thereof the Executive Director shall be deemed to have retired from the services of the company.
- d) The employment is subject to termination by 90 days notice in writing on either side. The company however reserves the right to terminate your services by giving notice pay in lieu of notice. Similarly you may be allowed to leave before the expiry of notice period on payment of notice pay i.e. Basic Pay by either party.
- e) As Executive Director you will devote your full time and attention exclusively to the duties entrusted to you from time to time by the company and while in the services of the company, you will not work for any person or company in any capacity nor do any private business.
- f) As Executive Director you shall not at any time without consent of the company during the term of employment or thereafter disclose, divulge or make public except under legal obligation, any of the processes, inventions, scientific investigations, or results thereof, problems, practices, new techniques, records, suggestions, discussions, transactions or dealings of the company which ought not to be disclosed, divulged or made public whether the same may be confided or become known to you during the course of your service or otherwise nor shall you remove from the premises of the company any property, notes, drawings, or other documents or materials relating to such knowledge and information.
- g) As Executive Director you shall keep the company informed about the change, if any in your Residential Address.
- h) For any matter not covered specifically above, you will abide by the rules and / or customs, and practices of the company in force and as modified from time to time.
- i) The Executive Director shall have necessary powers for the efficient management and conduct of the profitable business and affairs of the Company as are vested in him by the Board of Directors from time to time.
- j) The Executive shall perform his duties and exercise his powers within the limits prescribed in the Articles of Association of the Company and as diligently as is necessary in the best interest of the company.

4. REMUNERATION:

1. Remuneration:

- a. Salary - Rs. 1,00,000/- per month in the grade of MM
- b. Perquisites : The Whole Time Director will also be entitled to the perquisites mentioned below :

Category - A :

- i. Housing : House Rent Allowance of Rs.30,000/- per month.
- ii. Medical Reimbursement : Rs. 2,333/- per month (Quarterly payment).
- iii. Leave Travel Concession : For self and family Rs.4,500/- per month (yearly payment).
- iv. Education Allowance : Rs.1,500/- per month.
- v. Personal Accident Insurance: The total annual premium payable by the Company shall not exceed Rs.5350/-.

Category - B: Other allowances :

- | | | |
|---------------------------------|---|--------------------------|
| 1. Driver's Allowance | : | Rs. 3,000/- per month. |
| 2. Telephone Allowance | : | Rs. 3,500/- per month. |
| 3. Entertainment Allowance | : | Rs. 1,500/- per month. |
| 4. Adhoc Allowance | : | Rs. 1,06,160/- per month |
| 5. Magazine & Journal Allowance | : | Rs. 1,467/- per month. |

Category - C:

Leave, Bonus, Provident Fund, Gratuity etc. as per the rules and Regulations of the Company as applicable from time to time.

5. The terms and conditions of the said appointment and/or agreement and payment may be altered or varied from time to time by the Board as it may, in its discretion, deem fit, within limits of the maximum amount payable to Whole Time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments reenactments made hereafter in this regard.
6. The Whole Time Director shall as long as he continues to be a Whole Time Director of the Company, shall not be liable to retire by rotation and shall not be reckoned as Director for the purpose of determining the number of directors liable to retire by rotation.
7. If at any time the Whole Time Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Whole Time Director.

The total remuneration, including the minimum remuneration, in the event of loss or inadequacy of profits of the Company, in any year, payable to Shri Kiran Shetty will be as per the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

This may be treated as an abstract of the terms of remuneration as per Section 302 of the Companies Act, 1956.

The Agreement will be open for inspection to the Members at the Registered Office of the Company during 11.00 a.m. to 3.00 p.m on any working day except Sunday.

Except Shri Kiran Shetty, none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Item No. 8

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors can not except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of the business, in excess of the aggregate of the Paid up Capital and Free Reserves of the Company.

At the Annual General Meeting held on 28.07.2007, Shareholders had authorized Board of Directors to borrow money, not exceeding Rs. 200/- Crores. Your Directors, considering the long term future requirements of borrowed funds, are of the view that the aforesaid limit be enhanced. In the circumstances, the consent of the Shareholders, under Section 293(1)(d) of the Companies Act, 1956 is required to enable the Board of Directors to borrow upto sum Rs. 500/- Crores, over and above aggregate of Paid up Capital and Free Reserves of the Company.

None of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption

By Order of the Board,

Date : 31.07.2010
Place : Bil

Vimal K. Patel
Chairman

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING.

Information pursuant to Clause 49 of the Listing Agreement regarding re-appointment of Directors.

Name of the Director	Shri Atul G. Shroff	Shri Manubhai G. Patel
Date of Birth	23.12.1947	28.07.1937
Date of Appointment	15.04.1986	07.11.2009
Specialised Expertise / Brief Profile	Mr. A. G. Shroff is Managing Director of Transpek Industry Ltd since its inception in 1965. His valued suggestions have resulted in improvement in working of the Company at various levels. The Company is growing under his able leadership.	Shri Manubhai G. Patel is a Practicing Chartered Accountant with considerable experience in the fields of Taxation, Accounts and Corporate Laws. He is Senior Partner of Manubhai & Co., Chartered Accountants, Ahmedabad. He was also member of Central Council of Institute of Chartered Accountants of India and Central Direct Tax Advisory Committee, Government of India. He has also been associated with various organizations as President/Chairman &/ or as member of Committees in the fields of Corporate Laws and Taxation.
Qualifications	Matriculation	B.Com., LL.B., FCA.
Directorships of other Companies as on 31.03.2010	Transchem Agritech Ltd. Transpek Industry (Europe) Ltd. Transpek Industry Ltd. Shri Dinesh Mills Ltd. Punjab Chemicals & Crop Protection Ltd. Excel Industries Ltd.	Apcotex Industries Ltd. Gujarat State Finance Services Ltd. Sunshield Chemicals Ltd. Aeonian Investments Company Ltd. M&CO Advisors and Consultants Pvt Ltd.
Chairman/Member of other Committees of Companies as on 31.03.2010	Transpek Industry Ltd. - Finance Committee - Chairman - Share Transfer Committee - Member - Shareholders' Grievance Committee - Member Shri Dinesh Mills Ltd. - Investors Grievance Committee - Chairman - Remuneration Committee - Member	Apcotex Industries Ltd. Audit Committee - Chairman Shareholders' Grievance Committee- Chairman Remuneration Committee - Member Gujarat State Financial Services Ltd. Audit Committee - Chairman Investment Committee - Member Sunshield Chemicals Ltd. Audit Committee - Chairman Remuneration Committee - Member Aeonian Investments Co. Ltd. Audit Committee - Chairman

Name of the Director	Shri Kiran Shetty
Date of Birth	10.06.1970
Date of Appointment	31.07.2010
Specialised Expertise	Kiran Kumar Shetty is a Bachelor of Technology in Industrial engineering and has an experience of 19 years in various operational areas. In past he was associated with Serck Services, UAE and Tata Toyo Radiators Ltd., Pune.
Qualifications	Bachelor of Technology
Directorships of other Companies as on 31.03.2010	Nil
Chairman/Member of other Committees of Companies as on 31.03.2010	Nil

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 49th Annual Report together with the audited statements of accounts for the year ended 31.03.2010.

1. FINANCIAL RESULTS : (Rs. in Lacs)

Particulars	Stand alone		Consolidated	
	Year ended on 31.03.2010	Year ended on 31.03.2009	Year ended on 31.03.2010	Year ended on 31.03.2009
Total Turnover	41731.29	29470.98	47133.89	N.A.
Profit Before Taxation	9827.83	4790.36	9893.69	N.A.
Less: Provision for taxation	1950.00	565.26	1996.54	N.A.
MAT Credit Entitlement	—	(117.00)	—	N.A.
Deferred Tax Liability	37.08	195.99	37.08	N.A.
Profit After Tax	7840.75	4146.11	7860.07	N.A.
Add : Balance brought forward from previous year	7290.48	4643.15	7290.48	N.A.
Balance taken over from GIPL the Transferor Company.	—	259.84	—	N.A.
Proposed Dividend of 2007-08 written back	—	146.13	—	N.A.
Short Provision of Tax of Previous Years	—	0.35	—	N.A.
Profit available for appropriation	15131.23	9195.58	15150.55	N.A.
Appropriations:				
Transfer to General Reserve	1000.00	650.00	1000.00	N.A.
Proposed Dividend	1430.37	1072.78	1430.37	N.A.
Provision For Tax on Proposed Dividend	237.58	182.32	237.58	N.A.
Balance Carried to Balance Sheet	12463.28	7290.48	12482.60	N.A.
Total	15131.23	9195.58	15150.55	N.A.

2. DIVIDEND:

The Board, has decided to recommend Dividend 100% i.e. Rs. 2/- per Equity Share of Rs. 2/- each for the Financial Year ended on 31.03.2010.

3. OPERATIONS:

Both Gasket and Radiator product groups, have good manufacturing facilities which have been upgraded and are supported by sophisticated Research and Development facilities for new projects or models OEM customers come up with. There is over all growth of 41% as compared to previous year.

The detailed discussion is covered in Annexure-A, forming part of this Report on Management Discussion and Analysis.

Given below are the top and bottom line figures.

(Rs. in Lacs)

	Year ended on 31.03.2010	Year ended on 31.03.2009
Sales (Net)	40715	28792
PAT	7841	4146

DOMESTIC SALES:

During the Financial Year Company's domestic sales stands at Rs.27262 lacs against previous year Rs.18003 lacs.

EXPORT SALES:

During the Financial Year, Company's Export Sales stands at Rs.13453 Lacs against previous year Rs. 10789 Lacs.

Overall sales mix remains as Domestic 67 % (Previous Year 62%) and Export Sales 33% (Previous Year 38%).

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 has appointed Shri Manubhai G Patel as Director on the Board in place of Shri Sudhir Munjal who had resigned.

The Board of Directors has appointed Shri Kiran Shetty as an additional Director on the Board of Directors of the Company.

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

Shri Kiran Shetty has also been appointed as Executive Director for a period of 3 years effective from 31.07.2010 on terms and conditions mentioned in the agreement in this regard subject to the approval of the shareholders.

Shri A.G.Shroff and Shri M.G. Patel are retiring by rotation and being eligible, offer themselves for re-appointment.

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

Shri Kersi P Kapadia, the Executive Director of the Company has resigned w.e.f. 31.05.2010. The Company, do place on record its appreciation towards the contribution made by him, during his tenure as director of the Company.

6. AUDIT COMMITTEE:

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

7. CORPORATE GOVERNANCE:

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

8. PARTICULARS OF EMPLOYEES:

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

11. SUBSIDIARIES.**11.1** Nederlandse Radiateurs Fabrik B.V – Netherlands incorporated in Netherlands

During the year Nederlandse Radiateurs Fabrik B.V - Netherlands has become 100% Wholly Owned Subsidiary of the Company in view of acquisition, by the Company, by purchasing 100% of its equity from its shareholders at an aggregate consideration of Euro 17.70 million w.e.f. 23.02.2010 (engaged in the business of manufacturing and distribution of heat transfer products).

11.2 Kilimanjaro Biochem Limited – Tanzania

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

Kilimanjaro Biochem Limited has not started any commercial activity during the year ended on 31.03.2010.

The Consolidated Financial Statements, together with the Report of the Auditors for the year ended on 31.03.2010 and other information as per applicable Rules and Regulations, in respect of the aforesaid subsidiaries are attached herewith.

The accounts of the subsidiaries are consolidated with the accounts of the Company in accordance with Accounting Standard 21(AS 21) prescribed by The Institute of Chartered Accountants of India. The consolidated accounts and the consolidated financial information of the subsidiaries form part of the annual report.

The Annual Audited Accounts of the aforesaid subsidiary companies are appended at end of this Annual Report as required by the applicable legal provisions.

12. PUBLIC DEPOSITS:

As on 31st March, 2010 no deposits were due for repayment and remained unclaimed and therefore no deposit have since been refunded.

13. INSURANCE:

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

14. INDUSTRIAL RELATIONS:

Overall industrial relation continued to be cordial. The Directors place on record their appreciation for the continued support and co-operation of all the employees.

15. ACKNOWLEDGEMENT:

The Board places on record its deep appreciation for the co-operation and continued support received by the Company from Shareholders, Banks, Depositors and Employees during the year.

By Order of the Board,

Date : 31.07.2010
Place : Bil

Vimal K. Patel
Chairman



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 critical components in sealing and cooling applications of Automotive, Power, Earthmoving and Industrial engines.

Industry Structure and Developments:

The Automobile Industry in India has done very well during the last Financial Year ended on 31.03.2010 and has shown its resilience to global economic crisis. This has resulted in to good sales performance of the company resulting in substantial increase in the overall sales volume for the full year ended on 31.03.2010.

Operations:

Both Gasket and Radiator product groups, have good manufacturing facilities which have been upgraded and are supported by sophisticated Research and Development facilities for new projects or models OEM customers come up with. There is over all growth of 41% as compared to previous 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 development, competitive price and delivery schedule.
- * Sound Financial disciplined working.

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 intensifying.

Opportunities

- * Developing OEM Customers overseas. Due to low cost base and good quality systems, overseas OEMs and outsourcing present a good opportunity.
 - (I) Scope of expansion in new applications within existing sectors also.
 - (II) Better opportunities in earthmoving, infrastructure development and power generation sectors.
 - (III) During the year ended, the Company has acquired 100 % shareholding of Nederlandse Radiateuren Fabriek B.V., incorporated in Netherlands. This acquisition is expected to result in long term growth opportunities for our Company, since Nederlandse Radiateuren Fabriek B.V. is engaged in the business of manufacturing and distribution of heat transfer products across European continent.

Threats:

Increasing metal prices and competition from existing and new manufacturers. The European Markets currently are gripped by reversionary trends.

Technology:

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

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

The Company has 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 Technology Skill, Company has successfully migrated to SAP (ERP) system and the systems are reviewed periodically and upgraded to meet the requirements.

Financials :

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

Particulars	Current Year 2009-2010	Previous Year 2008-2009
Net Profit to Sales (PBT) (%)	24	17
Earning Per Share (EPS)(Rs.)	11	6
Cash earning per Share (Rs.)	12	7
Return on Net worth (PAT) (%)	34	25
Dividend Payout Ratio (Including Dividend Tax) (%)	21	30
Retained Earnings (Rs. in Lacs)	6173	2891
Retained Earnings (%)	79	70

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 is a thrust area. The Company has been developing new markets both in India and abroad, substantially broad basing export sales, penetrating existing markets and launching new products and building 'Banco' brand too. In addition, there is an increased focus on achieving greater efficiency through cost reduction initiatives and better supply chain management.

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 facts of its operations. The Company's Corporate Governance philosophy has been further strengthened through its Code of Conduct, Code of Conduct for prevention of Insider Trading as also the Code of Corporate Disclosure practices leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit its all stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

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

2. Board of Directors :

The Board of Directors is consisting of Ten directors with a Non-Executive Chairman and Five independent Directors as on 31.3.2010. 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 31.03.2010 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 2009-2010, the Board met nine times on 29.04.2009, 21.07.2009, 23.09.2009, 30.09.2009, 14.10.2009, 07.11.2009, 29.01.2010, 13.02.2010 and 20.02.2010. 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 2009-10	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.	7	Yes	2	–	3
Shri Atul G.Shroff	Non Executive Independent.	6	No	6	3	4
Shri Samir K.Patel	Non Executive & Promoter	9	Yes	2	–	3
Shri Mehul K.Patel	Non Executive & Promoter	8	No	2	–	2
Shri Ram Devidayal	Non Executive Independent Director	8	Yes	4	2	4
Shri Mukesh D. Patel	Non Executive Independent	9	Yes	7	2	8

Shri S.K.Duggal	Non Executive Independent	3	Yes	1	–	–
*Shri M.G.Patel	Non Executive Independent	–	No	5	5	3
**Shri K.P.Kapadia	Executive Director	3	Yes	–	–	–
Shri Shailesh Thakker	Executive Director & CFO	9	Yes	–	–	–
***Shri Kiran Shetty	Executive Director	–	–	–	–	–

* Appointed as Director w.e.f 7.11.2009

** Resigned as Director w.e.f 31.05.2010

*** Appointed as Director w.e.f 31.07.2010

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

Shareholding of Directors

Name	Nos of Shares held as on 31.03.2010 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	6,600 (–)

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 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 2009-2010, five Audit Committee meetings were held on 29.04.2009,21.07.2009, 30.09.2009, 14.10.2009 and 29.01.2010 details of attendance of members are as under.

