

BANCO PRODUCTS (INDIA) LIMITED



**50th ANNUAL REPORT
2010-2011**



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 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 50th Annual General Meeting of Banco Products (India) Limited. will be held on Tuesday, the 6th September, 2011 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 31.03.2011 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 Samir K. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ramkishan A. Devidayal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Mukesh D. Patel who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309, and other applicable provisions, if any, of the Companies Act,1956, including Schedule XIII to the said Act, as amended up-to-date, Consent be and is hereby accorded to the payment of remuneration and perquisites being paid or provided to Shri Vimal K. Patel as the Chairman of the Company, for a period of 3 years from 01.08.2011 to 31.07.2014 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Vimal K. Patel 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 Vimal K. Patel 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 Vimal K. Patel 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 Vimal K. Patel, the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Vimal K. Patel 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 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 payment of the remuneration and perquisites being paid or provided to Shri Mehul K. Patel as Director of the Company, for a period of 3 years from 01.08.2011 to 31.07.2014 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Mehul K. Patel 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 Mehul K. Patel 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 Mehul K. Patel 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 Mehul K. Patel, the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Mehul K. Patel 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.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198,269,309 and other applicable provisions, if any, of the Companies Act,1956, including Schedule XIII to the said Act, as amended up-to-date, Consent be and is hereby accorded to the Re-appointment of and the remuneration and perquisites being paid or provided to Shri Shailesh A. Thakker as the Executive Director of the Company, for a period of 3 years from 20.07.2011 to 19.07.2014 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Shailesh A. Thakker 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 Shailesh A.Thakker 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 Shailesh A.Thakker 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 Shailesh A.Thakker, the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Shailesh A.Thakker 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.”

10. To consider and if thought fit to pass with or without modifications, the following resolutions as a Special Resolution.

“RESOLVED THAT the approval of Shareholders by way of Special resolution be and is hereby given, to the appointment made by Board of Directors, in terms of the provisions Section 314 of the Companies Act, 1956 read with Director’s Relative (Office of Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and other rules and regulations in this regard as amended from time to time, to the appointment and remuneration of Shri. Kush V. Patel, a relative of Shri . Vimal K. Patel, Shri Samir K. Patel and Shri Mehul K. Patel, Directors of the Company, to hold office or place of profit under the Company w.e.f. 01.01.2011 inter alia on the terms and conditions as detailed in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the Terms and conditions, Remuneration etc. within the applicable Statutory limits as may be applicable from time to time.”

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 to 10 is annexed hereto.
3. The Register of Members and Transfer Books of the Company will be closed from 29.08.2011 to 06.09.2011 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 14.09.2011, 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 28.08.2011.
 - 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 28.08.2011
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 B-102 & 103, Shangrila



Complex, 1ST Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020 under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.

- (I) Name of the Sole/First Joint holder and the Folio Number.
- (II) Particulars of Bank Account, viz;
- (III) Name of Bank
- (IV) Name of Branch
- (V) Complete address of the Bank with Pin Code Number
- (VI) Account type, whether Savings Account (SA) or Current Account (CA)
- (VII) Bank Account Number.

(b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.

7. Shareholders are requested to bring their copy of the Annual Report at the meeting send all communications relating to their shareholding, quoting Folio No./Client ID & DP ID, at Registered Office only.
8. Members desirous of obtaining any information with respect of the accounts of the company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.
9. To enable the Company to send various communication electronically, the Shareholders are requested to register/update their Email Addresses as under :
 1. In respect of those shareholders who are holding Shares in Demat Form, through their respective Depository Participant.
 2. In respect of those shareholders who are holding Shares in Physical Form, with the Registrar & Transfer Agents of the Company as per following Address along Folio Number details.

LINK INTIME INDIA PVT. LTD

(Unit Banco Products (India) Limited

B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara 390 020.

Phone No. 0265 – 2356573/2356794

E-MAIL: vadodara@linkintime.co.in

Alternatively, the such Email addresses can be provided to the Company at aforesaid Registered Office Address or at email ID investor@bancoindia.com Fax No. 0265-2680433

By Order of the Board,

Date : 14.07.2011
Place : Bil

Vimal K. Patel
Chairman

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

Item 7

Shri Vimal K. Patel is one of the Promoter Directors and Chairman of the Company and reputed Industrialist. He has been one of the guiding forces for the growth of the Company.

Shri Vimal K. Patel is M.Sc (Economics) from London School of Economics.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 14.07.2011 approved the payment of remuneration to Shri Vimal K. Patel for a period of 3 years with effect from 01.08.2011 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Vimal K. Patel in this respect, inter alia, states the following:

The Broad Terms and Conditions of the remuneration are as under :

1. The terms and conditions of the Agreement made between Banco Products (India) Limited, (hereinafter referred as 'the Company') and Shri **Vimal K Patel** for his remuneration as Chairman of the Company, inter alia, includes the following with effect from 01.08.2011.

- I. Period of Appointment:

Three years from 01.08.2011 to 31.07.2014

- II. Remuneration:

The Chairman shall be paid remuneration as per following details.

His monthly basic salary shall be of Rs. 5,15,000 (five lacs fifteen thousand only).

In order to meet with the requirement of professional attire in the office and for his trips at different locations he shall be entitled to attire allowance of Rs. 10,000 per month for the maintenance of attire as per the company policy.

The Chairman will also be entitled to ad-hoc taxable allowances of Rs. 36,500 per month for various minor matters.

The Overall Remuneration by way Salary and Perquisites shall be within the Overall limits and Provisions of the Company Law, Schedule XIII and other applicable Rules and Regulations as may be applicable from time to time.

Minimum Remuneration:

In case in any Financial Year, during the tenure of Shri Vimal K Patel as Chairman of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the restrictions set out in Section II of part II of Schedule XIII of the Companies Act, 1956, or any other law including modifications, if any for the time being applicable or in force from time to time.

- III. Perquisites and Allowances

- (i) In addition to the salary and perquisites mentioned in II above, the Chairman shall also be entitled to perquisites and allowances like club fees, family medical insurance, leave and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Chairman
- (ii) The Chairman will be entitled to have rent-free accommodation with the monthly rental not-exceeding Rs. 2.00 lacs and in case he does not choose to have the rent-free accommodation, then he shall be paid House Rent Allowance of Rs. 2.00 lacs per month.

- (iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these are either singly or together are not taxable under the Income Tax Act of 1961, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration of perquisites aforesaid.
- (iv) The provision for use of the Company maintained car with driver for official duties and Company's supplied land line at residence and mobile telephone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Personal long distance calls will be paid for by the Chairman .
- (v) Gratuity at 15 days salary for every year of completed service (applicable after completion of five years of service including the period of service already served as Chairman of the Company).
- (vi) At times for attending some formal functions, in case the Chairman is required to take his spouse with him then in such an event, the Company shall bear the cost of spouse's travel related costs.
- (vii) One club membership.
- (viii) The Chairman will be entitled to appropriate expenses for maintaining an Office at home office including computers, furniture, assistants, peons as may be required for this purpose.
- (ix) Leave travel reimbursement – air fare to any destination within India for self and family (spouse and children) twice in a block of four years.
- (x) Medical expense reimbursement for self, spouse and children up to Rs.15,000/- (Rupees fifteen thousand) per annum.
- (xi) In case where the chairman is required to be treated for medical ailment which requires surgical intervention or hospitalization, then entire costs incurred either in India or abroad will be borne by the Company. Cost for this purpose shall include all related costs for medical treatment including travel costs of yourself, attending medical staff and /or family member.

2. If the tenure of the office of the Chairman is terminated before the expiration of the Agreement, then the Chairman will be entitled to, compensation in accordance with the provisions contained in Section 318 of the Companies Act of 1956 and to the extent provided in the section
3. The Chairman so long as he functions as such, shall not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
4. This Agreement shall have a fixed term of 3 (Three) years from the date of this Agreement. It may be terminated by either party with a notice period of 3 (three) months.
5. The Chairman shall be entitled to reimbursement of all expenses including entertainment expenses that may be incurred by him on behalf of the Company or in connection with the business of the Company.

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 Vimal K. Patel will be as per the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable the provisions, if any, of the Companies Act, 1956.

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

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 Vimal K. Patel, Shri Samir K Patel and Shri Mehul Patel none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Item 8

Shri Mehul K. Patel is one of the Promoter Directors and reputed Industrialist with experience of more than 20 years in the Industry. . He is looking after the Marketing activities of the Company and has been one of the guiding forces for the formulating various marketing policies and initiatives.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 14.07.2011 approved the payment of remuneration to Shri Mehul K. Patel for a period of 3 years with effect from 01.08.2011 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Mehul K. Patel in this respect, inter alia, states the following:

Shri Mehul K. Patel is M.Sc (Engineering),

The Broad Terms and Conditions of the Remuneration are as under :

1. The terms and conditions of the Agreement made between Banco Products (India) Limited, (hereinafter referred as 'the Company') and Shri **Mehul K Patel** for his remuneration as Director of the Company, inter alia, includes the following with effect from 01.08.2011.

I. Period of Appointment:

Three years from 01.08.2011 to 31.07.2014

II. Remuneration :

The Director shall be paid be paid remuneration as per following details

His monthly basic salary shall be of Rs. 5,15,000 (five lacs fifteen thousand only).

In order to meet with the requirement of professional attire in the office and for his trips at different locations he shall be entitled to attire allowance of Rs. 10,000 per month for the maintenance of attire as per the company policy.

The Director will also be entitled to ad-hoc taxable allowances of Rs. 36,500 per month for various minor matters.

The Overall Remuneration by way Salary and Perquisites shall be within the Overall limits and Provisions of the Company Law, Schedule XIII and other applicable Rules and Regulations as may be applicable from time to time.

Minimum Remuneration:

In case in any Financial Year, during the tenure of Shri Mehul K Patel as Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the restrictions set out in Section II of part II of Schedule XIII of the Companies Act, 1956, or any other law including modifications, if any for the time being applicable or in force from time to time.

III. Perquisites and Allowances

(i) In addition to the salary and perquisites mentioned in II above,, the Director shall also be entitled to perquisites and allowances like club fees, family medical insurance, leave and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Director

(ii) The Director will be entitled to have rent-free accommodation with the monthly rental not-exceeding Rs. 2.00 lacs and in case he does not choose to have the rent-free accommodation, then he shall be paid House Rent Allowance of Rs. 2.00 lacs per month.

- (iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these are either singly or together are not taxable under the Income Tax Act of 1961, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration of perquisites aforesaid.
 - (iv) The provision for use of the Company maintained car with driver for official duties and Company's supplied land line at residence and mobile telephone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Personal long distance calls will be paid for by the Director.
 - (v) Gratuity at 15 days salary for every year of completed service (applicable after completion of five years of service including the period of service already served as Director of the Company).
 - (vi) At times for attending some formal functions, in case the Director is required to take his spouse with him then in such an event, the Company shall bear the cost of your spouse's travel related costs.
 - (vii) One club membership.
 - (viii) The Director will be entitled to appropriate expenses for maintaining an Office at home office including computers, furniture, assistants, peons as may be required for this purpose.
 - (ix) Leave travel reimbursement – air fare to any destination within India for self and family (spouse and children) twice in a block of four years.
 - (x) Medical expense reimbursement for self, spouse and children up to Rs.15,000/- (Rupees fifteen thousand) per annum.
 - (xi) In case where you are required to be treated for medical ailment which requires surgical intervention or hospitalization, then entire costs incurred either in India or abroad will be borne by the Company. Cost for this purpose shall include all related costs for medical treatment including travel costs of yourself, attending medical staff and / or family member.
2. If the tenure of the office of the Director is terminated before the expiration of the Agreement, then the Director will be entitled to, compensation in accordance with the provisions contained in Section 318 of the Companies Act of 1956 and to the extent provided in the section
 3. The Director so long as he functions as such, shall not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
 4. This Agreement shall have a fixed term of 3 (Three) years from the date of this Agreement. It may be terminated by either party with a notice period of 3 (three) months.
 5. The Director shall be entitled to reimbursement of all expenses including entertainment expenses that may be incurred by him on behalf of the Company or in connection with the business of the Company.
- The total remuneration, including the minimum remuneration, in the event of loss or inadequacy of profits of the Company, in any year, payable to Shri Mehul K. Patel will be as per the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable the provisions, if any, of the Companies Act, 1956.
- This may be please be treated as an abstract of the terms of remuneration as per Section 302 of the Companies Act.
- 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 Vimal K. Patel, Shri Samir K Patel and Shri Mehul Patel none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Item 9

Shri Shailesh A. Thakker is B.Com., PGDBM., ICWA., with more than 18 years of experience in the Accounts, Finance, Taxation, Commercial areas with various companies such as Apollo Tyres Ltd, Deepak Nitrite Ltd etc.