Attendance of Members at the Meetings of the Audit Committees held during 2009-2010.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ram Devidayal	5	4
Shri Atul G Shroff	5	4
Shri Mukesh D. Patel	5	5
Shri Vimal K Patel	5	4

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 Shri 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 2009-2010.

Names of Director	Sitting Fees (Rs.)
Shri Atul G.Shroff	62,500/-
Shri Ram Devidayal	80,000/-
Shri Mukesh D. Patel	90,000/-
Shri S.K.Duggal	22,500/-

Please refer to Annexure "B" to the Directors Report for the details of remuneration paid to Shri Kersi P Kapadia and Shri Shailesh A. Thakker.

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 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 2009-2010, four Shareholders'/Investors' Grievance Committees Meetings were held on 29.04.2009, 21.07.2009, 14.10.2009 and 29.01.2010 details of attendance of members are as under.

Attendance of Members at the Meetings of the Shareholders' Grievance Committees held during 2009-2010.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ram Devidayal	4	4
Shri Atul G Shroff	4	3
Shri Mukesh D Patel	4	4
Shri Samir K Patel	4	4

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

During the period under review, one grievance was received 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 31.3.2010.

6. General Body Meetings. :

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

Date	Time	Place	Special Resolution
28.07.2007	10.30 a.m	At the Registered Office	- No Special Resolution.
02.09.2008	10.00 a.m	At the Registered Office	- No Special Resolution.
27.11.2009	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.

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 : Tuesday, the 28th September, 2010 at 10.00 a.m.
- Venue : At the Registered Office.

9.2 Financial Calendar :

Period	:	Board Meeting to approve
Un audited Financial Results for		
Quarter ending 30.06.2010	:	Declared in the Meeting held on 31.07.2010.
Quarter ending 30.09.2010	:	By end of October, 2010 or within statutory time limit.
Quarter ending 31.12.2010	:	By end of January, 2011 or within statutory time limit.
Audited Results for the year ended on 31.03.2011.	:	By end of May, 2011 or within statutory time limit.

9.3 Dividend Payment Date : After 28.09.2010

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 31.03.2010, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18th September, 2010 to Tuesday, the 28th September, 2010 (Both days inclusive) for the purpose of Dividend.

9.5 Dividend Remittance:

Dividend on Equity Shares as recommended by the Directors for the year ended 31.03.2010 when declared at the AGM, will be paid:

- I) To all Beneficial Owners in respect of shares held in electronic form, as per the date made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 17.09.2010.
- II) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 17.09.2010

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 - 09	26.90	18.50	222738	Oct - 09	80.95	42.65	8768016
May - 09	35.00	22.00	352969	Nov - 09	81.80	63.55	3761988
Jun - 09	33.55	25.00	264975	Dec - 09	90.05	71.55	4042561
Jul - 09	38.00	23.10	1149207	Jan - 10	99.00	71.50	2675445
Aug - 09	44.50	32.10	1361485	Feb - 10	90.00	75.00	1656737
Sep - 09	47.95	39.55	1329210	Mar - 10	81.35	85.45	1245934

National Stock Exchange of India Limited

Month	Highest	Lowest	Total Nos of Shares Traded	Month	Highest	Lowest	Total Nos of Shares Traded
Apr - 09	26.00	16.50	106998	Oct - 09	80.60	43.50	7600348
May - 09	32.80	21.00	134967	Nov - 09	81.60	63.35	3209698
Jun - 09	32.95	25.00	134355	Dec - 09	90.40	73.10	4133573
Jul - 09	38.00	23.05	940576	Jan - 10	99.30	71.75	2960632
Aug - 09	45.45	32.50	1332865	Feb - 10	90.30	75.00	1758053
Sep - 09	48.30	40.00	1227930	Mar - 10	94.90	79.00	1224129

9.9 Share Transfer System:

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

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories, i.e National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within 21 days except few cases.

9.10 Distribution of Shareholding as on 31.03.2010:

No of Share Holding	Nos of Shareholders	Nos of Shares	% to Total Capital
Upto 5000	7030	1315417	1.84
5001 - 10000	1860	1645944	2.30
10001 - 20000	1076	1832256	2.56
20001 - 30000	611	1714203	2.40
30001 - 40000	235	876147	1.23
40001 - 50000	172	823096	1.15
50001 - 100000	347	2522190	3.53
100001 and above	217	60789397	85.00
Total	11548	71518650	100.00

9.11 Distribution of Shareholding Pattern as on 31.03.2010:

Category	Nos of Shares	% of Total Capital
Promoters (including NRI, Bodies Corporate)	47882295	66.96
Non Promoters		
a. Banks and Financial Institution	2000	–
b. Bodies Corporate	1984836	2.78
c. Non Residents Indians	4929256	6.89
d. Mutual Fund & UTI	177176	0.25
e. Public	16543087	23.13
Total	71518650	100.00

9.12 Dematerialization of Shares as on 31.03.2010.

2,71,78,100 (38.00%) 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
 - : at Rudrapur

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

Link Intime India Pvt Ltd.
301, 1st Floor, Jaldhara Complex,
Opp. Manisha Society,
Manisha Char Rasta
Old Padra Road, Vadodara – 390 015
Phone : (0265) 2250241 / 2252855
E-mail: vadodara@linkintime.co.in

For payment of dividend and other quarries of the Company

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

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

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

I confirm that the Company has, in respect of the financial year ended 31.03.2010 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 31.03.2010.

Date: 31.07.2010
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 31st March, 2010 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.

For SHAH & CO.,
Chartered Accountants
FRN 109430W

Place : Mumbai
Date : 31st July, 2010

(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)	37.68	B.E (Mechanical)	20Yrs	17.09.2007	53 Yrs	BCL Springs COO
2	S.A. Thakker	Executive Director & CFO	27.99	B.Com., PGDBM., ICWA	17 Yrs	19.07.2008	43 Yrs	Deepak Nitrate Limited
3	R.R. Kedia	Executive Director (Designated)	25.52	B.E (Mechanical)	38 Yrs	03.12.2001	59 Yrs	Swil Limited

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.
- None of the above are related to any Director of the Company.

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 31.03.2010.

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.

	CURRENT YEAR 2009-2010	PREVIOUS YEAR 2008-2009
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
No. Unit KWH	3019796	2063019
Total amount (Rs.in Lacs)	201.38	145.44
Rate per Unit(Rs.)	6.67	7.05
(b) Own generation		
(i) Through diesel generator Unit KWH	12238	93472
Total amount (Rs. in Lacs)	1.41	9.62
Rate per Unit	11.53	10.29
(ii) Through Gas Generator		
Units	6218513	5339640
Units per liter of fuel oil/gas	3.95	3.16
Cost/Unit	4.43	4.99
(c) Wind Electricity Generator		
Unit KWH	N.A	N.A
Total Amount (Rs. in Lacs)		
Rate per Unit (Rs.)		



	CURRENT YEAR 2009-2010	PREVIOUS YEAR 2008-2009
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	NIL
Total Amount(Rs. in Lacs)	NIL	NIL
4. Other/(Natural Gas / Nitrogen Gas)		
Quantity(Cu.Mts.)	3955837	3287756
Total amount (Rs.in Lacs)	333.64	232.52
Rate/Per(Cu Mtr.)(Rs.)	8.43	7.07
5. HI SPEED DIESEL OIL		
Quantity (K.Ltrs)	27.83	39.23
Total Amount.(Rs.in Lacs)	8.95	11.16
6. HCR		
Quantity (K.Ltrs)	NIL	NIL
Total Amount (Rs. in Lacs)	NIL	NIL

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 Charged Air Coolers, Oil coolers and Radiators for various industrial and automotive applications to operate in very adverse conditions.
 - ii. Development of various Bharat Stage-III/IV compliant Gaskets for Automobile applications for domestic OEM and Export Markets.
 - iii. Development of new raw materials for improving product durability and reliability.
 - 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. Find customers in user industries which currently do not form part of customer base.
 - 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	2009-2010	2008-2009
1. Capital	56.90	8.14
2. Recurring	288.16	256.01
3. Total	345.06	264.15
4. Percentage of R&D Expenditure to Total Turnover.	0.85%	0.90%

Technology Absorption, Adaptation and Innovation :

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

Benefits derived as a result of above:

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

B. FOREIGN EXCHANGE EARNING AND OUTGO:

	(Rs. in Lacs)	
	2009-2010	2008-2009
a. Earned by way of exports	13453.14	10474.00
b. Used by way of imports/expenses	9981.90	8004.94



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 31st March 2010 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 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 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 31st March, 2010.
 - 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

(INDULAL H. SHAH)
Partner

Membership No : 798
FRN 109430W

Place : Mumbai
Date : 31st July, 2010

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 24th 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 31st March 2010 for a period of more than six months from the date they became payable.
- (c) Following disputed demands aggregating to Rs.38.06 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	Forum where the dispute is pending
Sales Tax Act	Sales Tax	0.32 Lac	(F.Y.) 1995 -1996 and 2001-02	S.T. (A) Appellate Tribunal
Income Tax Act 1961	Income Tax	0.50 Lac	Assessment Years 2005-06	ITO and CIT (A) respectively
		0.69 Lac	2007-08	
		36.55 Lacs	2008-09	

- x) The company has no accumulated losses as at 31st March,2010. 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 issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR SHAH & CO.,
Chartered Accountants

(INDULAL H. SHAH)
Partner
Membership No : 798
FRN 109430W

Place : Mumbai
Date : 31st July, 2010

BALANCE SHEET AS AT 31st MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCHEDULES		AS AT 31.03.2010	AS AT 31.03.2009
I SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUNDS:				
(a) Capital	1		1430.37	1430.37
(b) Reserves & Surplus	2		21676.29	15504.88
			<u>23106.66</u>	<u>16935.25</u>
Deferred Tax Liabilities			899.73	862.65
(2) LOAN FUNDS:				
(a) Secured Loans	3		1878.15	903.70
(b) Unsecured Loans	4		7760.23	28.50
			<u>9638.38</u>	<u>932.20</u>
TOTAL			<u>33644.77</u>	<u>18730.10</u>
II APPLICATION OF FUNDS:				
(1) FIXED ASSETS:				
(a) Gross Block	5	13761.40		12732.78
(b) Less: Depreciation		5662.41		4785.08
(c) Net Block			8098.99	7947.70
(d) Capital Work in Progress including Capital Advances			489.49	248.64
			<u>8588.48</u>	<u>8196.34</u>
(2) INVESTMENTS :	6		13050.65	547.32
(3) CURRENT ASSETS, LOANS & ADVANCES:				
(a) Inventories	7	7593.31		5522.30
(b) Sundry Debtors	8	8789.93		6458.85
(c) Cash & Bank Balances	9	550.38		1055.72
(d) Loans & Advances	10	1023.16		1161.71
			<u>17956.78</u>	<u>14198.58</u>
LESS: CURRENT LIABILITIES & PROVISIONS:	11			
(a) Liabilities		3999.79		2706.25
(b) Provisions		1951.35		1505.89
			<u>5951.14</u>	<u>4212.14</u>
NET CURRENT ASSETS			<u>12005.64</u>	<u>9986.44</u>
TOTAL			<u>33644.77</u>	<u>18730.10</u>

As per our report of even date

For Shah & Co.

Chartered Accountants

Indulal H. Shah

Partner

Dinesh Kavthekar

Company Secretary

Mumbai : 31st July, 2010

For and on behalf of the Board,

Vimal K Patel

Director

Samir K Patel

Director

Mehul K Patel

Director

A.G.Shroff

Director

M.D.Patel

Director

S.K.Duggal

Director

M.G.Patel

Director

S.A .Thakker

ED & CFO

Bil - Vadodara: 31st July, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCHEDULES		2009-10	2008-09
INCOME :				
Gross Sales			43178.26	31451.98
Less: Excise Duty on Sales			2463.28	2660.54
Net Sales			40714.98	28791.44
Other Income	12		1016.31	679.54
Increase / (Decrease) in Stock	13		(114.38)	14.33
TOTAL			41616.91	29485.31
EXPENDITURE :				
Material Consumed	14		21231.86	16083.31
Payment to and Provision for employees	15		1658.09	1494.45
Research and Development Expenses	16		288.16	256.01
Manufacturing Expenses	17		4319.87	3063.58
Administrative and General Expenses	18		466.25	486.06
Selling and Distribution Expenses	19		2655.99	2173.18
Interest and Finance Charges	20		215.20	261.31
Depreciation		955.05		878.56
Less:Charged to Revaluation Reserve		1.39		1.51
TOTAL			953.66	877.05
PROFIT BEFORE TAX			31789.08	24694.95
Provision For Current Tax		1950.00		550.26
MAT Credit Entitlements		-		(117.00)
Provision For Fringe Benefit Tax		-		15.00
Provision For Deferred Tax		37.08		195.99
PROFIT AFTER TAX			1987.08	644.25
Add:Balance Brought Forward from Previous Year			7840.75	4146.11
Balance taken over from GIPL the transferor Company			7290.48	4643.15
Excess/ Short Provision of Tax for Previous Year			0.00	259.84
Proposed dividend of 2007-08 written back			0.00	0.35
BALANCE AVAILABLE FOR APPROPRIATIONS			15131.23	9195.58
APPROPRIATIONS				
Excess/ Short Prov.of Tax for Previous Years				
General Reserve			1000.00	650.00
Proposed Dividend on Equity Shares			1430.37	1072.78
Tax on Proposed Dividend			237.58	182.32
Balance Carried to Balance Sheet			12463.28	7290.48
TOTAL			15131.23	9195.58
Earning Per Share Face value of Rs 2			10.96	5.80
Notes Forming Part of Accounts	21			

As per our report of even date

For Shah & Co.

Chartered Accountants

Indulal H. Shah

Partner

Dinesh Kavthekar

Company Secretary

Mumbai : 31st July, 2010

For and on behalf of the Board,

Vimal K Patel

Director

Samir K Patel

Director

Mehul K Patel

Director

A.G.Shroff

Director

M.D.Patel

Director

S.K.Duggal

Director

M.G.Patel

Director

S.A .Thakker

ED & CFO

Bil - Vadodara: 31st July, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

(Rs. in Lacs)

PARTICULARS	AMOUNT	2009-10	AMOUNT	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items Adjusted For		9827.83		4790.36
Depreciations	953.66		877.05	
Interest Paid	215.20		261.31	
Interest Received	(93.21)		(35.70)	
Unrealised Gains (Net of Loss)	(48.94)		92.46	
(Profit)/Loss on Sale of Investments	(211.16)			
(Profit)/Loss on Sale of Fixed Assets	(11.03)		(0.56)	
Dividend Received	(28.54)		(39.04)	
		775.98		1155.52
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		10603.81		5945.88
(Increase)/Decrease in Debtors	(2414.98)		803.36	
(Increase)/Decrease in Inventories	(2071.01)		(1226.26)	
(Increase)/Decrease in Advances	(63.66)		266.93	
Increase/(Decrease) in Trade Payables	1301.47		(94.47)	
		(3248.18)		(250.44)
CASH GENERATED FROM OPERATIONS		7355.63		5695.44
Direct Taxes Paid (Net of refunds)	(1743.44)		(412.42)	
		(1743.44)		(412.42)
NET CASH FLOW FROM OPERATING ACTIVITIES		5612.19		5283.02
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1377.97)		(2539.65)	
Sale of Fixed Assets	41.81		4.99	
Capital Reserve on Merger			(5.66)	
Interest Received	88.86		33.14	
Loans & Advances on Merger			0.47	
Purchase of Investments				
Investment in Subsidiaries	(12768.21)		(39.37)	
Other Investment	(200.94)		(375.21)	
Sale of Investments	676.98		702.05	
Dividend Received	28.54		39.04	
		(13510.93)		(2180.20)
NET CASH USED IN INVESTMENT ACTIVITIES		(7898.74)		3102.82
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	(1072.78)		(869.10)	
Interest Paid	(215.20)		(261.31)	
Tax paid on Dividend	(182.32)		(147.70)	
Increase / (Decrease) in Borrowings	974.45		(1223.88)	
Increase / (Decrease) in short term Borrowings	7889.25		(8.71)	
		7393.40		(2510.70)
NET CASH USED IN FINANCING ACTIVITIES		(505.34)		592.12
Cash and Cash Equivalents at the beginning of the year		1055.72		147.34
Cash and Cash Equivalents received on Merger				316.26
Cash and Cash Equivalents at the end of the year		550.38		1055.72

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.

<p>As per our report of even date For Shah & Co. Chartered Accountants</p> <p>Indulal H. Shah Partner</p> <p>Dinesh Kavthekar Company Secretary</p> <p>Mumbai : 31st July, 2010</p>	<p>For and on behalf of the Board,</p> <p>Vimal K Patel Director Samir K Patel Director Mehul K Patel Director A.G.Shroff Director M.D.Patel Director S.K.Duggal Director M.G.Patel Director S.A .Thakker ED & CFO</p> <p>Bil - Vadodara: 31st July, 2010</p>
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SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

PARTICULARS		AS AT 31.03.2010	AS AT 31.03.2009	
SCHEDULE - 1- CAPITAL				
Authorised:				
1520 Lacs Equity Shares of Rs.2/- each		3040.00	3040.00	
		3040.00	3040.00	
Issued subscribed and Paid up:				
715.19 Lacs Equity Shares of Rs.2/- each fully paid up.		1430.37	1430.37	
TOTAL		1430.37	1430.37	
Note: Of above Equity Shares				
(a) 590.95 Lacs Equity Shares of Rs 2/- each have been allotted as fully paid up Bonus Shares by Capitalization of General Reserve.				
(b) 99.45 Lacs Equity Shares of Rs 2/- each have been allotted as fully paid up in terms of amalgamations without payment being received in cash.				
SCHEDULE 2 - RESERVES AND SURPLUS				
PARTICULARS	AS AT 01.04.09	ADDITIONS	DEDUCTIONS	AS AT 31.03.10
Capital Reserve	0.77 (0.77)			0.77 (0.77)
Revaluation Reserve	27.51 (29.02)		1.39 (1.51)	26.12 (27.51)
Share Premium	1200.31 (1077.31)	(123.00)	(III)	1200.31 (1200.31)
Investment Subsidy	33.45 (33.45)			33.45 (33.45)
General Reserve	6952.36 (6374.12)	1000.00 (578.24)	(IV)	7952.36 (6952.36)
Surplus in Profit and Loss Account	7290.48 (4643.15)	9827.83 (5196.68)	(I)	12463.28 (7290.48)
TOTAL	15504.88 (12157.82)	10827.83 (5897.92)		4656.42 (2550.86)
Note:				
(a) Figures in bracket are of Previous Year				
(b) Previous years' figures include				
(I) Rs 259.84 Lacs on account of amalgamation of GIPL				
(II) 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.				
(III) Rs. 123.00 Lacs on account of amalgamation.				
(IV) Rs. 47.50 Lacs on account of amalgamation.				

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 3 - SECURED LOANS		
Term Loan		
Rupee Loan from Banks	0.00	204.38
Working Capital Loan		
From Banks	1878.15	699.32
TOTAL	1878.15	903.70
1. Working Capital Loans are secured by hypothecation of Stocks and book debts of the Company both Present & future ranking pari-pasu in Favour of Participating Scheduled Banks.		
PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 4 - UNSECURED LOANS		
Fixed Deposits		
Repayable within one year Rs.25.70 Lacs (Previous Year Rs. 0.10 Lacs)	28.40	28.50
Short Term Working Capital Demand Loans from Banks	7731.83	0.00
TOTAL	7760.23	28.50

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 5 - FIXED ASSETS

(Rs. in Lacs)

Sr. No.	Particulars	GROSSBLOCK				DEPRECIATION				NETBLOCK	
		As at 01.04.2009	Additions	Deduction	As at 31.03.2010	Upto 31.03.2009	For the year	Deduction	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	Freehold Land	226.89	0.00	0.00	226.89	0.00	0.00	0.00	0.00	226.89	226.89
2	Buildings	1719.17	45.01	0.00	1764.18	643.47	102.46	0.00	745.93	1018.25	1075.70
3	Plant and Machinery *	9916.73	1019.94	94.23	10842.44	3691.99	771.45	66.32	4397.12	6445.32	6224.74
4	Furniture , Fixture & office Equipments.	181.98	3.50	0.05	185.43	124.79	11.52	0.05	136.26	49.17	57.19
5	Vehicles	329.65	9.29	14.10	324.84	185.44	38.32	11.25	212.51	112.33	144.21
6	Scientific Research Buildings	82.45	2.80	0.00	85.25	27.46	5.62	0.00	33.08	52.17	54.99
	Machinery/Equip	169.69	54.10	0.00	223.79	52.14	18.44	0.00	70.58	153.21	117.55
	Furniture	20.67	0.00	0.00	20.67	6.22	2.62	0.00	8.84	11.83	14.45
7	Other Assets **	85.55	2.48	0.12	87.91	53.57	4.62	0.10	58.09	29.82	31.98
	Current Year's Total :	12732.78	1137.12	108.50	13761.40	4785.08	955.05	77.72	5662.41	8098.99	7947.70
	Previous Year's Total:	10550.29	2291.01	108.52	12732.78	4010.61	878.56	104.09	4785.08	7947.70	

Capital work in progress including capital advance Rs. 489.49 Lacs previous year Rs. 248.64 Lacs

* Plant & Machinery includes intangible assets viz. Technical know-how and Software

** Other Assets include Weighing Machine, Air Conditioners and other Equipments

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 6 - INVESTMENTS AT COST		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS (QUOTED- FULLY PAID EQUITY SHARES) :		
Nil Nos. (Previous Year 11000 Nos.) Bharati Televentures Ltd of Rs.10 each	0.00	65.27
Nil Nos. (Previous Year 5400 Nos.) Gas Authority of India Ltd of Rs.10 each	0.00	6.05
3294 Nos. (Previous Year 3294 Nos.) Indian Motor Parts Ltd. of Rs.10 each	3.14	3.14
Nil Nos. (Previous Year 500 Nos.) Infosys Ltd. of Rs.5 each	0.00	5.15
Nil Nos. (Previous Year 7698 Nos.) National Thermal Power Corp. Ltd. of Rs. 10 Each	0.00	5.67
400 Nos. (Previous Year 400 Nos.) Perfect Circle Victor Ltd. of Re. 1 each	0.01	0.01
300 Nos. (Previous Year 9093 Nos.) Reliance Industries Ltd. of Rs.10 each	3.24	110.09
Nil Nos. (Previous Year 190 Nos) Reliance Cap. Venture Ltd.of Rs.10 each	0.00	0.26
Nil Nos. (Previous Year 3800 Nos) Reliance Comm. Venture Ltd.of Rs.5 each	0.00	7.66
Nil Nos. (Previous Year 285 Nos.) Reliance Infra Structure Ltd.of Rs.10 each	0.00	1.45
Nil Nos. (Previous Year 3800 Nos.) Reliance Natural Res. Ltd.of Rs.5 each	0.00	0.14
Nil Nos. (Previous Year 5000 Nos.) Voltamp Transformer Ltd.of Rs.10 each	0.00	30.09
Nil Nos. (Previous Year 10000 Nos.) ICICI Bank Ltd. of Rs.10 each	0.00	50.52
132700 Nos. (Previous Year 132700 Nos.) Swiss Glasscoat Equipment Ltd. of Rs. 10 each	13.38	13.38
NIL Nos. (Previous Year 232 Nos.) Tata Consultancy Service Ltd. of Re. 1 each	0.00	0.99
800 Nos. (Previous Year 1200 Nos.) Wipro Ltd. of Rs.10 each	5.52	4.48
511 Nos. (Previous Year Nil Nos.) National Hydro Power Corporation of Rs. 10 each	0.18	0.00
315 Nos. (Previous Year Nil Nos.) Oil India Ltd of Rs. 10 each	3.31	0.00
750 Nos. (Previous Year Nil Nos.) Bajaj Finserve Ltd of Rs. 10 each	2.45	0.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
250 Nos. (Previous Year Nil Nos.) United Spirits Ltd of Rs.10 each	3.34	0.00
300 Nos. (Previous Year Nil Nos.) Patni Computers Systems Ltd of Rs.10 each	1.65	0.00
150 Nos. (Previous Year Nil Nos.) Glaxosmithkline Consumer Healthcare Ltd of Rs.10 each	2.22	0.00
300 Nos. (Previous Year Nil Nos.) Axis Bank Ltd of Rs.10 each	3.48	0.00
500 Nos. (Previous Year Nil Nos.) Dr Reddys Laboratories Ltd of Rs.10 each	5.69	0.00
600 Nos. (Previous Year Nil Nos.) Punjab National Bank of Rs.10 each	5.51	0.00
Sub - Total	53.12	304.35
MUTUAL FUND (QUOTED FULLY PAID):		
Nil Nos. (Previous Year 86847 Nos.) Reliance Pharma Fund	0.00	10.00
Nil Nos. (Previous Year 92393 Nos.) HDFC TOP 200- Dividend	0.00	33.00
Nil Nos. (Previous Year 275026 Nos.) ICICI Prudential Infra Fund-SIP	0.00	33.00
Nil Nos. (Previous Year 90195 Nos.) Reliance Diversified Power Div Plan	0.00	33.00
Nil Nos. (Previous Year 78869 Nos.) Reliance Growth Fund Div Plan	0.00	36.00
Nil Nos. (Previous Year 188365 Nos.) IDFC Equity Fund Div Plan	0.00	33.00
500000 Nos. (Previous Year Nil Nos.) 11.25% Loans IRB	50.00	0.00
10522 Nos. (previous Year Nil Nos.) Reliance Money Manager Fund	105.52	0.00
11 Nos. (Previous Year Nil Nos.) Benchmark Banking Index Benchmark Exchange Traded scheme	0.10	0.00
417 Nos. (Previous Year Nil Nos.) NIFTY JR Benchmark ETF	0.43	0.00
1650 Nos. (Previous Year Nil Nos.) Bench Mark Mutual Fund	8.30	0.00
	164.35	178.00
1000 Nos. (Previous Year 1000 Nos.) Co- Operative Bank of Baroda of Rs.25 each	0.25	0.25
Sub - Total	164.60	178.25
OTHER INVESTMENTS (UN QUOTED- FULLY PAID) :		
EQUITY FUND		
310040 Nos. (Previous Year 310040 Nos.) Banco Aluminium Ltd. of Rs. 10 each (A Company under Same Management)	25.35	25.35
45092 Nos. (Previous Year 998 Nos.) Kilimanjaro Biochem Ltd.- Tanzania of the face value of Tshs.100000 each (subsidiary company)	1613.04	39.37
25000 Nos. Nederlandse Radiateuren Fabriek B.V. Ordinary shares of 4.54 Euro each of the Face Value of Euro 4.54 each (Subsidiary company)	11194.54	0.00
Sub - Total	12832.93	64.72
TOTAL	13050.65	547.32
QUOTED INVESTMENTS	217.72	482.60
UNQUOTED INVESTMENTS	12832.93	64.72
TOTAL	13050.65	547.32
(Aggregate market price of Quoted investment excluding Mutual Funds Rs.106.81 Lacs) (Previous Year Rs.337 Lacs)		
SCHEDULE 7 - INVENTORIES		
Raw Material (At Cost)	5667.25	3679.10
Work - in - Process (At Cost)	950.36	688.49
Finished Products (At Cost or Market Value Which ever is Lower)	682.68	1058.93
Sundry Stores (At Cost)	293.02	95.78
TOTAL	7593.31	5522.30
(As per Inventory taken, Valued and Certified by the Management)		

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE-8- SUNDRY DEBTORS (UNSECURED):		
Outstanding for a period exceeding 6 months		
- Considered good	215.60	462.98
- Considered Doubtful	0.00	0.00
Other Debts	8574.33	5995.87
TOTAL	8789.93	6458.85
**Sundry Debtors includes Rs 230.87 Lacs receivables from NRF, Subsidiary Co		
SCHEDULE-9- CASH & BANK BALANCES:		
Cash on hand	5.00	10.76
With Scheduled Banks :		
i) In Other Current Accounts	466.48	129.99
ii) In Margin Deposit/Short Term Deposit	78.90	914.97
TOTAL	550.38	1055.72
SCHEDULE-10- LOANS & ADVANCES: (UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	539.03	500.82
- Pre paid Expenses	49.91	36.14
- Balance with Custom and Central Excise	282.39	266.36
- Advance Income Tax Paid (Net of Provision)	151.83	358.39
TOTAL	1023.16	1161.71
SCHEDULE-11- CURRENT LIABILITIES & PROVISIONS:		
(A) CURRENT LIABILITIES :		
Sundry Creditors (refer note B7 schedule 21)		
Micro small & medium enterprises	291.90	233.67
Others	3457.12	1700.42
Other Current Liabilities	72.92	109.94
Advances from Customers	96.40	590.77
Unclaimed Dividend	81.45	71.45
	3999.79	2706.25
(B) PROVISIONS:		
Proposed Dividend	1430.37	1072.78
Income Tax on Proposed Dividend	237.58	182.32
For Leave Encashment	72.67	50.85
For Gratuity	210.73	199.94
	1951.35	1505.89
TOTAL	5951.14	4212.14

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS	2009-10	2008-09
SCHEDULE-12- OTHER INCOME:		
Miscellaneous Sales	412.65	364.77
Sales Tax Set Off and Refund	18.77	3.75
Export Incentives	120.69	109.48
Dividend Received	28.54	39.04
Interest (Tax Deducted at Source Rs 9.6 Lacs) (Previous Year Rs 0.89 Lac)	93.21	35.70
Misc.Income (Tax Collected at Source Rs 0.52 Lac) (Previous year Rs 1.79 Lacs)	73.76	69.40
Sundry Balances Written back (Net)	3.77	44.81
Profit on Sale of Assets	11.03	0.56
Profit on Sales of Investment	211.16	0.00
Gain on Exchange Rate Fluctuation (Net)	42.73	12.03
TOTAL	1016.31	679.54
SCHEDULE-13- INCREASE/(DECREASE)IN STOCKS:		
Closing Stock		
Stock in Process	950.36	688.49
Finished Goods	682.68	1058.93
	1633.04	1747.42
Less:Opening Stock		
Stock in Process	688.49	736.60
Finished Goods	1058.93	996.49
	1747.42	1733.09
TOTAL	(114.38)	14.33
SCHEDULE-14- COST OF MATERIALS:		
Raw Materials (Including Packing Material):		
Stock (Opening)	3679.10	2528.70
Add: Purchased during the year	23220.01	17233.71
	26899.11	19762.41
Less: Stock(Closing)	5667.25	3679.10
TOTAL	21231.86	16083.31
SCHEDULE-15- PAYMENTS TO AND PROVISION FOR EMPLOYEES:		
Salaries, Wages and Bonus	1532.45	1384.87
Contribution to Provident and Other funds	88.18	75.39
Staff Welfare Expenses	37.46	34.19
TOTAL	1658.09	1494.45