The initial tenure of the Appointment of Shri Shailesh Thakker was up to 19.07.2011. On the recommendation of Remuneration Committee, the Board of Directors has, at its respective meetings held on 14.07.2011, approved the re-appointment and remuneration of Shri Shailesh A. Thakker as Executive Director. The agreement entered into by the Company with Shri Shailesh A. Thakker in respect of his Re-appointment, inter alia, states the following:

1. Shri Shailesh A. Thakker is appointed as the "Executive Director" with effect from 20.07.2011.
2. TENURE :
 - a. The appointment of Executive Director is valid for a period of 3 years from 20.07.2011.
 - 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 Executive Director shall perform such functions as duties as may be assigned to him by the Board of Directors from time to time as are necessary for the purpose of conducting the business and affairs of the company on such terms and conditions as may be decided from time to time including the following :

- a) Hours of work shift, weekly holidays, etc shall be regulated by the company to suit the duties entrusted to you and will be subjected to change as per the requirement of the company from time to time.
- b) During the tenure of your employment your 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 you shall have to work at such place in future. The decision of the Management in regard to your transfer shall be final and binding to you 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) After confirmation, employment is subject to termination by 30 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 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 Director 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:

5. a. Salary - Rs. 104000/- per month in the grade of MM

b. Perquisites: The Executive Director will also be entitled to the perquisites mentioned below :

Category - A :

- i. Housing : House Rent Allowance of Rs.28600/- per month.
- ii. Medical Reimbursement : Rs. 2333/- per month (Quarterly payment).
- iii. Leave Travel Concession : For self and family Rs 4500/- per month (yearly payment).
- iv. Education Allowance : Rs. 1500/- per month.
- v. Personal Accident Insurance : The total annual premium payable by the Company shall not exceed Rs. 6552/-.

Category - B : Other allowances :

- i. Driver's Allowance : Rs. 3000/- per month.
- ii. Telephone Allowance : Rs. 3500/- per month.
- iii. Entertainment Allowance : Rs. 1500/- per month.
- iv. Adhoc Allowance : Up to Rs. 267600/- per month
- v. Magazine & Journal Allowance : Rs. 1467/- 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.

- 6. 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.
- 7. The Executive Director shall as long as he continues to be Executive 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.

8. If at any time the Executive Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive 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 Shailesh A.Thakker will be as per the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable the provisions, if any, of the Companies Act, 1956.

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

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 Shailesh A. Thakker, none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Item 10

Shri Kush V Patel was appointed as General Manager of the Company w.e.f. 01.01.2011 on total monthly remuneration up to Rs. 48000/-. The Profile of Shri Kush V Patel is as under :

Masters' Degree in Mechanical Engineering from :

- University of Nottingham, Nottingham U.K.
- Imperial College, London U.K.

Masters in Business Administration :

- University of Florida, Gainesville, U S A

Previously, he was associated as Field and Application Engineer with Schlumberger, U .K. in Off Shore Oil and Gas Industry for about One and Half Years.

The approval of shareholders by way of Special Resolution is sought since Shri Kush V Patel is relative of the Shri Vimal K Patel, Shri Samir K Patel and Shri Mehul K Patal, the Directors of the Company.

Except Shri Vimal K. Patel, Shri Samir K Patel and Shri Mehul Patel none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

By Order of the Board,

Date : 14.07.2011
Place : Bil

Vimal K. Patel
Chairman

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING.

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

Name of the Director	Shri Samir K. Patel	Shri Ramkishan A. Devidayal
Date of Birth	25.03.1960	08.12.1950
Date of Appointment	25.09.1983	27.07.2002
Specialised Expertise / Brief Profile	Shri Samir K. Patel is one of the promoter directors of the Company. He is in charge of administrative matters of the Company since more than 15 years. He has vast experience and expertise in metal industry in general and aluminium in particular.	Shri Ram Devidayal is M.Com and Director of Devidayal (Sales) Ltd. He has held various Positions such as President, Vice President, Committee Member etc. in various industry bodies like Federation of Gujarat Industries, Forum of Industries, Chamber of Commerce, Gujarat Pesticide Formulators Associations, Ahmedabad. He is also associated with various NGOs, Social Institutions etc. such as Baroda Citizen Council, Navrachna Credit Co-Operative Society. He is also on the Board of many companies.
Qualifications	B.Sc MBA	M.Com (Business Management)
Directorships of other Companies as on 31.03.2011	Banco Aluminium Limited Banco Foundation K K Patel Foundation	Devidayal (Sales) Limited 20 Microns Limited Munjal Auto Limited Speciality Minerals Ltd. 20 Microns Nano Minerals Ltd. Highland Farms Pvt. Ltd. Ritika Investments Co. Pvt. Ltd.
Chairman/Member of other Committees of Companies as on 31.03.2011	Banco Products (India) Ltd. Shareholders' Grievance Committee - Member	Banco Products (India) Limited Audit Committee - Chairman Remuneration Committee - Chairman Shareholders' Grievance Committee - Member 20 Microns Ltd Audit Committee - Member Shareholders' Grievance Committee - Member Remuneration Committee - Member Nomination Committee of Director - Member Munjal Auto Limited Audit Committee - Member Shareholders' Grievance Committee - Member Remuneration Committee - Member Speciality Minerals Limited Audit Committee - Member Shareholders' Grievance Committee - Member Remuneration Committee - Member

Name of the Director	Shri Mukesh D. Patel	
Date of Birth	12.12.49	
Date of Appointment	27.03.2009	
Specialised Expertise	Mr. Mukesh Patel is chairman and Managing Director of Transpek Finance Ltd. He was associated with various industry bodies such as Indian Chemicals Manufacturer's Association, CHEMXCIL, and Indian Association of Materials' Management. He has undergone training in all areas of business in leading Management Institutions like IIMA, ASCI etc. He is also on the board of several other companies. He has expertise in the working of various areas of Management.	
Qualifications	B.Sc (Chemistry) B.Sc (Chemical Engineering)	
Directorships of other Companies as on 31.03.2011	Transpek Finance Limited Universal Esters Limited Punjab Chemicals & Crop Protection Ltd. Shilchar Technologies Limited Gujarat Automotive Gears Limited Torrential Investments Pvt Ltd. Transpek Industry Ltd. Infinity Consultants Ltd.	
Chairman/Member of other Committees of Companies as on 31.03.2011	<p>Transpek Industry Ltd Audit Committee - Chairman Shareholders and Investors Grievance - Member Remuneration Committee - Member</p> <p>Transpek Finance Ltd. Shareholders and Investors Grievance Committee - Member</p> <p>Shilchar Electronics Ltd Audit Committee - Member Shareholders and Investors Grievance - Chairman</p> <p>Punjab Chemicals & Crop Protection Audit Committee - Chairman Shareholders and Investors Grievance - Chairman Remuneration Committee - Member</p> <p>Banco Products (India) Ltd. Audit Committee - Member Shareholders and Investors Grievance - Member</p>	

Name of the Director	Shri Shailesh A. Thakker
Date of Birth	13.10.1967
Date of Appointment	19.07.2008
Specialised Expertise / Brief Profile	Shri Shailesh Thakker is Executive Director & CFO of the Company. He is in charge of Finance, Taxation and Commercial activities of the Company. He has more than 15 years of experience in various reputed companies.
Qualifications	B.Com., PGDBM., ICWAI
Directorships of other Companies as on 31.03.2011	Nederlandse Radiateuren Fabriek B.V Lake Minerals (Mauritius) Limited
Chairman/Member of other Committees of Companies as on 31.03.2011	Nil

Name of the Director	Shri Vimal K. Patel	Shri Mehul K. Patel
Date of Birth	21.03.1953	29.10.1964
Date of Appointment	15.05.1986	08.02.1990
Specialised Expertise / Brief Profile	Shri Vimal K. Patel is one of the Promoter Director and Chairman of the Company. He is in charge of overall operations of the since more than 20 years. The Company is on growth path under his able leadership and guidance. He is associate with various industry bodies such as Federation of Gujarat Industries etc. He has expertise in the working of various areas of Business Management.	Shri Mehul K. Patel is one of the Promoter Directors of the Company. He is in charge of marketing activities of the Company since more than 15 years. The Company has established itself in Domestic and Export markets under his able leadership and guidance. He has expertise in the working of various areas of Business Management.
Qualifications	M.Sc (Economics) from London School of Economics	M.Sc (Engineering)
Directorships of other Companies as on 31.03.2011	Banco Aluminium Limited Nederlandse Radiateuren Fabriek B.V Banco Foundation K K Patel Foundation Lake Minerals (Mauritius) Limited Lake Cements Limited Persang O.M Metal Pvt Ltd.	Banco Aluminium Limited Nederlandse Radiateuren Fabriek B.V K K Patel Foundation Banco Foundation Lake Minerals (Mauritius) Limited
Chairman/Member of other Committees of Companies as on 31.03.2011	Banco Products (India) Ltd. Audit Committee - Member Remuneration Committee - Member Finance committee - Member	Banco Products (India) Limited Finance Committee - Member

Note : The details of Shri Vimal K. Patel and Shri Mehul K. Patel are provided in view of respective proposals for payment of remuneration to them in the ensuing Annual General Meeting.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 50th Annual Report together with the audited statements of accounts for the year ended 31.03.2011.

1. FINANCIAL RESULTS : (₹ in Crores)

Particulars	Stand alone		Consolidated	
	Year ended on 31.03.2011	Year ended on 31.03.2010	Year ended on 31.03.2011	Year ended on 31.03.2010
Total Turnover	459.98	407.15	844.24	461.18
Profit Before Taxation	74.42	98.28	85.23	98.94
Less : Provision for taxation	14.85	19.50	18.86	19.97
MAT Credit Entitlement	00.74	00.37	00.74	00.37
Deferred Tax Liability				
Profit After Tax	58.83	78.41	65.63	78.60
Add : Balance brought forward from previous year	124.63	72.90	124.83	72.90
Profit available for appropriation	183.46	151.31	190.46	151.50
Appropriations :				
Transfer to General Reserve	7.00	10.00	7.00	10.00
Proposed Dividend	21.46	14.30	21.46	14.30
Provision For Tax on Proposed Dividend	3.56	2.38	3.56	2.38
Balance Carried to Balance Sheet	151.44	124.63	158.43	124.82

2. DIVIDEND :

In view of the 50th Year of the Company the Board, has decided to recommend Dividend 150% i.e. ₹ 3/- per Equity Share of ₹ 2/- each for the Financial Year ended on 31.03.2011 as compared to ₹ 2/- Per Equity Share (100%).

3. OPERATIONS :

Both Radiator and Gasket product groups, have sound manufacturing facilities which have been constantly upgraded and are supported by sophisticated Research and Development facilities for new projects or models OEM and other customers come up with. Banco has experienced over all growth of 13% as compared to previous year.

Given below are the top and bottom line figures.

(₹ in Crores)

	Year ended on 31.03.2011	Year ended on 31.03.2010
Sales (Net)	459.98	407.15
PAT	58.83	78.41

DOMESTIC SALES :

During the Financial Year Company's domestic sales stands at ₹ 331.92 Crores against previous year ₹ 272.62 Crores.

EXPORT SALES :

During the Financial Year, Company's Export Sales stands at ₹ 128.06 Crores against previous year ₹ 134.53 Crores.

Overall sales mix remains as Domestic 72% (Previous Year 67%) and Export Sales 28% (Previous Year 33%).

4. DIRECTORS' RESPONSIBILITY STATEMENT.

In terms of Section 217(2AA) of the Companies Act, 1956, the directors would like to state that:-

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

5. DIRECTORS :

Shri Samir K Patel , Shri Ram Devidayal and Shri Mukesh D Patel, would retire by rotation and being eligible, offer themselves for re-appointment.

The Board has, on recommendation of Remuneration Committee decided to pay remuneration to Shri Vimal K Patel, as Chairman of the Company and Shri Mehul K Patel as Director of the Company w.e.f. 01.08.2011, subject to approval by Shareholders in the ensuing Annual General Meeting. The details of the proposal for approval by shareholders is included in the Notice of ensuing Annual General Meeting.

Shri Shailesh Thakker has been re-appointed as Executive Director & CFO w.e.f, from 20.07.2011 for a further period of three years subject to approval by Shareholders in the ensuing Annual General Meeting.

The details of the proposal for approval by shareholders is included in the Notice of ensuing Annual General Meeting.

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

6. AUDIT COMMITTEE:

Audit Committee as constituted in terms of Section 292A of the Companies Act, 1956, and Clause 49 of the Listing Agreement, with three independent Directors viz Shri Ram Devidayal as the Chairman, Shri Atul G Shroff, Shri Mukesh D Patel and Shri Vimal 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:

The Company does not have any employee covered under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975, as amended.