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS		2009-10	2008-09
SCHEDULE-16- RESEARCH & DEVELOPMENT EXPENSES:			
Raw Material Consumed		89.22	108.60
Salaries, Wages and Bonus	128.97		107.97
Contribution to Provident and Other funds	3.45		3.11
Staff Welfare Expenses	0.00		0.20
		132.42	111.28
Utilities / others		44.12	22.10
Travelling, Conveyance & Vehical Expenses		10.12	3.31
Printing & Stationary		1.82	1.37
Other Administrative Expenses		10.46	9.35
TOTAL		288.16	256.01
SCHEDULE-17- MANUFACTURING EXPENSES:			
Stores, Tools and Dies Consumed		790.72	597.24
Power, Fuel		464.41	336.35
Labour Charges		2335.78	1483.32
Repairs & Maintenance :			
(a) Plant & Machinery	553.13		426.59
(b) Electrical Installations	23.05		18.41
(c) Buildings	57.08		91.53
(d) Sundry Repairs	0.87		7.81
		634.13	544.34
Factory General Expenses		88.30	92.25
Insurance Premium on Assets		6.53	10.08
TOTAL		4319.87	3063.58
SCHEDULE-18- ADMINISTRATIVE AND GENERAL EXPENSES:			
Rent, Rates & Taxes		11.17	12.88
Printing and Stationery		40.11	48.11
Postage and Telegraph		22.81	18.16
Telephone		33.16	32.25
Directors Sitting Fees		2.55	1.83
Insurance		0.72	0.07
Travelling, Conveyance and Vehicle Expenses		181.92	177.73
Miscellaneous Expenses		121.97	177.69
Stamp Duty on Amalgamation		29.69	0.00
Donation		12.29	7.20
Auditors Remuneration towards :			
Audit	6.00		6.00
Certification	2.02		1.96
Out of Pocket Expenses	1.84		2.18
		9.86	10.14
TOTAL		466.25	486.06

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS	2009-10	2008-09
SCHEDULE-19- SELLING AND DISTRIBUTION EXPENSES:		
Commission and Discount	1106.18	935.47
Advertisement and Sales Promotions	22.62	31.58
Other Selling Expenses	176.13	237.28
Royalty to Foreign Collaborator	4.32	5.07
Transit Insurance (Out Ward)	41.56	33.78
Freight & Transport (Net)	1305.18	930.00
TOTAL	2655.99	2173.18
SCHEDULE-20- INTEREST AND FINANCE CHARGES:		
Interest		
Fixed period Loans / Deposits	10.25	34.59
Other Loans	117.71	156.70
	127.96	191.29
Finance / Bank Charges	87.24	70.02
TOTAL	215.20	261.31

SCHEDULE 21 – NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**A) SIGNIFICANT ACCOUNTING POLICIES:****1) Basis of Accounting:**

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

2) Fixed Assets and Depreciation:

- i) Fixed Assets are stated at cost (net of cenvat/service tax credit wherever claimed) less accumulated depreciation less impairment, if any, other than land and building at Bhaili division which are shown at revalued cost. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use.
- ii) Depreciation on plant & machinery (except electrical installations), computers, laboratory equipments, machine tools and effluent treatment plant purchased on or after 1st October, 1982 has been provided on straight line basis and on other assets on written down value basis at the rates specified in schedule XIV of the Companies Act, 1956. Individual items of fixed assets costing upto Rs. 5,000 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 amortised on straight-line basis at plant & machinery rates.

3) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the 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.

4) Foreign Currency Transactions:

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

5) 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.

6) 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. Cost includes cost of raw material, packing materials, an appropriate share of fixed & variable production overheads. Excise duty applicable thereon is included for valuation purpose.

7) Retirement Benefits:

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

8) Research and Development:

- i) Capital expenditure is shown separately under the respective head of fixed assets.
- ii) Revenue expenses including depreciation are charged to profit & loss account.

9) Sales:

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

10) Provision for Current and Deferred Tax:

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

11) 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.

12) Dividend:

Dividend income is considered on receipt basis

13) Provisions, Contingent Liabilities and Contingent Assets:

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

14) Sundry Debtors:

Sundry debtors are stated after making adequate provision for debt considered doubtful.

15) Earning Per Share:

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

16) Proposed Dividend:

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

B) NOTES ON ACCOUNTS:

- 1) Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 724.98 Lacs (Previous year Rs. 289.43 Lacs).
- 2) Contingent Liabilities:
 - (a) Counter guarantees given to the banks in respect of various guarantees issued by the banks to third parties Rs. 92.74 Lacs (Previous year Rs. 104.99 Lacs).
 - (b) Letter of credit opened and outstanding Rs. 429.15 Lacs (Previous year Rs. 34.00 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) Disputed tax liabilities:
 i) Excise Duty and Service Tax Rs. 193.93 Lacs (Previous year Rs. 193.53 Lacs).
 ii) Income-tax Rs. 38.06 Lacs (Previous Year Rs. 13.11 Lacs).

3) 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, reconciliation with major parties are done, pending however formal confirmation.

4) **Managerial Remuneration:**

- i) Managerial Remuneration as per schedule XIII of the Companies Act, 1956 to the Executive Directors are as under.

	(Rs. in Lacs)	
	<u>2009-10</u>	<u>2008-09</u>
Salary and allowances	59.23	41.98
Contribution towards PF etc.	2.76	2.46
Perquisites	3.68	1.26
Total	<u>65.67</u>	<u>45.70</u>

- ii) The above remuneration does not include contribution to gratuity fund and leave encashment, as this contribution is a lumpsum amount based on actuarial valuation.
 iii) The computation of net profit under section 349 of the Companies Act, 1956 for the purpose of directors' remuneration has not been enumerated since no commission has been paid to any of the directors of the Company.

5) In compliance with the Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India (ICAI), the Company has included excise duty on closing stock of finished goods amounting to Rs. 34.80 Lacs (Previous Year Rs. 81.25 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.

6) Maximum balance due during the year from Banco Aluminum Ltd. a company under the same management, is Rs. 3.24 Lacs (Previous year Rs. 31.79 Lacs)

7) Based on the information available with the Company and relied upon by the auditors, the disclosure requirement as prescribed under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 is as under:

	(Rs. in Lacs)
The principal and the interest amount due there on remaining unpaid to any supplier as at 31st March, 2010 :	
i) Principal Amount	291.90
ii) Interest Amount	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March, 2010	Nil
The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	Nil
The amount of interest accrued and remaining unpaid for the year ending 31st March, 2010	Nil
The amount of further interest remaining due and payable for the earlier years.	Nil
Total outstanding dues for Micro enterprises and Small enterprises	291.90

As at 31st March, 2010 Rs. 291.90 Lacs were due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006. (As at 31st March, 2009 Rs. 233.67 Lacs was due to such creditors)

8) Related Party Disclosures:

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

		(Rs. in Lacs)	
Name of Related Party & Nature of Relationship	Nature of Transaction	2009-10	2008-09
Banco Aluminium Limited (under common control)	Purchase of Goods	512.00	302.03
	Services Rendered	0.13	0.13
	Sales of Goods	16.71	14.28
	Services Received	7.29	2.58
	Closing Balance (Cr.)	66.43	17.39
Ms Hasumatiben K Patel (relative of director)	Interest paid on F.D.	1.00	1.00
Kilimanjaro Biochem Limited (subsidiary company)	Purchase of Shares	1,573.66	39.37
Nederlandse Radiateuren Fabriek B.V. (subsidiary company)	Purchase of Shares	11,154.25	0.00
	Sale of goods	1,489.28	0.00
	Closing Balance (Dr.)	230.87	0.00

9) In compliance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income", the Company has recognized deferred tax liability (net of assets) arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s).

The major components of deferred tax (liabilities)/assets arising on account of timing difference as at 31st March, 2010 are as under:

		(Rs. in Lacs)	
		As At 31-03-2010	As At 31-03-2009
Deferred Tax Liabilities:			
Difference between the written down value of assets as per the books of accounts and as per the Income-tax Act, 1961		2,679.67	2,551.39
Total Deferred Tax Liabilities		2,679.67	2,551.39
Deferred Tax Assets:			
Provision for Gratuity		10.78	6.46
Provision for Leave Encashment		21.82	6.97
Total Deferred Tax Assets		32.60	13.43
Net Deferred Tax Liabilities (For Calculation of Deferred Tax Liabilities)		2,647.07	2,537.96
Deferred Tax Liabilities at the end of the year		899.73	862.65
Deferred Tax (Expenses) for the year		37.08	195.99

10) Earning Per Share (EPS):

The Institute of Chartered Accountants of India (ICAI) has issued Accounting Standard (AS-20) "Earning per Share" for working of Earning Per Share and accordingly the working is given below.

	2009-10	2008-09
Net Profit After Tax (Rs. in Lacs)	7,840.75	4,146.11
Weighted average paid up Equity Share (Number in Lacs)	715	715
Earning Per Equity Share (basic and diluted) (Rs.)	10.96	5.80
Nominal value per equity share (Rs.)	2.00	2.00

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

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

Changes in present value of defined benefit obligation

(Rs. in Lacs)

	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit Obligation (Opening)	199.94	50.85	193.48	43.88
Current Service Cost	18.77	13.37	18.36	12.22
Interest Cost	16.50	4.20	15.48	3.51
Actuarial (Gain)/Loss	(2.43)	25.70	(0.80)	(2.21)
Benefits Paid	(22.05)	(21.45)	(26.58)	(6.55)
Defined Benefit Obligation (Closing)	210.73	72.67	199.94	50.85

Reconciliation of fair value of plan assets

	2009-10	2008-09
Fair Value of Plan Assets At beginning of the year	126.24	110
Expected Return on Plan Assets	10.67	9.59
Actuarial (Gain)/Loss	0.62	0.93
Employer Contribution	20.61	32.30
Benefits Paid	(22.05)	(26.58)
Fair value of plan assets At year end	136.09	126.24

Expenses recognized in profit & loss account under the head "payment to & provision for employees"

	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	18.77	13.37	18.36	12.22
Interest Cost	16.50	4.19	15.48	3.51
Actuarial (Gain)/Loss	(3.05)	25.70	(1.72)	(2.20)
Expected return on plan assets	(10.67)	0.00	(9.59)	0.00
Total Expenses/ Gain recognized in Profit & Loss Account	21.55	43.26	22.53	13.53

Actuarial Assumptions

	2009-10	2008-09
Mortality	LIC (1994-1996) published table of mortality rate	LIC (1994-1996) published table of mortality rate
Rate of Interest	8.25 %	9.25 %
Salary Growth	6.00 %	6.00 %
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 st March	8.50 %	8.50 %
Base of LIC structure of interest rates on gratuity funds		

- 13) Legal & professional charges include Rs. 0.50 Lac (Previous year Rs. Nil) paid to Shah & Associates, wherein some of the partners of Auditors are interested.
- 14) In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the Company to any material extent as at the balance sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".
- 15) 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**I) Regarding goods produced:**

Products	2009-10			2008-09		
	Gaskets (Nos. in Lacs)	Radiators (Nos.)	CFJS MT	Gaskets (Nos. in Lacs)	Radiators (Nos.)	CFJS MT
Installed Capacity	800	13,44,000	4,000	800	8,82,000	4,000
Actual Production	709.75	8,66,557	705.68	507.24	4,89,579	742.25
Opening Stock (Qty)	18.37	28,503	1.17	19.13	38,964	17.57
Opening Stock (Value)-Rs. in Lacs	316.26	739.55	3.12	209.64	763.54	23.30
Closing Stock (Qty)	8.99	16,699	6.99	18.37	28,503	1.17
Closing Stock (Value)-Rs. in Lacs	194.02	476.21	12.44	316.26	739.55	3.12
Sales (Qty)	719.13	878361	699.86	508.00	5,00,040	758.65
Sales (Value) - Rs. in Lacs	8,967.65	30,891.04	372.68	7,101.39	21,104.63	408.92
Total product sales value (A) - Rs. in Lacs			40,231.37			28,614.94

Notes:

- a. 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.
- b. Number of items contained in the set is taken as ONE.
- c. Sales quantity includes destruction, free supply as samples etc. Major of CFJS productions are used as captive consumption.

II) Regarding other activities:

(Rs. in Lacs)

Class of Goods (Machinery and Spares)	2009-10	2008-09
Opening Stock	182.44	55.12
Purchases	666.83	273.02
Total product sales value (B)	483.61	176.50
Closing Stock	435.77	182.44
Total Sales (A+B)	40,714.98	28,791.44

(B) Raw material consumed

	2009-10			2008-09		
	UNIT	QTY	Rs. in Lacs	UNIT	QTY	Rs. in Lacs
Copper and Copper Alloys	MT	1,571.13	4,652.92	MT	660.13	2,164.07
Compressible Gasket Material	MT/SQM	-	1,433.60	MT/SQM	-	1,844.62
Steel sheets/Plates	MT	4,254.81	2,299.16	MT	2,174.36	1,718.34
Aluminium	MT	5,160.04	8,209.30	MT	2,195.09	4,712.52
Others	-	-	4,726.10	-	-	5,752.36
Total			21,321.08			16,191.91

(C) Consumption of imported and indigenous materials

	2009-10		2008-09	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported items (including canalized items at landed cost)	8,387.60	39.34%	5,191.72	32.06%
Indigenous items	12,933.48	60.66%	11,000.19	67.94%
Total	21,321.08	100.00%	16,191.91	100.00%

(D) CIF value of imports

	2009-10	2008-09
Raw Material (excluding canalized items)	8,601.97	6,135.53
Store and Spares	40.49	28.00
R & D Expenditure	15.43	7.74
Capital Goods	654.72	1,124.18
Total	9,312.61	7,295.45

(E) Expenditure in foreign currency (Rs. in Lacs)

	2009-10	2008-09
Commission on Exports	526.42	626.80
Foreign Traveling	22.26	28.71
Consultancy and Professional Charges	48.54	0.00
Royalty to Foreign Collaborator	5.09	5.06
Others	66.98	48.92
Total	669.29	709.49

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

	2009-10	2008-09
Number of non-resident shareholders	493	417
Number of equity shares held (of Rs. 2 each)	4,80,90,583	4,48,69,097
Amount remitted net of tax (Rs. in Lacs)	468.01	397.16
Year to which dividend relates	2008-09	2007-08

(G) Earning in foreign exchange

	2009-10	2008-09
F.O.B. value of exports (Rs. in Lacs)	13,453.14	10,474.00

16) Previous years figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year.

As per our report of even date For Shah & Co. Chartered Accountants		For and on behalf of the Board,
	Vimal K.Patel	Director
	Samir K.Patel	Director
	Mehul K.Patel	Director
	A.G.Shroff	Director
	M.D.Patel	Director
	S.K.Duggal	Director
Indulal H. Shah	Dinesh Kavthekar	M.G.Patel
Partner	Company Secretary	Director
		S.A.Thakker
		ED & CFO
Mumbai : 31st July, 2010		Vadodara: 31st July, 2010

BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE
1 REGISTRATION DETAILS:

Registration No.	1039	CIN	L51100GJ1961PLC001039
Balance Sheet Date :	31.03.2010	State Code	4

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

Capital Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Preferential Issue	NIL

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

Total Liabilities	33,645	Total Assets	33,645
SOURCES OF FUNDS		APPLICATION OF FUNDS	
Paid Up Capital	1,430	Net Fixed Assets	8,588
Reserve and Surplus	21,676	Investments	13,051
Secured Loans	1,878	Net Current Assets	12,006
Unsecured Loans	7,760	Miscellaneous Expenditure	-
Deferred Tax Liability	900	Accumulated Losses	-

4 PERFORMANCE OF THE COMPANY (Rs. In Lacs)

Turnover	41,617	Total Expenditure	31,789
Profit Before Tax	9,828	Profit After Tax	7,841
Earning Per Share in Rs.	10.96	Dividend Rs. Per Share	2.0

5 GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

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

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiaries.

(Rs. in Lacs)

Sr. No. A	Name of the subsidiary B	Kilimanjaro Biochem Limited C	Nederlandse Radiaturen Fabriek B.V D
1	Financial year of the subsidiary	01.04.2009 -31.03.2010	01.12.2008 -30.11.2009
2	Shares of the subsidiary held by the Company on the above date (a) Number (b) Extent of holding	45,092 Equity Shares fully paid 99.80%	25000 Equity Shares fully paid 100%
3	Net aggregate amount of the subsidiary for above accounting period, of the subsidiary so far as they concern the members of the company. (a) dealt with in account of the Company for the year ended on 31.03.2010. (b) not dealt with in account of the Company for the year ended on 31.03.2010.	N.A* N.A*	- 1161.85
4	Net aggregate amount of the subsidiary for above accounting period, of the subsidiary so far as they concern the members of the company. (a) dealt with in account of the Company for the year ended on 31.03.2009. (b) not dealt with in account of the Company for the year ended on 31.03.2009.	N.A * N.A *	N.A** N.A**

Name of the Director

Vimal K. Patel	-	Chairman
Samir K. Patel	-	Director
Mehul K. Patel	-	Director
A.G. Shroff	-	Director
Mukesh D. Patel	-	Director
S.K.Duggal	-	Director
M.G. Patel	-	Director
Shailesh A. Thakker	-	Executive Director & CFO
Dinesh Kavthekar	-	Company Secretary

Place : Bil, Dist. Vadodara

Date : 31st July, 2010

* Since the Company is yet to commence commercial production during the year.