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

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

10. AUDITORS :

M/s. Shah & Co., Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of ensuing Annual General Meeting. The retiring Auditors being eligible in terms of Provisions of Companies Act, 1956 and Listing Agreement, have expressed their willingness for reappointment as Statutory Auditors of the Company. You are requested to appoint the Auditors and fix their remuneration.

11. SUBSIDIARIES.**11.1 Nederlandse Radiateuren Fabriek B.V – Netherlands**

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

11.2 Kilimanjaro Biochem Limited – Tanzania

During the Year under review, Kilimanjaro Biochem Limited has become Wholly Owned Subsidiary of the Company w.e.f. 01.02.2011.

This Company is in advanced stage of implementation of a manufacturing project to manufacture Potable Alcohol in Tanzania.

The commencement of Trial Runs and Commercial Production is expected during the year.

During initial period, it is expected to cater to local demands.

It has not started commercial production/activity during the year ended on 31.03.2011.

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

The accounts of the subsidiaries are consolidated with the accounts of the Company in accordance with 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.

12. PUBLIC DEPOSITS:

As on 31st March, 2011 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 : 14.07.2011
Place : Bil

Vimal K. Patel
Chairman

ANNEXURE - "A" MANAGEMENT DISCUSSION & ANALYSIS

Introduction:

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

Industry Structure and Developments:

The Automobile Industry in India has done very well during the last Financial Year ended on 31.03.2011 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 31.03.2011.

Operations:

Both Radiator and Gasket product groups, have very sound and integrated manufacturing facilities which have been upgraded and are supported by sophisticated Research and Development facilities for new projects OEM customers need.

There is over all growth of 13 % as compared to previous year.

Strengths:

Fifty 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.

Threats:

Increasing metal prices and competition from existing and new manufacturers. The European Markets currently are in reversion and it looks to remain so for next 12 months .

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

Technology:

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

Internal Control and its Adequacy.

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

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

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

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

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

Information Technology:

Company is successfully operating SAP (ERP) system .

Financials :

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

Particulars	Current Year 2010-2011	Previous Year 2009-2010
Net Profit to Sales (PBT) (%)	16	24
Earning Per Share (EPS)(Rs.)	8	11
Cash earning per Share (Rs.)	10	12
Return on Net worth (PAT) (%)	22	34
Dividend Payout Ratio (Including Dividend Tax) (%)	43	21
Retained Earnings (Rs. in Crores)	33.81	61.73
Retained Earnings (%)	57	79

Future Strategy:

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

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.

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 31.3.2011. 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 31.03.2011 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 2010-2011, the Board met five times on 24.04.2010, 31.07.2010, 25.10.2010, 31.12.2010 and 07.02.2011. 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 2010-11	Whether attended last A.G.M.	Directorship held in other Domestic Public Companies	@ No of Committee Membership	
					Chairman	Member
Shri Vimal K.Patel	Non-Executive Chairman & Promoter.	4	Yes	2	—	3
Shri Atul G.Shroff	Non-Executive Independent	3	Yes	5	3	3
Shri Samir K.Patel	Non-Executive & Promoter	2	No	1	—	1
Shri Mehul K.Patel	Non-Executive & Promoter	4	Yes	1	—	1
Shri Ram Devidayal	Non-Executive & Independent	4	Yes	4	2	3
Shri Mukesh D. Patel	Non-Executive & Independent	5	Yes	8	4	7

Shri S.K.Duggal	Non-Executive & Independent	5	No	2	—	—
Shri M.G.Patel	Non-Executive & Independent	2	No	5	5	3
Shri Shailesh Thakker	Executive Director & CFO	5	Yes	—	—	—
Shri Kiran Shetty	Executive Director	4	Yes	—	—	—

The details of the Re- appointment of Shri Shailesh Thakker as Executive Director and CFO and the proposal for payment of Remuneration to Shri Vimal K Patel as Chairman and to Shri Mehul K Patel as Director are included along with details of the Directors who are proposed for reappointment.

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

Shareholding of Directors

Name	Nos of Shares held as on 31.03.2011 of ₹ 2/- each
Shri Vimal K.Patel	55,72,836 (7.79 %)
Shri Samir K.Patel	47,83,565 (6.68%)
Shri Mehul K.Patel	53,94,611 (7.54%)
Shri Atul. G.Shroff	6600
Shri Ram Devidayal	1000
Shri Mukesh Patel	500

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 2010-2011, four Audit Committee meetings were held on 24.04.2010, 31.07.2010, 25.10.2010 and 07.02.2011 details of attendance of members are as under.

Attendance of Members at the Meetings of the Audit Committees held during 2010-2011.

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

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

4. Remuneration to Directors :

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 Non Executive 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.

One Meeting of Remuneration Committee Meeting was held during the year on 31.07.2010.

Details of sitting fees paid to Non Executive Directors during the year 2010-2011.

Names of Director	Sitting Fees (₹)
Shri Atul G.Shroff	35,000/-
Shri Ram Devidayal	42,500/-
Shri Mukesh D. Patel	55,000/-
Shri S.K.Duggal	37,500/-
Shri M. G. Patel	15,000/-

Details of Remuneration paid to Executive Directors during the year 2010-2011.

The details of the e Details of Remuneration paid to Executive Directors are included in the Notes on Accounts (Note No. B 4).

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 Private Ltd., the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of services to the Investors.

During the year 2010-2011, two Shareholders'/Investors' Grievance Committees Meetings were held on 24.04.2010 and 25.10.2010 details of attendance of members are as under.

Attendance of Members at the Meetings of the Shareholders' Grievance Committees held during 2010-2011.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ram Devidayal	2	2
Shri Atul G Shroff	2	1
Shri Mukesh D Patel	2	2
Shri Samir K Patel	2	-

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

During the period under review, no grievances were received. No grievances /complaints are outstanding and no requests for transfers and/or requests for dematerialization were pending for approval as on 31.3.2011.

6. General Body Meetings:

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

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

No postal ballots were conducted during the year.

The Company has proposed conduct of Postal Ballot for approval of shareholders under Section 293 (1) (a), 192 A of the Companies Act, 1956 read with Passing of Resolution by Postal Ballot Rules, 2011 for sale/ transfer of its Gasket Division.

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 6th September, 2011 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 30.06.2011	:	Declared in the Meeting held on 14.07.2011.
Quarter ending 30.09.2011	:	By end of October, 2011 or within statutory time limit.
Quarter ending 31.10.2011	:	By end of January, 2012 or within statutory time limit.
Year / Quarter ended on 31.03.2012	:	Within statutory time limit.

9.3 Dividend Payment Date : On or after 14.09.2011

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 31.03.2011, the Register of Members and Share Transfer Books of the Company will remain closed from 29.08.2011 to 06.09.2011 (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 31.03.2011 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 28.08.2011.
- 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 28.08.2011.

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 -10	112.90	86.00	2667444	Oct - 10	114.75	98.10	707871
May - 10	106.90	88.00	1014936	Nov - 10	102.00	87.80	356107
Jun - 10	117.65	90.60	1737512	Dec - 10	98.55	80.05	183646
Jul - 10	138.65	108.30	1774158	Jan - 11	92.25	73.00	141722
Aug -10	131.25	104.00	1923161	Feb - 11	78.50	66.35	75344
Sep -10	123.80	107.40	1211486	Mar - 11	74.45	64.00	299889

National Stock Exchange of India Limited

Month	Highest	Lowest	Total Nos of Shares Traded	Month	Highest	Lowest	Total Nos of Shares Traded
Apr - 10	112.90	85.00	3128225	Oct - 10	116.45	98.10	1283539
May - 10	106.80	88.00	1046570	Nov - 10	104.50	87.50	668312
Jun - 10	117.70	91.00	1972899	Dec - 10	98.00	80.15	193702
Jul - 10	138.40	106.50	2473485	Jan - 11	91.95	65.20	281026
Aug - 10	131.80	104.50	3106611	Feb - 11	78.90	66.00	115816
Sep - 10	123.80	107.35	1916754	Mar -11	74.00	62.95	306914

9.9 Share Transfer System:

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

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

9.10 Distribution of Shareholding as on 31.03.2011.

No of Share Holding	Nos of Shareholders	Nos of Shares	% to Total Capital
Upto 5000	8086	1392533	1.95
5001 - 10000	1811	1581561	2.21
10001 - 20000	1075	1791786	2.51
20001 - 30000	581	1613252	2.26
30001 - 40000	254	941887	1.32
40001 - 50000	173	822815	1.15
50001 -100000	293	2083846	2.90
100001 and above	182	61290970	85.70
Total	12455	71518650	100.00

9.11 Distribution of Shareholding Pattern as on 31.03.2011:

Category	Nos of Shares	% of Total Capital
Promoters (including NRI, Bodies Corporate)	48050174	67.19
Non Promoters		
a. Banks and Financial Institution	3400	-
b. Bodies Corporate	1088302	1.52
c. Non Residents Indians	4078889	5.70
d. Mutual Fund & UTI	1996345	2.79
e. Public	16301540	22.80
Total	71518650	100.00

9.12 Dematerialization of Shares as on 31.03.2011:

About 31309228 (43.77%) Equity Shares of the Company, have been Dematerialized.

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

9.13 Equity Shares in the Suspense Account:

As per Clause 5A of the Listing Agreement, the Company reports the following details in respect of Equity Shares Which have been identified as unclaimed pursuant to the split of its Equity Shares conducted by the Company.

	Number of Shareholders	Number of Equity Shares of Face Value of ₹ 2/- per Share.
Aggregate Number of Shareholders and the outstanding shares identified by sending Reminders	356	749740
Number of Shareholders who approached the Company in response to the aforesaid Reminder	23	62050

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

These shares will be transferred in to one folio in the name of "Unclaimed Suspense Account " in due course.

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

9.15 Address for Correspondence:

For transfer/dematerialization of shares, transmission etc :

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

For payment of dividend and other quarries of the Company

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

DECLARATION

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

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

I confirm that the Company has, in respect of the financial year ended 31.03.2011 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 31.03.2011.

Date: 14.07.2011

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, 2011 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchanges.

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

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

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

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

Place : Mumbai
Date : 14.07.2011

For SHAH & CO.,
Chartered Accountants
FRN 109430W

(H. N. SHAH)
Partner
Membership No : 8152

ANNEXURE - B

INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2011.

A. CONSERVATION OF ENERGY:

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

FORM – A

Disclosure of particulars with respect to conservation of energy.

	CURRENT YEAR 2010-2011	PREVIOUS YEAR 2009-2010
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
No. Unit KWH	4645485	3019796
Total amount (₹ in Lacs)	297.69	201.38
Rate per Unit (₹)	6.41	6.67
(b) Own generation		
(i) Through diesel generator Unit KWH	45835	12238
Total amount (₹ in Lacs)	5.67	1.41
Rate per Unit	12.39	11.53
(ii) Through Gas Generator		
Units	6594962	6218513
Units per liter of fuel oil/gas	3.49	3.95
Cost/Unit	3.94	4.43
(c) Wind Electricity Generator		
Unit KWH	N.A	N.A
Total Amount (₹ in Lacs)		
Rate per Unit (₹)		
2. Coal (specify quality and where used)	N.A	N.A
Quantity (tonnes)		
Total Amount.		
Average rate.		
3. LDO		
Quantity (k.ltrs)	NIL	NIL
Total Amount (₹ in Lacs)	NIL	NIL
4. Other/(Natural Gas / Nitrogen Gas)		
Quantity (Cu.Mts.)	5185084	3955837
Total amount (₹ in Lacs)	432.42	333.64
Rate/Per (Cu Mtr.) (₹)	8.34	8.43

5.	HI SPEED DIESEL OIL		
	Quantity (K.Ltrs)	33.80	27.83
	Total Amount.(₹ in Lacs)	11.25	8.95
6.	HCR		
	Quantity (K.Ltrs)	NIL	NIL
	Total Amount (₹ 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.

	(₹ in Lacs)	
Expenditure on R&D	2010-2011	2009-2010
1. Capital	67.70	56.90
2. Recurring	334.76	288.16
3. Total	402.46	345.06
4. Percentage of R&D Expenditure to Total Turnover.	0.87%	0.85%

Technology Absorption, Adaptation and Innovation :

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

Benefits derived as a result of above :

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

B. FOREIGN EXCHANGE EARNING AND OUTGO :

		(₹ in Lacs)	
		2010-2011	2009-2010
a.	Earned by way of exports	12333.03	13439.94
b.	Used by way of imports/expenses	13304.97	9981.90

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 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 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, 2011.
 - 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

(H. N. SHAH)
Partner

Membership No : 8152
FRN 109430W

Place : Mumbai
Date : 30th May, 2011

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 Lacs 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 2011 for a period of more than six months from the date they became payable.
- (c) Following disputed demands aggregating to ₹ 204.92 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
Central Excise Act, 1944	Excise Duty & Service Tax	₹ 230.73 Lacs	Financial years 1997-98 and 2004-05 to September 2010	Different Authorities at Vadodara, Ahmedabad & Mumbai
Income Tax Act, 1961	Income Tax	₹ 0.50 Lac ₹ 0.69 Lac	Assessment Years 2005 - 06 2007 - 08	ITO and CIT (A) respectively