** Since became subsidiary w.e.f 23.02.2010.



AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF BANCO PRODUCTS (INDIA) LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BANCO PRODUCTS (INDIA) LIMITED AND ITS SUBSIDIARIES

We have examined the attached consolidated Balance Sheet of BANCO PRODUCTS (INDIA) LIMITED and its subsidiaries as mentioned in Note B (7) of Schedule 21 of the consolidated financial accounts as at 31st March, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the BANCO PRODUCTS (INDIA) LIMITED's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. 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.

We did not audit the financial statements of Kilimanjaro Biochem Limited (KBL) and Nederlandse Radiateuren Fabriek BV (NRF) These financial statements have been audited by other auditors. The audited statements of Kilimanjaro Biochem Limited (KBL) has been furnished to us for the twelve months period ended 31st March, 2010 and the unaudited statements of Nederlandse Radiateuren Fabriek BV (NRF) for the period of two months from 01/02/2010 to 31/03/2010 approved by CFO of NRF and our opinion in so far as it relates to the amounts included in respect of subsidiaries is based solely on the report of the other auditors and unaudited accounts for the period of two months respectively.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India on the basis of the separate audited financial statements of BANCO PRODUCTS (INDIA) LIMITED and audited/unaudited Financial statements of its subsidiaries included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of BANCO PRODUCTS (INDIA) LIMITED and other financial information of its subsidiaries on the accounts for the period of 12 months and 2 months respectively the said consolidated financial statements read together with the notes in Schedule 21 give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet of the consolidated state of affairs of BANCO PRODUCTS (INDIA) LIMITED and its subsidiaries as at 31st March, 2010.
 - b) In the case of the consolidated Profit and Loss Account of the consolidated results of operations of BANCO PRODUCTS (INDIA) LIMITED and its subsidiaries for the year ended on that date;
- AND
- c) In the case of the Consolidated Cash Flows Statement of the Consolidated Cash Flows for the year ended on that date.

For SHAH & CO.,
Chartered Accountants

(INDULAL H. SHAH)
Partner
Membership No : 798
FRN 109430W

Place : Mumbai
Date : 31st July, 2010

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCHEDULES		AS AT 31.03.2010
I SOURCES OF FUNDS			
(1) SHAREHOLDERS' FUNDS:			
(a) Capital	1		1430.37
(b) Reserves & Surplus	2		29524.29
			<u>30954.66</u>
Deferred Tax Liabilities			1417.67
(2) LOAN FUNDS:			
(a) Secured Loans	3		1878.15
(b) Unsecured Loans	4		7760.23
(c) Minorities interest			2.85
			<u>9641.23</u>
TOTAL			<u><u>42013.56</u></u>
II APPLICATION OF FUNDS:			
(1) FIXED ASSETS:			
(a) Gross Block	5	37765.69	
(b) Less: Depreciation		<u>26471.18</u>	
(c) Net Block			11294.51
(d) Capital Work in Progress including Capital Advances			<u>1221.18</u>
			12515.69
(2) INVESTMENTS :	6		243.07
(3) CURRENT ASSETS, LOANS & ADVANCES:			
(a) Inventories	7	17960.32	
(b) Sundry Debtors	8	15345.19	
(c) Cash & Bank Balances	9	3968.95	
(d) Loans & Advances	10	<u>2459.01</u>	
			39733.47
LESS: CURRENT LIABILITIES & PROVISIONS:	11		
(a) Liabilities		8608.57	
(b) Provisions		<u>1951.35</u>	
			10559.92
NET CURRENT ASSETS			<u>29173.55</u>
Preoperative Exp to the extent not written off			81.25
TOTAL			<u><u>42013.56</u></u>
Notes forming part of the Accounts	21		

As per our report of even date

For Shah & Co.

Chartered Accountants

Indulal H. Shah

Partner

Dinesh Kavthekar

Company Secretary

Mumbai : 31st July, 2010

For and on behalf of the Board,

Vimal K Patel

Director

Samir K Patel

Director

Mehul K Patel

Director

A.G.Shroff

Director

M.D.Patel

Director

S.K.Duggal

Director

M.G.Patel

Director

S.A .Thakker

ED & CFO

Bil - Vadodara: 31st July, 2010

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Lacs)

PARTICULARS	SCHEDULES		2009-10
INCOME :			
Gross Sales			48580.86
Less: Excise Duty on Sales			2463.28
Net Sales			46117.58
Other Income	12		1016.31
Increase/ (Decrease) in Stock	13		124.64
TOTAL			47258.53
EXPENDITURE :			
Material Consumed	14		24062.59
Payment to and Provision for employees	15		3407.10
Research and Development Expenses	16		288.16
Manufacturing Expenses	17		4649.16
Administrative and General Expenses	18		761.96
Selling and Distribution Expenses	19		2901.50
Interest and Finance Charges	20		235.53
Depreciation		1060.23	
Less:Charged to Revaluation Reserve		1.39	
TOTAL			1058.84
PROFIT BEFORE TAX			37364.84
Provision For Current Tax		1996.54	
Provision For Deferred Tax		37.08	
			2033.62
PROFIT AFTER TAX			7860.07
Add:Balance Brought Forward from previous Year			7290.48
BALANCE AVAILABLE FOR APPROPRIATION			15150.55
APPROPRIATIONS			
General Reserve			1000.00
Proposed Dividend on Equity Shares			1430.37
Tax on Proposed Dividend			237.58
Balance Carried to Balance Sheet			12482.60
TOTAL			15150.55
Earning Per Shares Face value of Rs 2			10.99
Notes Forming Part of Accounts	21		

As per our report of even date

For Shah & Co.

Chartered Accountants

Indulal H. Shah

Partner

Dinesh Kavthekar

Company Secretary

Mumbai : 31st July, 2010

For and on behalf of the Board,

Vimal K Patel

Director

Samir K Patel

Director

Mehul K Patel

Director

A.G.Shroff

Director

M.D.Patel

Director

S.K.Duggal

Director

M.G.Patel

Director

S.A .Thakker

ED & CFO

Bil - Vadodara: 31st July, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

(Rs. in Lacs)

PARTICULARS	AMOUNT	2009-10
A. CASH FLOW FROM OPERATIONS		
Net Profit before tax and extra ordinary items Adjusted For		9893.69
Depreciation	1056.94	
Interest Paid	215.20	
Interest Received	(90.84)	
Unrealised Gains (Net of Loss)	(50.73)	
(Profit)/Loss on Sale of Investments	(211.16)	
(Profit)/Loss on sale of fixed assets	(11.03)	
Preoperative Exp	(75.20)	
Dividend Received	(28.54)	
		804.64
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		10698.33
(Increase)/Decrease in Debtors	(3183.68)	
(Increase)/Decrease in Inventories	(2205.33)	
(Increase)/Decrease in Advances	(856.80)	
Increase/(Decrease) in Trade payables	2219.70	
		(4026.11)
CASH GENERATED FROM OPERATIONS		6672.22
Direct Taxes Paid (Net of refunds)	(1743.44)	
		(1743.44)
NET CASH FLOW FROM OPERATING ACTIVITIES		4928.78
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(1748.48)	
Sale of Fixed Assets	41.81	
Capital Reserve on Acquisition	1369.12	
Interest Received	88.86	
Purchase of Investments		
Investment in Subsidiaries	(12768.21)	
Other Investment	(200.94)	
Sale of Investments	676.98	
Dividend Received	28.54	
		(12512.32)
NET CASH FLOW USED FOR INVESTMENT ACTIVITIES		(7583.54)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Dividend Paid	(1072.78)	
Interest Paid	(215.20)	
Tax Paid on Dividend	(182.32)	
Increase / (Decrease) in Borrowings	974.45	
Increase / (Decrease) in short term Borrowings	7889.25	
		7393.40
NET CASH USED FOR INVESTMENT ACTIVITIES		(190.14)
Cash and Cash Equivalents at the beginning of the year		4159.09
Cash and Cash Equivalents at the end of the year		3968.95

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	For and on behalf of the Board,	
For Shah & Co.	Vimal K Patel	Director
Chartered Accountants	Samir K Patel	Director
	Mehul K Patel	Director
	A.G.Shroff	Director
	M.D.Patel	Director
Indulal H. Shah	S.K.Duggal	Director
Partner	M.G.Patel	Director
	S.A .Thakker	ED & CFO
Mumbai : 31st July, 2010	Bil - Vadodara: 31st July, 2010	

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010
SCHEDULE-1- CAPITAL:	
Authorised:	
1520 Lacs Equity Shares of Rs.2/- each	3040.00
	<u>3040.00</u>
Issued subscribed and Paid up:	
715.19 Lacs Equity Shares of Rs.2/- each fully paid up.	1430.37
TOTAL	<u>1430.37</u>

Note:of above Equity Shares

- (a) 590.95 Lacs Equity Shares of Rs 2/- each have been allotted as fully paid up Bonus Shares by Capitalization of General Reserve.
- (b) 99.45 Lacs Equity Shares of Rs 2/- each have been allotted as fully paid up in terms of amalgamations without payment being received in cash.

PARTICULARS	AS AT 01.04.2009	ADDITIONS		DEDUCTIONS		AS AT 31.03.2010
SCHEDULE-2-RESERVES & SURPLUS :						
Capital Reserve	0.77 (0.77)					0.77 (0.77)
Revaluation Reserve	27.51 (29.02)			1.39 (1.51)		26.12 (27.51)
Share Premium	1200.31 (1077.31)	(123.00)	(III)			1200.31 (1200.31)
Capital Reserve on Acquisition Translation Adjust.		9617.24 (1762.72)		25.84		9617.24 (1788.56)
Investment Subsidy	33.45 (33.45)					33.45 (33.45)
General Reserve	6952.36 (6374.12)	1000.00 (578.24)	(IV)			7952.36 (6952.36)
Surplus in Profit & Loss Account	7290.48 (4643.15)	9893.69 (5196.68)	(I)	4701.57 (2549.35)	(II)	12482.60 (7290.48)
TOTAL	15504.88 (12157.82)	18748.21 (5897.92)		4728.80 (2550.86)		29524.29 (15504.88)

Note:

- (a) Figures in bracket are of Previous Year
- (b) Previous years' figures include
- (I) Rs 259.84 Lacs on account of amalgamation of GIPL
- (II) 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.
- (III) Rs. 123.00 Lacs on account of amalgamation.
- (IV) Rs. 47.50 Lacs on account of amalgamation.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010
SCHEDULE-3- SECURED LOANS:	
Working Capital Loan	
From Banks	1878.15
TOTAL	1878.15
1. Working Capital Loans are secured by hypothecation of Stocks and book debts of the Company both Present & future ranking pari-pasu in Favour of Participating Scheduled Banks.	
SCHEDULE-4- UNSECURED LOANS:	
Fixed Deposits	
Repayable within one year Rs 25.70 Lacs (Previous Year Rs 0.10 Lac)	28.40
Short Term Working Capital Demand Loans from Banks	7731.83
TOTAL	7760.23

SCHEDULE 5 - FIXED ASSETS

(Rs. in Lacs)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As at 01.04.2009	Additions	Deduction	As at 31.03.2010	Upto 31.03.2009	For the year	Deduction	Upto 31.03.2010	As at 31.03.2010
1	Freehold Land	553.35	2.30	4.20	551.45	0.00	0.00	0.00	0.00	551.45
2	Buildings	10542.25	45.01	2541.62	8045.64	7644.56	105.66	2514.67	5235.55	2810.09
3	Plant and Machinery.*	25054.49	1041.86	94.23	26002.12	17986.47	843.46	68.51	18761.42	7240.70
4	Furniture, Fixture & office Equipments.	2297.72	32.39	0.05	2330.06	1963.26	41.49	0.05	2004.70	325.36
5	Vehicles	425.46	14.66	21.32	418.80	278.79	38.32	18.19	298.92	119.88
6	Scientific Research Buildings	82.45	2.80	0.00	85.25	27.46	5.62	0.00	33.08	52.17
	Machinery/Equip	169.69	54.10	0.00	223.79	52.14	18.44	0.00	70.58	153.21
	Furniture	20.67	0.00	0.00	20.67	6.22	2.62	0.00	8.84	11.83
7	Other Assets**	85.55	2.48	0.12	87.91	53.57	4.62	0.10	58.09	29.82
	Current Year's Total :	39231.63	1195.60	2661.54	37765.69	28012.47	1060.23	2601.52	26471.18	11294.51

Capital work in progress including capital advance Rs. 489.49 Lacs (Previous Year Rs. 248.64 Lacs)

* Plant & Machinery includes intangible assets viz. Technical know-how and Software

** Other Assets include Weighing Machine, Air Conditioners and other Equipments

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010	
SCHEDULE-6- INVESTMENTS AT COST :		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS (QUOTED FULLY PAID UP EQUITY SHARES) :		
3294 Nos. (Previous Year 3294 Nos.)	Indian Motor Parts Ltd. of Rs.10 each	3.14
400 Nos. (Previous Year 400 Nos.)	Perfect Circle Victor Ltd. of Rs.1 each	0.01
300 Nos. (Previous Year 9093 Nos.)	Reliance Industries Ltd. of Rs.10 each	3.24
132700 Nos. (Previous Year 132700 Nos.)	Swiss Glasscoat Equipment Ltd. of Rs 10 each	13.38
800 Nos. (Previous Year 1200 Nos.)	Wipro Ltd. of Rs.10 each	5.52
511 Nos. (Previous Year Nil Nos.)	National Hydro Power Corporation of Rs 10 each	0.18
315 Nos. (Previous Year Nil Nos.)	Oil India Ltd of Rs 10 each	3.31
750 Nos. (Previous Year Nil Nos.)	Bajaj Finserve Ltd of Rs 10 each	2.45
250 Nos. (Previous Year Nil Nos.)	United Spirits Ltd of Rs.10 each	3.34
300 Nos. (Previous Year Nil Nos.)	Patni Computers Systems Ltd of Rs.10 each	1.65
150 Nos. (Previous Year Nil Nos.)	Glaxosmithkline Consumer Healthcare Ltd of Rs.10 each	2.22
300 Nos. (Previous Year Nil Nos.)	Axis Bank Ltd of Rs.10 each	3.48
500 Nos. (Previous Year Nil Nos.)	Dr Reddys Laboratories Ltd of Rs.10 each	5.69
600 Nos. (Previous Year Nil Nos.)	Punjab National Bank of Rs.10 each	5.51
Sub - Total		53.12
MUTUAL FUND (QUOTED FULLY PAID):		
5000000 Nos. (Previous Year Nil Nos.)	11.25% Loans IRB	50.00
10522 Nos. (previous Year Nil Nos.)	Reliance Money Manager Fund	105.52
11 Nos. (Previous Year Nil Nos.)	Benchmark Banking Index Benchmark Exchange Traded scheme	0.10
417 Nos. (Previous Year Nil Nos.)	NIFTY JR Benchmark ETF	0.43
1650 Nos. (Previous Year Nil Nos.)	Bench Mark Mutual Fund	8.30
		164.35
1000 Nos. (Previous Year 1000 Nos.)	Co- Operative Bank of Baroda of Rs.25 each	0.25
Sub - Total		164.60
OTHER INVESTMENTS (UN QUOTED FULLY PAID) :		
EQUITY FUND		
310040 Nos. (Previous Year 310040 Nos.)	Banco Aluminium Ltd. of Rs. 10 each (A Company under Same Management)	25.35
Sub - Total		25.35
TOTAL		243.07
QUOTED INVESTMENTS		217.72
UNQUOTED INVESTMENTS		25.35
TOTAL		243.07
(Aggregate market price of Quoted investment excluding Mutual Funds Rs.106.81 Lacs) (Previous Year Rs.337 Lacs)		