- x) The company has no accumulated losses as at 31st March, 2011. The company has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks.
- (xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- (xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and other investments, and timely entries have been made therein. All shares securities and other investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, the company has not used short term borrowings for long term investment.
- (xviii) According to the information and explanations given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any monies by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR SHAH & CO.,
Chartered Accountants

(H. N. SHAH)
Partner

Membership No : 8152
FRN 109430W

Place : Mumbai
Date : 30th May, 2011

BALANCE SHEET AS AT 31st MARCH, 2011

(₹ in Lacs)

PARTICULARS	SCHEDULES		AS AT 31.03.2011	AS AT 31.03.2010
I SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUNDS:				
(a) Capital	1		1430.37	1430.37
(b) Reserves & Surplus	2		25056.10	21676.29
			<u>26486.47</u>	<u>23106.66</u>
(2) LOAN FUNDS:				
(a) Secured Loans	3		11261.06	1878.15
(b) Unsecured Loans	4		22.60	7760.23
			<u>11283.66</u>	<u>9638.38</u>
(3) Deferred Tax Liabilities (Refer Note B (9) in Schedule 21)			974.08	899.73
TOTAL			<u>38744.21</u>	<u>33644.77</u>
II APPLICATION OF FUNDS:				
(1) FIXED ASSETS:				
(a) Gross Block	5	17411.46		13761.40
(b) Less: Depreciation		6852.89		5662.41
(c) Net Block			10558.57	8098.99
(d) Capital Work in Progress including Capital Advances			513.93	489.49
			<u>11072.50</u>	<u>8588.48</u>
(2) INVESTMENTS :	6		13190.44	13050.65
(3) CURRENT ASSETS, LOANS & ADVANCES:				
(a) Inventories	7	10397.76		7593.31
(b) Sundry Debtors	8	9460.02		8789.93
(c) Cash & Bank Balances	9	850.37		550.38
(d) Loans & Advances	10	1203.48		1023.16
			<u>21911.63</u>	<u>17956.78</u>
LESS : CURRENT LIABILITIES & PROVISIONS:	11			
(a) Liabilities		4608.79		3999.79
(b) Provisions		2821.57		1951.35
			<u>7430.36</u>	<u>5951.14</u>
NET CURRENT ASSETS TOTAL			<u>14481.27</u>	<u>12005.64</u>
			<u>38744.21</u>	<u>33644.77</u>

As per our report of even date

For Shah & Co.

Chartered Accountants

FRN : 109430W

H. N. Shah

Partner

Membership No. : 8152

Mumbai : 30th May, 2011

Dinesh Kavthekar

Company Secretary

For and on behalf of the Board,

Vimal K Patel

Director

Mehul K Patel

Director

Ram Devidayal

Director

Mukesh D. Patel

Director

Manubhai G. Patel

Director

Shailesh A. Thakker

ED & CFO

Bil - Vadodara: 30th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(₹ in Lacs)

PARTICULARS	SCHEDULES		2010-11	2009-10
INCOME :				
Gross Sales			49596.02	43178.26
Less: Excise Duty			3598.33	2463.28
Net Sales			45997.69	40714.98
Other Income	12		352.91	603.66
Increase / (Decrease) in Stock	13		759.13	(114.38)
TOTAL			47109.73	41204.26
EXPENDITURE :				
Material Consumed	14		25544.28	20819.21
Payment to and Provision for employees	15		1923.44	1658.09
Research and Development Expenses	16		334.76	288.16
Manufacturing Expenses	17		5574.66	4319.87
Administrative and General Expenses	18		559.63	466.25
Selling and Distribution Expenses	19		3561.98	2655.99
Interest and Finance Charges	20		871.80	215.20
Depreciation		1298.08		955.05
Less:Charged to Revaluation Reserve		1.26		1.39
TOTAL			1296.82	953.66
PROFIT BEFORE TAX			7442.36	9827.83
Provision For Current Tax		1485.00		1950.00
Provision For Deferred Tax		74.35		37.08
PROFIT AFTER TAX			1559.35	1987.08
Add:Balance Brought Forward from Previous Year			12463.27	7290.48
BALANCE AVAILABLE FOR APPROPRIATIONS			18346.28	15131.23
APPROPRIATIONS				
General Reserve			700.00	1000.00
Proposed Dividend on Equity Shares			2145.56	1430.37
Tax on Proposed Dividend			356.37	237.58
Balance Carried to Balance Sheet			15144.35	12463.28
TOTAL			18346.28	15131.23
Earning Per Share Face value of ₹ 2			8.23	10.96
Notes Forming Part of Accounts	21			

As per our report of even date

For Shah & Co.

Chartered Accountants

FRN : 109430W

H. N. Shah

Partner

Membership No. : 8152

Mumbai : 30th May, 2011

Dinesh Kavthekar

Company Secretary

For and on behalf of the Board,

Vimal K Patel

Director

Mehul K Patel

Director

Ram Devidayal

Director

Mukesh D. Patel

Director

Manubhai G. Patel

Director

Shailesh A. Thakker

ED & CFO

Bil - Vadodara: 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(₹ in Lacs)

PARTICULARS	AMOUNT	2010-11	AMOUNT	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items Adjusted For		7442.36		9827.83
Depriciations	1296.82		953.66	
Interest Paid	871.80		215.20	
Interest Received	(31.18)		(93.21)	
Unrealised Gains (Net of Loss)	(8.48)		(48.94)	
(Profit)/Loss on Sale of Investments	(4.35)		(211.16)	
(Profit)/Loss on sale of Fixed Assets	(46.17)		(11.03)	
Dividend Received	(27.75)		(28.54)	
		2050.69		775.98
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		9493.05		10603.81
(Increase)/Decrease in Debtors	(670.09)		(2414.98)	
(Increase)/Decrease in Inventories	(2804.41)		(2071.01)	
(Increase)/Decrease in Advances	(199.40)		(63.66)	
Increase/(Decrease) in Trade Payables	645.21		1301.47	
		(3028.69)		(3248.18)
CASH GENERATED FROM OPERATIONS		6464.36		7355.63
Direct Taxes Paid (Net of refunds)	(1465.92)		(1743.44)	
		(1465.92)		(1743.44)
NET CASH FLOW FROM OPERATING ACTIVITIES		4998.44		5612.19
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(3892.85)		(1377.97)	
Sale of Fixed Assets	156.91		41.81	
Interest Received	31.18		88.86	
Purchase of Investments				
Investment in Subsidiaries	(2.79)		(12768.21)	
Other Investment	(223.94)		(200.94)	
Sale of Investments	86.95		676.98	
Dividend Received	27.75		28.54	
		(3816.79)		(13510.93)
NET CASH USED IN INVESTMENT ACTIVITIES		1181.65		(7898.74)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	(1417.56)		(1072.78)	
Interest Paid	(871.80)		(215.20)	
Tax paid on Dividend	(237.58)		(182.32)	
Increase / (Decrease) in Borrowings	1651.08		974.45	
Increase / (Decrease) in short term Borrowings	(5.80)		7889.25	
		(881.66)		7393.40
NET CASH USED IN FINANCING ACTIVITIES		299.99		(505.34)
Cash and Cash Equivalents at the beginning of the year		550.38		1055.72
Cash and Cash Equivalents at the end of the year		850.37		550.38