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2010
SCHEDULE-7- INVENTORIES :	
Raw Material (At Cost)	8389.37
Work - in - Process (At Cost)	1510.89
Finished Products (At Cost or Market Value Which ever is Lower)	7767.04
Sundry Stores (At Cost)	293.02
TOTAL	<u>17960.32</u>
(As per Inventory taken,Valued and Certified by the Management)	
SCHEDULE-8- SUNDRY DEBTORS (UNSECURED):	
Outstanding for a period exceeding 6 months - Considered good	215.60
- Considered Doubtful	0.00
Other Debts - Considered good**	15622.03
Less Provision for doubtful debts	(492.44)
TOTAL	<u>15345.19</u>
**Sundry Debtors includes Rs 230.87 Lacs receivables from NRF,Subsidiery Co	
SCHEDULE-9- CASH & BANK BALANCES:	
Cash on hand	18.17
With Scheduled Banks :	
i) In Other Current Accounts	3871.88
ii) In Margin Deposit/Short Term Deposit	78.90
TOTAL	<u>3968.95</u>
SCHEDULE-10- LOANS & ADVANCES:	
(UNSECURED,CONSIDERED GOOD)	
Advances recoverable in cash or in kind or for value to be received	
- Considered good	1821.27
- Pre paid Expenses	242.98
- Balance with Custom and Central Excise	282.39
- Advance Income Tax Paid (Net of Provision)	112.37
TOTAL	<u>2459.01</u>
SCHEDULE-11- CURRENT LIABILITIES & PROVISIONS:	
(A) CURRENT LIABILITIES :	
Sundry Creditors (refer note B7 schedule 21)	
Micro small & medium enterprises	291.90
Others	7321.78
Other Current Liabilities	817.04
Advances from Customers	96.40
Unclaimed Dividend	81.45
	<u>8608.57</u>
(B) PROVISIONS:	
Proposed Dividend	1430.37
Income Tax on Proposed Dividend	237.58
For Leave Encashment	72.67
For Gratuity	210.73
	<u>1951.35</u>
TOTAL	<u>10559.92</u>

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS	2009-10
SCHEDULE-12- OTHER INCOME:	
Miscellaneous Sales	412.65
Sales Tax Set Off and Refund	18.77
Export Incentives	120.69
Dividend Received	28.54
Interest (Tax Deducted at Source Rs. 9.6 Lacs) (Previous Year Rs. 0.89 Lac)	93.21
Misc.Income (Tax Collected at Source Rs. 0.52 Lac) (Previous year Rs. 1.79 Lacs)	73.76
Sundry Balances Written back (Net)	3.77
Profit on Sale of Assets	11.03
Profit on Sales of Investment	211.16
Gain on Exchange Rate Fluctuation (Net)	42.73
TOTAL	1016.31
SCHEDULE-13- INCREASE/(DECREASE)IN STOCKS:	
Closing Stock	
Stock in Process	1510.89
Finished Goods	7767.04
	9277.93
Less:Opening Stock	
Stock in Process	1296.71
Finished Goods	7856.58
	9153.29
TOTAL	124.64
SCHEDULE-14- COST OF MATERIALS:	
Raw Materials (Including Packing Materials):	
Stock (Opening)	6459.09
Add: Purchases during the year	25992.87
	32451.96
Less:Stock (Closing)	8389.37
TOTAL	24062.59
SCHEDULE-15- PAYMENTS TO AND PROVISION FOR EMPLOYEES:	
Salaries, Wages and Bonus	2889.88
Contribution to Provident and Other funds	191.82
Staff Welfare Expenses	325.40
TOTAL	3407.10

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS		2009-10
SCHEDULE-16- RESEARCH & DEVELOPMENT EXPENSES:		
Raw Material Consumed		89.22
Salaries, Wages and Bonus	128.97	
Contribution to Provident and Other funds	3.45	
Staff Welfare Expenses	0.00	
		<u>132.42</u>
Utilities / others		44.12
Travelling, Conveyance & Vehical Expenses		10.12
Printing & Stationary		1.82
Other Administrative Expenses		10.46
TOTAL		<u><u>288.16</u></u>
SCHEDULE-17-MANUFACTURING EXPENSES:		
Stores, Tools and Dies Consumed		790.72
Power, Fuel		554.94
Labour Charges		2448.17
Repairs & Maintenance :		
(a) Plant & Machinery	637.82	
(b) Electrical Installations	23.05	
(c) Buildings	96.52	
(d) Sundry Repairs	3.11	
		<u>760.50</u>
Factory General Expenses		88.30
Insurance Premium on Assets		6.53
TOTAL		<u><u>4649.16</u></u>
SCHEDULE-18- ADMINISTRATIVE AND GENERAL EXPENSES:		
Rent, Rates & Taxes		144.08
Printing & Stationary		40.11
Postage and Telegraph		43.96
Telephone		33.16
Directors Sitting Fees		2.55
Insurance		17.24
Travelling, Conveyance and Vehicle Expenses		220.54
Miscellaneous Expenses		184.26
Stamp Duty on Amalgamation		29.69
Donation		12.29
Auditors Remuneration towards :		
Audit	30.22	
Certification	2.02	
Out of Pocket Expenses	1.84	
		<u>34.08</u>
TOTAL		<u><u>761.96</u></u>

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

PARTICULARS	2009-10
SCHEDULE-19- SELLING AND DISTRIBUTION EXPENSES:	
Commission and Discount	1129.68
Advertisement and Sales Promotions	22.62
Other Selling Expenses	398.14
Royalty to Foreign Collaborator	4.32
Transit Insurance (Out Ward)	41.56
Freight & Transport (Net)	1305.18
TOTAL	2901.50
SCHEDULE-20- INTEREST AND FINANCE CHARGES:	
Interest	
Fixed period Loans / Deposits	10.25
Other Loans	138.04
	148.29
Finance / Bank Charges	87.24
TOTAL	235.53

SCHEDULE 21 – NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS:**A) SIGNIFICANT ACCOUNTING POLICIES:**

The Consolidated Financial Statements relate to Banco Products (India) Limited ('the Company') and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- 1) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, and intra-group balances and intra-group transactions are fully eliminated in accordance with Accounting Standard 21 (AS-21) – Consolidated Financial Statements.
- 2) Foreign subsidiary companies are categorized as non-integral foreign operation. Accordingly, all income and expense items are translated at the average rate prevailing during the period and all assets and liabilities, both monetary and non-monetary, are translated at the closing rate. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve account in accordance with Accounting Standard 21 (AS-21) – Effect of Changes in Foreign Exchange Rates.
- 3) The difference between the costs of investment in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- 4) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- 5) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company viz. 31st March, 2010.
- 6) Minority interest in net assets of consolidated subsidiary companies is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.
- 7) The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the subsidiary companies	Country of incorporation	Proportion of ownership interest	Reporting date (date till accounts have been audited)
1	Kilimanjaro Biochem Limited (KBL)	Tanzania	99.80%	31 st March, 2010
2	Nederlandse Radiateuren Fabriek B.V. (NRF)	Netherlands	100%	30 th Nov, 2009

- 8) The audited/unaudited financial statements of subsidiary companies have been prepared in accordance with the Generally Accepted Accounting Principal (GAAP) of its country of incorporation. The difference between accounting policies of the Company and its subsidiary companies are not material.

9) Basic of Accounting

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

10) Fixed Assets and Depreciation

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

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

11) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss 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) Foreign Currency Transactions

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

13) 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.

14) 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. Cost includes cost of raw material, packing materials, an appropriate share of fixed & variable production overheads. Excise duty applicable thereon is included for valuation purpose.

15) Retirement Benefits

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

16) Research and Development

- i) Capital expenditure is shown separately under the respective head of fixed assets.
- ii) Revenue expenses including depreciation are charged to profit & loss account.

17) Sales

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

18) Provision for Current and Deferred Tax

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

19) 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.

20) Dividend

Dividend income is considered on receipt basis

21) Provisions, Contingent Liabilities and Contingent Assets

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

22) Sundry Debtors

Sundry debtors are stated after making adequate provision for debt considered doubtful.

23) Earning Per Share

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

24) Proposed Dividend

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

B) NOTES ON ACCOUNTS:

1) Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 724.98 Lacs.

2) Consolidated Contingent Liability is same as contingent liability of stand alone **Banco Products (India) Limited**

3) Managerial Remuneration :

i)	Managerial Remuneration for the year are as under.	(Rs. in Lacs)
		2009-10
	Salary and allowances	63.96
	Contribution towards PF etc.	2.76
	Perquisites	3.68
	Total	70.40

ii) The above remuneration does not include contribution to gratuity fund and leave encashment, as this contribution is a lumpsum amount based on actuarial valuation.

4) In compliance with the Accounting Standard 2 (AS-2) issued by the Institute of Chartered Accountants of India (ICAI), the Company has included excise duty on closing stock of finished goods amounting to Rs. 34.80 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.

5) Maximum balance due during the year from Banco Aluminum Ltd. a company under the same management, is Rs. 3.24 Lacs

6) Consolidated related party transactions are same as related party transactions of stand alone Banco Products (India) Limited

7) In compliance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income", the Company has recognized deferred tax liability (net of assets) arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s).

The major components of deferred tax (liabilities)/assets arising on account of timing difference as at 31st March, 2010 are as under:

	(Rs. in Lacs)
	As At 31-03-2010
<u>Deferred Tax Liabilities:</u>	
Difference between the written down value of assets as per the books of accounts and as per the Income-tax Act, 1961	2,679.67
Total Deferred Tax Liabilities	<u>2,679.67</u>
<u>Deferred Tax Assets:</u>	
Provision for Gratuity	10.78
Provision for Leave Encashment	21.82
Total Deferred Tax Assets	<u>32.60</u>
Net Deferred Tax Liabilities (For Calculation of Deferred Tax Liabilities)	2,647.07
Deferred Tax Liabilities at the end of the year	1417.67
Deferred Tax (Expenses) for the year	37.08

8) Earning per Share

	2009-10
Net Profit After Tax (Rs. in Lacs)	7,860.07
Weighted average paid up Equity Share (Number in Lacs)	715
Earning Per Equity Share (basic and diluted) (Rs.)	10.99
Nominal value per equity share (Rs.)	2.00

- 9) The Company has identified manufacturing of automobile components as its sole primary segment. Thus the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.
- 10) In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the Company to any material extent as at the balance sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".
- 11) Outstanding Leases commitments Rs 321.60 Lacs , (term of lease commitments is 3 to 5 years)
- 12) Previous years figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year.

As per our report of even date		For and on behalf of the Board,	
For Shah & Co.		Vimal K Patel	Director
Chartered Accountants		Samir K Patel	Director
		Mehul K Patel	Director
		A.G.Shroff	Director
		M.D.Patel	Director
Indulal H. Shah	Dinesh Kavthekar	S.K.Duggal	Director
Partner	Company Secretary	M.G.Patel	Director
		S.A .Thakker	ED & CFO
Mumbai : 31st July, 2010		Bil - Vadodara: 31st July, 2010	



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KILIMANJARO BIOCHEM LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010**

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KILIMANJARO BIOCHEM LIMITED
FOR THE YEAR ENDED 31ST MARCH 2010

COMPANY INFORMATION

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2010

1 The directors present their report together with the audited financial statements for the year ended 31st March, 2010.

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 year ended 31st March, 2010. 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. Civil construction is in progress and part of the plant & equipment is in transit as at the date of this report. The company has not commenced commercial operations during this period.

During the year ended 31st March, 2010, there is no change in the Directorship of the company.

4 RELATED PARTY TRANSACTIONS

There are no financial transactions with related parties during the year ended 31st March, 2010.

5 LONG TERM AND HOLDING COMPANY LOANS

The company has received no loan from holding company during the year ended 31st March, 2010.

6 FACTORS AFFECTING SOLVENCY OF THE COMPANY

The company's solvency position is as shown by the balance sheet set out on page 5.

7 RESULTS FOR THE PERIOD

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: 05-05-2010

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 31st March, 2010 and cash flow for the year 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: 06-05-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Reference	Year ended 31 March 2010 Amt TShs ('000)	Year ended 31 March 2009 Amt TShs ('000)
Revenue			
Revenue from business activities		-	-
Total revenue		-	-
Operating expenses			
Operating Expenses		-	-
Operating (Loss) / Profit before depreciation and finance costs		-	-
Non-operating Expenses		-	-
(Loss) / Profit before depreciation, finance costs and tax		-	-
Depreciation and amortization		-	-
Finance costs		-	-
(Loss) / Profit before corporation tax		-	-
Corporation tax	Note 3 (a)	-	-
Deferred tax	Note 3 (b)	-	-
		-	-

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

The company incurred during the year ended 31.03.2010 an amount of **Tshs 237,977,033/-** on various expenditure which are revenue in nature. These expenditures were incurred entirely during the process of acquiring rights for lease hold land and setting up of manufacturing facilities. Part of the Plant & Machinery is in transit and civil construction has already commenced; Commercial activities will commence once Plant & Machineries have been installed and commissioned. The Unit was not commercially operational right through the year ended 31st March 2010 and hence all the expenses have been treated as Pre-operating Expenses.

BALANCE SHEET AS AT 31ST MARCH, 2010

	Reference	AsAt 31st March 2010 Amt TShs ('000)	AsAt 31st March 2009 Amt TShs ('000)
ASSETS			
Non - current assets			
Preoperative Expenses	Note 4	257,158	19,171
Capital Work in Progress (Land & Site Development)	Note 5	965,775	24,267
Property, plant and equipment	Note 6	56,282	7,145
Current assets			
Advance to Creditors	Note 7	2,429,437	6,500
Loans and Advances	Note 8	19,720	–
Other receivables	Note 9	64,800	–
Bank balances and cash	Note 10	748,073	45,701
		3,262,030	52,201
Current Liabilities			
Trade and other payables	Note 11	23,034	2,641
Net current assets / (liabilities)		23,034	49,559
Total assets		4,518,200	100,142
EQUITY AND RESERVES			
Shareholders Funds	Page 6	4,518,200	100,142
Shareholders' equity		4,518,200	100,142
Shareholders' funds		4,518,200	100,142

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

These financial statements were approved by the Directors on 05-05-2010 and signed on its behalf on the same date by:

.....
Signature

A. P. Joshipura

.....
Name

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2010**

Amt TShs ('000)

	Issued share Capital	Accumulated losses	Advance against Share capital	Total
Balance as at 1st April 2009	100,000	–	142	100,142
Movement during the year	4,418,200	–	–	4,418,200
Loss for the year ended 31st March 2010				
Less : Transferred to Trade Payables	–	–	(142)	(142)
Balance as at 31st March 2010	<u><u>4,518,200</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>4,518,200</u></u>

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 4,518,200,000, divided into 45182 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 Amt TShs ('000)
Banco Products (I) Ltd.	Cash	45,092	100,000	4,509,200
Mr Pradeep K. Buch	Cash	90	100,000	9,000
		<u>45,182</u>		<u><u>4,518,200</u></u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	Period ended 31st March 2010 Amt TShs ('000)	Period ended 31st March 2009 Amt TShs ('000)
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	–	–
Adjustment for depreciation	–	–
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	–	–
Working capital changes in:		
Trade and other payables	(2,402,686)	(13,460)
	(2,402,686)	(13,460)
Cash used to finance operations	(2,402,686)	(13,460)
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received against Issue of Share Capital	4,418,200	100,452
Loans and Advances	(84,520)	–
Repayment of unsecured loan	–	(20,177)
Net cash flow from financing activities	4,333,680	80,275
CASH FLOW FROM INVESTING ACTIVITIES		
Pre-operative Expenses	(237,976)	(9,040)
Purchase of Fixed Assets	(49,137)	(145)
Capital Work in Progress (Including Land and Site)	(941,508)	(11,930)
Net cash flow from Investing activities	(1,228,622)	(21,115)
NET CASH FLOW FOR THE YEAR	702,372	45,701
Opening cash and cash equivalents	45,701	–
Closing cash and cash equivalents	748,073	45,701
CASH AND CASH EQUIVALENTS COMPRISE OF:-		
Bank balances and cash	748,073	45,701
	748,073	45,701

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010

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 1,330.21 as at 31st March 2010. 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 **TShs 257,148,349/-**. Plans are underway to set up the Extra Neutral Alcohol manufacturing facility in Mwangi 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.

4 PRE-OPERATIVE EXPENSES

	Quarter ended 31st March 2010 Amt TShs ('000)	Year ended 31st March 2010 Amt TShs ('000)	Period to Date 31st March 2009 Amt TShs ('000)
Pre-operative expenses include the following:			
Salaries	18,113	38,629	–
Office Expenses	2,825	4,033	–
Rent	5,038	11,078	–
Audit Fees	1,330	6,900	1,576
Bank Charges	4,693	53,273	721
Communication Charges	2,601	4,534	125
Exchange Loss/(Gain)	(32,448)	21,131	(559)
Staff Welfare & Entertainment	2,747	3,336	2
Repairs & Maintenance	3,785	7,997	–
Security Expenses	1,721	3,760	–
Govt. Legal and License Fees	400	4,058	1,761
Newspaper, Book & Mag Exp.	59	64	5
Moshi Guest House Exp.	4,239	4,239	–
Printing & Stationery	663	2,198	438
Professional Charges	1,970	39,404	10,969
Staff Recruitment Expenses	783	6,196	–
Transport Expenses	10,254	16,783	–
Travelling Conv. Lodging & Boarding	7,051	28,403	4,132
Visa & Work Permit Fees	–	1,131	–
Round Off	–	1	–
	35,824	257,148	19,171
5 LAND & SITE DEVELOPMENT			
Capital Work in Progress	844,108	965,775	24,267
	844,108	965,775	24,267

NOTES TO THE FINANCIAL STATEMENTS - (Continued)
FOR THE YEAR ENDED 31ST MARCH 2010

Amt TShs ('000)

6 PROPERTY, PLANT AND EQUIPMENT

	Lease Hold Land	Plant & Machinery	Fixture and Fittings	Motor Vehicles	Computer Equipments	Office Equipments	Total
Cost							
As at 01 April 2009	7,145	–	–	–	–	–	7,145
Additions/Transfer	124	15,021	2,384	17,000	6,086	8,522	49,137
Revaluation surplus	–						–
Disposal/Transfer	–						–
As at 31st March 2010	7,269	15,021	2,384	17,000	6,086	8,522	56,282
Depreciation							
As at 1st April 2009	–	–	–	–	–	–	–
Charge for the period	–	–	–	–	–	–	–
Adjustment	–	–	–	–	–	–	–
Disposal	–	–	–	–	–	–	–
As at 31st March 2010	–	–	–	–	–	–	–
Net book amount							
As at 31st March 2010	7,269	15,021	2,384	17,000	6,086	8,522	56,282
As at 31st March 2009	7,145	–	–	–	–	–	7,145

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010**

	As At 31st March 2010 Amt TShs ('000)	As At 31st March 2009 Amt TShs ('000)
7. ADVANCE TO SUNDRY CREDITORS		
Bashiru Abdul Hassani (EIA)	2,429,437	6,500
	2,429,437	6,500
8. LOANS AND ADVANCES		
Prepaid Insurance	166	–
Prepaid Expenses	6,432	–
Container Deposit	10,200	–
Other Advances	2,922	–
	19,720	–
9. Other Receivables		
Vat Recoverable	56,000	–
Pradeep K. Buch	8,800	–
	64,800	–
10. CASH AND BANK BALANCE		
Cash in Hand	22,236	2,188
Bank Accounts	725,837	43,513
	748,073	45,701
11. TRADE AND OTHER PAYABLES <i>(Amounts falling due within one year)</i>		
Trade Payables	19,071	2,641
Other Payables	3,963	–
	23,034	2,641
12. 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		
13. HOLDING COMPANY		
The ultimate holding company is Banco Products (I) Limited, incorporated in India.		
14. COMPARATIVE FIGURES		
Wherever considered necessary, the comparative figures have been regrouped to confirm with the current year's presentation.		
15. CURRENCY		
These financial statements are presented in Tanzanian Shillings.		

Nederlandse Radiateuren Fabriek B.V.

Langenboomseweg 64

NL-5451 JM Mill - The Netherlands

**Financial Statements for the year ending
November 2009**

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1. Directors report

NRF designs, manufactures and markets radiators, radiator cores, charge air coolers, oilcoolers, heaters, temperature control parts such as condensers, compressors and other heat exchange products for the automotive and truck aftermarket. In addition NRF designs, manufactures and distributes marine coolers and heat exchange products for industrial applications. In the financial year 2009 NRF has maintained its strong position in the European market for heat transfer products.

The financial year 2009 was closed with a net profit of • 1.9 million and a solid solvency and liquidity position.

NRF's parent company Proliance International Inc. (Proliance) was facing severe financial issues and on July 2nd 2009, Proliance had to file petitions in the U.S. Bankruptcy Court under Chapter 11 of the U.S. Bankruptcy Code. Prior to this procedures had been started to sell NRF. This resulted in the purchase of 100% of the NRF shares by Banco Products (India) limited on February 23rd, 2010.

Net Turnover

In the financial year 2009 consolidated net turnover decreased by 8.6% in comparison with the year 2008. This decline was mainly caused by the economic crisis and on average lower commodity prices that were passed on to our customers. Especially the market for marine heat exchange products remained strong in 2009.

Gross Profit

In the first quarter of 2009 metal prices showed sharp decreases but during the year, prices have risen gradually back to 2008 levels. Unfortunately most of these price advantages had to be passed on to our customers and therefore putting our margins under pressure throughout 2009.

Capital Expenditure

In 2009 • 0.4 million was invested in new machinery, tooling, IT systems and other fixed assets.

Quality and Environment

In 2004 an agreement for an environmental remediation plan had been reached with provincial authorities and was implemented. As part of the merger in 2005 it was agreed that all remediation cost will be for the account of Modine Manufacturing Company Inc., the former parent company of NRF. Since then and during 2009 the remediation program has been continued.

Regular audits were performed to assure the company's ISO 9001 status.

Human Resources

Total employment within the NRF group was 320 FTE on November 30th, 2009.

Outlook for the Year 2010

The economic situation in 2010 is not favorable. The industrial and truck replacement markets are still depressed as a result of the recession. Further we see a worldwide decline in shipbuilding which will have a negative impact on the sales of box Coolers. However NRF has consistently expanded its aftermarket range of high quality products for automotive, truck and agricultural vehicles and expects overall sales to be in line with 2010. NRF's capital expenditures for the year 2010 will exceed •1.0 million.

Management

M.W. Sisson resigned from the Board and was replaced by P.R. Allinson both actions being effective on May 17th, 2010. Furthermore C.E. Johnson and A. Henock from the Supervisory Board were replaced by M. Patel, V. Patel and S.Thakker on March 8th, 2010.

Mill,

June 17th, 2010

P.R. Allinson

2. Financial statements

2.1 Consolidated balance sheet as of November 30, 2009 before appropriation of results.

		<u>30-Nov-2009</u>	<u>30-Nov-2008</u>
(Amounts x •1000)			
ASSETS	Reference		
FIXED ASSETS			
Tangible fixed assets	2.4.4	5.844	6.378
Financial fixed assets	2.4.5	<u>40</u>	<u>1.240</u>
		5.884	7.618
CURRENT ASSETS			
Inventories	2.4.6	16.406	17.477
Receivables	2.4.7	13.461	14.004
Cash and bank balances	2.4.8	<u>3.685</u>	<u>1.228</u>
		<u>33.552</u>	<u>32.709</u>
Total assets		39.436	40.327
SHAREHOLDER'S EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	2.4.9	31.740	30.021
PROVISIONS	2.4.10	1.080	773
CURRENT LIABILITIES	2.4.11	<u>6.616</u>	<u>9.533</u>
Total liabilities		39.436	40.327

2.2 Consolidated profit & loss account for the year ended November 30, 2009

(Amounts x •1000)	Reference	Dec 2008 / Nov 2009	Dec 2007 / Nov 2008
		12 Months	
Net turnover	2.4.13	63.907	69.985
Change in work in process		991-	642
Operating income		62.916	70.627
Cost of raw materials and auxiliary materials		33.427	39.332
Costs of work contracted out and other external expenses		1.657	1.762
Salaries & wages	2.4.14	13.144	14.339
Social security charges		3.796	3.930
Depreciation tangible fixed assets		1.276	1.375
Other operating costs	2.4.15	6.917	8.941
Operating costs		60.215	69.679
Operating result		2.700	948
Interest income	2.4.16	117-	133-
Interest (expense)		36	206
Net financial income/(expense)		81-	73
Result from ordinary activities before taxation		2.781	875
Taxation on result from ordinary activities	2.4.17	881-	804-
Net result		1.900	71

2.3 Consolidated cash-flow statement

	Dec 2008 / Nov 2009	Dec 2007 / Nov 2008
	12 Months	
(Amounts x •1000)		
<u>Cash-flow from operating activities</u>		
Operating result	2.700	948
Adjustments for:		
Depreciation	1.276	1.375
Amortization		
Change in working capital:		
Increase/Decrease receivables	1.742	466
Increase/Decrease inventories	1.071	349-
Increase/Decrease current liabilities	2.918-	69-
Increase/Decrease provisions	307	373-
	<u>202</u>	<u>326-</u>
	4.178	1.998
Interest income	108	133
Interest expense	27-	206-
Income tax expense	881-	804-
	<u>800-</u>	<u>877-</u>
Cash-flow from operating activities	3.378	1.121
<u>Cash-flow from investing activities</u>		
Investments in tangible fixed assets	478-	717-
Disposals of tangible fixed assets	0	0
Exch. rate diff. in invest, (tangible)	139-	245-
Cash-flow from investment activities	617-	962-
<u>Cash-flow from financing activities</u>		
Adj. for movement translation	303-	10-
Other long term receivables	0	15
Dividend payment	0	0
Cash-flow from financial activities	<u>303-</u>	<u>5</u>
Increase/Decrease cash and banks	2.458	164
<u>Movement in cash and cash equivalents</u>		
Opening balance of cash and cash equivalents	1.228	1.064
Increase / decrease cash and banks	<u>2.456</u>	<u>164</u>
Closing balance of cash and cash equivalents	3.685	1.228

2.4 Notes to the consolidated financial statements for the year ended November 30, 2009

2.4.1 General

Group structure

Until February 23rd, 2010 Nederlandse Radiateuren Fabriek B.V., domiciled at Mill, the Netherlands, was part of Proliance International, Inc. New Haven, Connecticut, U.S.A.

On February 23rd, 2010 Banco Products (India) Limited purchased 100% of the Nederlandse Radiateuren Fabriek B.V shares.

Activities

The principal activities of the company are the production and sale of radiator cores and complete radiators as well as heatexchange devices for shipbuilding and industry.

2.4.2 Principles of consolidation

The consolidated financial statements include the financial figures of Nederlandse Radiateuren Fabriek B.V. and its subsidiary group companies. The consolidation takes place according to the full consolidation method on the basis of uniform accounting principles.

Companies included in consolidation

The group comprises Nederlandse Radiateuren Fabriek B.V. and its subsidiary companies. A Company is considered a group company if that belongs to the economic unit of Nederlandse Radiateuren Fabriek B.V. and in which Nederlandse Radiateuren Fabriek B.V. exercises decisive control of the business and financial policies.

Consequently, the consolidated financial statements include the financial figures of Nederlandse Radiateuren Fabriek B.V. and the following group companies:

Name	Statutory seat	Percentage of shareholding
Skopimex B.V.	Uden (Netherlands)	100%
NRF France SARL	Valenciennes (France)	100%
NRF B.V.B.A.	Aartselaar (Belgium)	100%
NRF (United Kingdom) LTD.	Daventry (England)	100 %
NRF G.M.B.H.	Vienna (Austria)	100%
NRF Deutschland GmbH	Emmerich (Germany)	100%
NRF Espafia S.A.	Granada (Spain)	100%
NRF Poland sp.z.o.o.	Gdansk (Poland)	100%
NRF Italia S.r.l.	Prato (Italy)	100 %
NRF Switzerland AG	Urdorf (Switzerland)	100%

Application of condensed corporate profit and loss account

In respect of the profit and loss account of Nederlandse Radiateuren Fabriek B.V., use is made of article 402 Book 2 Title 9 Dutch Civil Code.

Therefore, this profit and loss account is presented in condensed format.

Cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks and in hand and the bank overdraft forming part of the current liabilities. Cash flows in foreign currencies have been translated at estimated average exchange rates.

Exchange differences affecting cash items are shown separately in the cash flow statement.

Income and expenses in respect of interest, dividends received and taxation on profits are included in the cash flow from operating activities.

2.4.3 Accounting principles***Comparison with previous year***

The basic accounting principles remained unchanged compared to the previous year. ***Principles of valuation***

General

The annual accounts are prepared in accordance with accounting principles generally accepted in the Netherlands. The annual accounts are prepared in Euro. Assets and liabilities are basically valued at nominal value.

Financial fixed assets

Deferred tax assets are stated under the financial fixed assets if, and to the extent it is probable, that the tax claim can be realised in due course. These deferred tax assets are valued at nominal value and have a predominantly long-term character. The other receivables are valued at face value after deduction of any provisions.

Tangible fixed assets

Tangible fixed assets are valued at cost or, in case of own work capitalised, at manufacturing expenses, less accumulated depreciation. Impairment of assets as at the balance sheet date is taken into account. Depreciation is provided by the straight-line method over the estimated economic useful life.

The annual depreciation rates are as follows :

Buildings	2.5%
Plant and machinery	10%
Other operating fixed assets	20 - 33 1/3%

Impairment of fixed assets

On the balance sheet date, the group estimates whether there are any indications of an asset which could be subject to impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the higher of the realisable value and the value to the business.

Inventories

Inventories are valued at the lower of cost or market, whereby the cost for raw material and auxiliary materials are based on the first in first out principle. Included in the costs for other inventories are indirect cost components (indirect labor, depreciation, overheads). Provisions are set up for slow moving and obsolete inventories.

Receivables

Receivables are stated at nominal value, less allowance for doubtful accounts where deemed necessary.

Cash at banks and in hand

Cash at banks and in hand includes deposits with a maturity of less than twelve months.

Current account liabilities at banks, if any, are recognised bank overdrafts forming part of current liabilities

Provisions

Provisions are set up in respect of actual or specific risks and commitments existing at balance sheet date, of which the size is uncertain but can be estimated using a reliable method.

Pension liabilities

The company operates a pension plan for its Dutch staff that qualifies as a defined benefit plan.

The defined benefits are based on average earnings. For salaries not exceeding • 64,097 per annum this pension plan is administered by a multi employer long-term employee benefit fund (pension fund) and is disclosed in the financial statements as a defined contribution plan.

The risk of wage trend, price indexation, investment returns arising from plan assets might lead to future adjustments of the annual contributions to the pension fund, but are not reflected in these financial statements, due to the lack of information about the financial position of the pension fund.

Due to aforementioned lack of insight no indication can be given regarding future increases in NRF's pension fund contributions.

For salaries exceeding a level of • 64,097 an additional pension insurance is in place. The risks relating to this part of the pension obligation are reflected in the statutory accounts under pension obligations under the following assumptions:

Discount rate	6.25%
Expected return on investment	4.0%
Average future salary increases	3.0%
Pension indexation	3.0%

Dutch mortality prognosis 2005-2050

At NRF UK a pension plan that qualifies as a defined contribution plan is in place. The company's sole obligation is payment of the annual contribution to the insurance company. The company does not form a provision for any future increases in the contributions.

Deferred tax liabilities

The provision for deferred tax liabilities, relating to future taxation resulting from differences in valuation of assets and liabilities for financial statement purposes and for tax purposes, is stated at nominal value, based on the prevailing national tax rates.

Deferred tax assets, including those resulting from loss carry- forwards, are valued if it can be reasonably assumed that these will be realized.

Warranty liabilities

The provision for guarantee liabilities, relating to expected claims of customers, is stated at nominal value.

Principles of determination of result

General

The result represents the difference between the realisable value of the goods delivered and services rendered and the costs and other charges for the year.

The results on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

Revenue recognition

Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title of the goods are transferred to the customer.

Net turnover

Net turnover represents the amounts charged to third parties for goods delivered and services rendered in the financial year less discounts and exclusive of VAT.

Costs

Costs are recognised at the historical cost convention and are allocated to the reporting year to which they relate.

Depreciation

Depreciation on buildings and other intangible and tangible assets is based on the purchase price or production cost. Land is not depreciated. Depreciation is provided by the straight-line method over the estimated useful economic life.

Taxation

Taxation on result is computed by applying the current rate to the result of the financial year, taking into account permanent differences between profit calculations for financial purposes and those for tax purposes. These differences are incorporated in taxation on the result from ordinary activities.

Principles of conversion of foreign currencies

The company's primary activities are denominated in euros. Accordingly the company uses the euro as its functional currency. Transactions in foreign currencies are recorded in euros using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the euro are translated using the rate of exchange prevailing at the balance sheet date. Relating translation results are included in the income statement.

For consolidation purposes, the company classifies its subsidiaries as foreign entities. Assets and liabilities are translated at the closing exchange rates, whereas the income statement information is translated at the annual average exchange rate. Translation differences arising thereon are taken to shareholders equity.

2.4.4 Tangible fixed assets

The movements in tangible fixed assets are as follows:

	Land and buildings	Plant and machinery	Other operating fixed assets	fixed assets under construction	Total
(Amounts x •1000)					
Cost:					
Balance as at November 30,2008	10.918	24.645	3.503	236	39.302
Additions	-	5	77	396	478
Put into operation/Transfers	-	496	144	236-	403
Disposals	-	320-	74-	-	394-
Exchange differences	180-	71-	29-	-	279-
Balance as at November 30,2009	10.738	24.755	3.622	396	39.510
Depreciation :					
Balance as at November 30,2008	7.006	22.902	3.016	-	32.924
Charge for the year	301	768	206	-	1.276
Disposals	-	320-	74-	-	394-
Exchange differences	52-	70-	18-	-	140-
Balance as at November 30,2009	7.255	23.280	3.130	-	33.665
Book value:					
Balance as at November 30,2009	3.483	1.475	491	396	5.844
Balance as at November 30,2008	3.912	1.743	487	236	6.378

2.4.5 Financial fixed assets

	Deferred Tax receivables	Other Receivables	total financial fixed assets
(Amounts x •1000)			
Balance as at November 30, 2008	40	1.200	1.240
Reclassified to short term other receivables	-	1.200-	-
Balance as at November 30, 2009	40	-	1.240

The above tax receivable represents a long term fiscal valuation difference per November 30, 2008. The other receivables relate to downpayments made to suppliers that will be compensated against deliveries in the year 2010.

2.4.6 Inventories

Inventories can be broken down as follows:

	30.11.09	30.11.08
(Amounts x •1000)		
Raw materials and auxiliary materials	4.071	4.894
Work in process	1.205	2.196
Finished goods	11.130	10.386
	16.406	17.477

2.4.7 Receivables

Receivables can be broken down as follows:

	30.11.09	30.11.08
(Amounts x •1000)		
Trade accounts receivable	11.603	13.156
Prepayments and accrued income	469	418
Other receivables	1.389	430
	13.461	14.004

Note 1 Receivables in total can be considered as short-term.

2.4.8 Cash and bank balances

	30.11.09	30.11.08
(Amounts x •1000)		
Cash in banks and in hand	3.685	1.228

Note: All cash is freely available to the company.

2.4.9 Shareholder's equity

For a specification of the components and the movements of those components, reference is made to the corporate financial statements.

2.4.10 Provisions

Movements in provisions are specified as follows:

(Amounts x •1000)	Pensions	Deferred tax liabilities	Warranty provision	Total
December 1st, 2008	119	465	189	773
Additions	-	583	453	1.036
Utilisations	-	161-	449-	610-
Releases	119-	-	-	-
Balance as at November 30,2009	-	887	193	1.080
Of which the following amounts can be considered short term	-	-	193	193

The Company has pollution of ground water and soil at the location in Mill, The Netherlands. Modine, the former parent company of NRF BV, guarantees to compensate for the cleaning cost.

2.4.11 Current liabilities

Current liabilities are stated as follows:

(Amounts x •1000)	30.11.09	30.11.08
Trade accounts payable	3.008	2.579
Income tax payables	301	3.315
Taxes and social security charges	994	359
Other liabilities and accruals	2.313	1.036
Short term bank overdraft	-	2.244
	6.616	9.533

2.4.12 Contingencies and commitments not included in the balance sheet

(Amounts x •1000)	(total)	(<1 year)	(1-5 year)	(>5 year)
Lease commitments	526	211	315	-

(The term of the lease commitments is 3 to 5 years.)

Lease expenses during fiscal year	285
-----------------------------------	-----

The company maintains credit agreements with banks in the Netherlands .

The total and fully unused lines of credit on november 30, 2009 amounted to • 5.000.000

2.4.13 Net turnover

(Amounts x •1000)	Dec 2008/ Nov 2009	Dec 2007/ Nov 2008
The Netherlands	9.478	10.765
Other EU countries	45.387	49.517
Other European countries	4.295	4.270
Other countries	4.747	5.432
	63.907	69.985

2.4.14 Salaries, wages and social security charges

(Amounts x •1000)	Dec 2008/ Nov 2009	Dec 2007/ Nov 2008
Salaries and wages	13.144	14.339
Pension charges	1.044	1.027
Other social security charges	2.752	2.902
	16.940	18.268

During 2009 an average of 332 FTE were employed by the company, divided by location as follows :

	30-11-2009	30-11-2008
Nederlandse Radiateurs Fabriek B.V.	188	210
NRF France SARL	23	23
NRF B.V.B.A.	3	4
NRF (United Kingdom) LTD.	24	26
NRFG.M.B.H	5	5
NRF Deutschland GmbH	12	12
NRF Espana S.A.	56	57
NRF Poland sp.z.o.o.	2	1
NRF Italia S.r.l.	6	7
NRF Switzerland AG	1	1
	320	343

2.4.15 Other operating costs

These costs refer mainly to selling, general, and administration expenses.

2.4.16 Interest income and expenses

(Amounts x •1000)

	Dec 2008/ Nov 2009	Dec 2007/ Nov 2008
Interest Income and expenses from credit institutions	9-	9-
Interest paid to credit institutions	36	206
Interest income and expense from group companies	108-	124-
	81-	73

2.4.17 Taxation on result on ordinary activities

(Amounts x •1000)

	Dec 2008/ Nov 2009	Dec 2007/ Nov 2008
Result before taxation in the consolidated annual accounts	2.781	875
Net operating losses added to deferred taxation	0	12-
Valuation adjustment intercompany receivables	-	2.173
Adjusted result for taxation	2.781	3.036
Tax charges	881	804
Effective tax rate	32%	26%

In the European countries where NRF has operations the tax rates vary between 20% and 40%

2.4.18 Remuneration for Supervisory Board of Directors

In 2009 the total remunerations to the Supervisory Board of Directors of NRF B.V. amounted to • 7,731

2.4.19 Related party transactions

NRF B.V. conducted business with other Proliance companies. Transactions had been completed for sales and purchases of goods.

Pricing was established on the basis of arms-length principles,

	Dec 2008/ Nov 2009
Proliance group companies goods sales	• 0
Proliance group companies goods purchases	• 38.519

2.5 Company balance sheet as of November 30, 2009 before appropriation of results.

		<u>30.11.09</u>	<u>30.11.08</u>
(Amounts x •1000)			
ASSETS	Reference		
FIXED ASSETS			
Tangible fixed assets	2.7.1	3.918	4.125
Financial fixed assets	2.7.2	<u>12.722</u>	<u>13.592</u>
		16.640	17.717
CURRENT ASSETS			
Inventories	2.7.3	9.991	11.410
Receivables	2.7.4	9.106	8.793
Cash and bank balances	2.7.5	<u>1.917</u>	<u>4</u>
		21.014	20.207
		<u>37.654</u>	<u>37.924</u>
SHAREHOLDER'S EQUITY & LIABILITIES			
SHAREHOLDER'S EQUITY	2.7.6		
Issued capital		114	114
Premium reserve		9.061	9.081
Legal reserve		0	96
Translation adjustment		925-	652-
Retained earnings		21.590	21.331
Net profit for the year		<u>1.900</u>	<u>71</u>
		31.740	30.021
PROVISIONS	2.7.7	1.066	752
CURRENT LIABILITIES	2.7.8	<u>4.848</u>	<u>7.151</u>
		<u>37.654</u>	<u>37.924</u>

2.6 Profit and loss account for the year ended November 30, 2009

	<u>30.11.09</u>	<u>30.11.08</u>
(Amounts x •1000)		
Income from investments in group companies after taxation	1.138	1.244
Other income and expense after taxation	<u>763</u>	<u>1.173-</u>
Result after taxation	1.900	71

2.7 Notes to the financial statements for the year ended November 30, 2009

The accounting principles for the corporate financial statements are in line with those applied for the consolidated financial statements.

Financial fixed assets are valued at their net asset value as NRF B.V. holds 100% participations only. In case were the participation's net asset value is negative it is valued at nil.

If the company is wholly or partially liable for the debts of such participations or it has the firm intention to enable the participation to settle its debts, a provision is formed.

2.7.1 Tangible fixed assets

The movement in tangible fixed assets is as follows:

	Land and buildings	Plant and machinery	Other fixed assets	Fixed assets under construction	Total
(Amounts x •1000)					
Cost:					
Balance as at November 30,2008	8.082	19.799	2.331	237	30.449
Additions	-	-	-	396	396
Put into operation	-	496	144	237-	403
Disposals	-	320-	67-	-	387-
Balance as at November 30,2009	8.082	19.975	2.408	396	30.860
Depreciation :					
Balance as at November 30,2008	5.878	18.477	1.968	-	26.323
Charge for the year	231	618	157	-	1.006
Disposals	0	320-	67-	-	387-
Balance as at November 30,2009	6.108	18.775	2.058	-	26.941
Book value :					
Balance as at November 30,2009	1.974	1.200	350	396	3.919
Balance as at November 30, 2008	2.204	1.322	363	113	4.126

2.7.2 Financial fixed assets

Financial fixed assets solely relate to investments in group companies and the movements were as follows:

	<u>Participations in group companies</u>	<u>Other receivables</u>
(Amounts x •1000)		
Book value as of 30 November 2008	12.392	1.200
Share in result of associated companies	1.284	-
Associated company dividends	525-	-
Change in exchange rate differences	269-	-
Movement in intercompany profits	146-	-
Valuation adjustment NRF Austria	14-	-
reclassified to short term other receivables	-	1.200-
Book value as of 30 November 2009	<u>12.722</u>	<u>0</u>

The negative net equity of NRF Austria per November 30th 2009 of 617,000 euros has been excluded from the investment value.

This amount has been deducted from the group companies receivables due from NRF Austria.

Other receivables relate to downpayments made to suppliers that will be compensated against future deliveries in the year 2010.

2.7.3 Inventories

Inventories are stated as follows:

	<u>30.11.09</u>	<u>30.11.08</u>
(Amounts x •1000)		
Raw materials and auxiliary materials	3.468	3.901
Work in process	1.173	2.130
Finished goods	5.350	5.378
	<u>9.991</u>	<u>11.410</u>

2.7.4 Receivables

Receivables are stated as follows:

	<u>30.11.09</u>	<u>30.11.08</u>
(Amounts x •1000)		
Trade accounts receivable	3.501	4.579
Amounts due from group companies	3.937	3.512
Taxes and social security	189	430
Prepayments and accrued income	280	272
Other receivables	1.200	-
	<u>9.106</u>	<u>8.793</u>

Note 1 Receivables in total can be considered as short-term.

2.7.5 Cash and bank balances

The item cash and cash equivalent in the cash flow statement comprise the following :

	<u>30.11.09</u>	<u>30.11.08</u>
(Amounts x •1000)		
Cash in banks and in hand	1.917	4

2.7.6 Shareholder's equity

Share Capital

The authorised share capital of the company as at November 30, 2009 amounts to EUR 567.225 and consists of 125 thousand ordinary shares of EUR 4,54 each. Issued share capital amounts to EUR 113.500 and consists of 25 thousand ordinary shares with a nominal value of EUR 4,54 each. The issued capital is fully paid-in.

Legal reserves, statutory reserves and other reserves

(Amounts x •1000)	Issued capital	Premium reserve	Legal reserve	Cumulative translation adjust	Retained earnings	Annual result
Balance as at November 30,2008	114	9.061	96	652-	21.331	71
Appropriation of the 2008 net profit	-	-	-	-	71	71-
release pension and legal reserve	-	-	96-	-	188	
Movement translation adjustment	-	-	-	273-	-	-
2009 net profit	-	-	-	-	-	1.900
Balance as at Nov 30th, 2009	114	9.061	0	925-	21.590	1.900

2.7.7 Provisions

Movements in provisions are specified as follows:

(Amounts x •1000)	Pensions	Deferred tax liabilities	Warranty liabilities	Total
Balance as at November 30, 2008	119	465	168	752
Additions	-	583	425	1008
Utilisations	-	161-	414-	575-
Releases	119-	-	-	119-
Balance as at November 30, 2009	0	887	179	1.066

The provisions have mainly a long term term character. The majority of the warranty liability will be utilized within 12 months.

2.7.8 Current liabilities

Current liabilities are stated as follows:

	30.11.09	30.11.08
(Amounts x •1000)		
banks	0	2.579
Trade accounts payables	2.318	2.235
Amounts due to group companies	584	130
Income tax payables	245	444
Taxes and social security charges	316	333
Other liabilities and accruals	1.385	1.429
	<u>4.848</u>	<u>7.151</u>

2.7.9 Audit Cost

The financial statements are audited by BDO Audit & Assurance. The total costs incurred against the income for 2009 are • 55.891:

Audit of financial statements	48.570
Other audit engagements	7.321
	<u>55.891</u>

2.7.10 Contingencies and commitments not included in the balance sheetContingencies

The company takes responsibility for liabilities, arising from legal acts of Skopimex B.V. The company is together with all Dutch investments in group companies jointly and severally liable to the credit institution.

Commitments

(Amounts x •1000)

	(total)	(<1 year)	(1-5 year)	(>5 year)
Lease commitments: (The term of the lease commitments is 3 to 5 years.)	369	120	249	0
Lease expenses during fiscal year 169				

2.7.11 Taxation

Nederlandse Radiateuren Fabriek B.V. and Skopimex B.V. are a fiscal unit under Dutch tax law.

Mill,
June 17th, 2010

P.R. Allinson
Managing Director

Supervisory Board:

V. Patel

M. Patel

S. Thakker

R.H. van net Kaar

3 Supplementary information

3.1 Auditors' report

The auditors report is attached on the next page.

3.2 Appropriation of the net result

In accordance with the articles of association of the companies net profit is at the disposal of the general meeting of the shareholders.

3.3 Proposed treatment of the net result

It is proposed to add the entire net profit to the retained earnings.



To the Managing Director and Supervisory Board of
Nederlandse Radiateuren Fabriek B.V.
Langenboomseweg 64
5451 JM MILL

Arnhem, June 17, 2010

AUDITORS' REPORT

Report on consolidated and company financial statements

We have audited the accompanying consolidated and company financial statements of Nederlandse Radiateuren Fabriek B.V., Mill, which comprise the consolidated and company balance sheet as at 30 November 2009, the consolidated and company profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Nederlandse Radiateuren Fabriek B.V. as at 30 November 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.



Report on other legal requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the director's report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

BDO Audit & Assurance B.V.
on its behalf,

E.H.B. Schrijver RA

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To,
Link Intime India Pvt. Ltd.
The Registrar and Transfer Agent
(Unit : Banco Products (India) Limited)
308, Jaldhara Complex,
1st 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.

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BANCO PRODUCTS (INDIA) LIMITED.

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

PROXY

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

I/We.....
of.....being Member(s) of Banco Products (India) Limited hereby
appoint.....of.....or failing
him.....of..... my/our behalf at the 49th Annual General Meeting of
the Company to be held at the Registered Office on 28.09.2010 at 10.00 a.m and at any adjournment
thereof.

As witness my/our hand(s) this.....day of.....2010

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 49th Annual General Meeting of Banco Products (India) Limited,
held at the Registered Office on 28.09.2010 at 10.00 a.m

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

D.P.I.D. No.

Full Name of Proxy

Member's/Proxy's Signature.

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