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		Mehul K Patel	Director
FRN : 109430W		Ram Devidayal	Director
H. N. Shah	Dinesh Kavthekar	Mukesh D. Patel	Director
Partner	Company Secretary	Manubhai G. Patel	Director
Membership No. : 8152		Shailesh A. Thakker	ED & CFO
Mumbai : 30th May, 2011		Bil - Vadodara: 30th May, 2011	

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 1 - CAPITAL		
Authorised:		
1520 Lacs Equity Shares of ₹ 2/- each	3040.00	3040.00
	<u>3040.00</u>	<u>3040.00</u>
Issued subscribed and Paid up:		
715.19 Lacs Equity Shares of ₹ 2/- each fully paid up.	1430.37	1430.37
TOTAL	<u>1430.37</u>	<u>1430.37</u>

Note : of above Equity Shares

- (a) 590.95 Lacs Equity Shares of ₹ 2/- each have been allotted as fully paid up Bonus Shares by Capitalization of General Reserve.
- (b) 99.45 Lacs Equity Shares of ₹ 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 01.04.2010	ADDITIONS	DEDUCTIONS	AS AT 31.03.2011
Capital Reserve	0.77 (0.77)			0.77 (0.77)
Revaluation Reserve	26.12 (27.51)		1.26 (1.39)	24.86 (26.12)
Share Premium	1200.31 (1200.31)			1200.31 (1200.31)
Investment Subsidy	33.45 (33.45)			33.45 (33.45)
General Reserve	7952.36 (6952.36)	700.00 (1000.00)		8652.36 (7952.36)
Surplus in Profit and Loss Account	12463.28 (7290.48)	5883.01 (7840.75)	3201.93	15144.35 (15131.23)
TOTAL	<u>21676.29</u> (15504.88)	<u>6583.01</u> (6172.80)	<u>3203.19</u> (1.39)	<u>25056.10</u> (21676.29)

Note: Figures in bracket relate to Previous Year

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 3 - SECURED LOANS:		
Term Loan		
Rupee Loan from bank	3750.00	0.00
Working Capital Loan		
From Banks	7511.06	1878.15
TOTAL	11261.06	1878.15
<p>1. Term Loan are secured against first pari-passu charge on all present and future movable assets of the Company alongwith other term lenders.</p> <p>2. 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.</p>		
PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 4 - UNSECURED LOANS		
Fixed Deposits		
Repayable within one year ₹ 10.00 Lacs (Previous year ₹ 25.70 Lacs)	22.60	28.40
Short Term Working Capital Demand Loans from Banks	0.00	7731.83
TOTAL	22.60	7760.23

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 5 - FIXED ASSETS

(₹ in Lacs)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
		As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Upto 31.03.2010	For the year	Deductions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Freehold Land	226.89	0.00	0.00	226.89	0.00	0.00	0.00	0.00	226.89	226.89
2	Leasehold Land	0.00	869.96	0.00	869.96	0.00	2.55	0.00	2.55	867.41	0.00
3	Buildings	1764.18	300.82	0.00	2065.00	745.93	102.19	0.00	848.12	1216.88	1018.25
4	Plant and Machinery *	10835.24	2547.58	181.49	13201.33	4391.47	1108.18	75.53	5424.13	7777.20	6443.77
5	Furniture, Fixture & Office Equipments	185.43	20.51	0.00	205.94	136.26	11.79	0.00	148.05	57.89	49.17
6	Vehicles	324.84	58.69	36.86	346.67	212.51	33.58	32.08	214.01	132.66	112.33
7	Scientific Research Buildings	85.25	0.00	0.00	85.25	33.08	5.15	0.00	38.23	47.02	52.17
	Machinery/Equip	230.99	66.01	0.00	297.00	76.23	28.07	0.00	104.30	192.70	154.76
	Furniture	20.67	1.69	0.00	22.36	8.84	2.23	0.00	11.07	11.29	11.83
8	Other Assets **	87.91	3.15	0.00	91.06	58.09	4.34	0.00	62.43	28.63	29.82
	Current Year's Total	13761.40	3868.41	218.35	17411.46	5662.41	1298.08	107.61	6852.89	10558.57	8098.99
	Previous Year's Total	12732.78	1137.12	108.50	13761.40	4785.08	955.05	77.72	5662.41	8098.99	

Capital work in progress including capital advance ₹ 513.93 Lacs (previous year 489.49 Lacs).

* Plant & Machinery includes intangible assets of ₹ 137.72 Lacs viz. Technical Know-how and Software

** Other Assets include Weighing Machines, Air Conditioners and Other Equipments

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 6 - INVESTMENTS AT COST:		
A. LONG TERM INVESTMENTS		
TRADE INVESTMENTS (QUOTED-FULLY PAID EQUITY SHARES, DEBENTURES AND BONDS) :		
3294 Nos. (Previous Year 3294 Nos.) Indian Motor Parts Ltd. of ₹ 10 each	3.14	3.14
400 Nos. (Previous Year 400 Nos.) Perfect Circle Victor Ltd. of Re.1 each	0.01	0.01
0 Nos. (Previous Year 300 Nos.) Reliance Industries Ltd. of ₹ 10 each	0.00	3.24
132700 Nos. (Previous Year 132700 Nos.) Swiss Glasscoat Equipment Ltd. of ₹ 10 each	13.38	13.38
0 Nos. (Previous Year 800 Nos.) Wipro Ltd. of ₹ 10 each	0.00	5.52
511 Nos. (Previous Year 511 Nos.) National Hydro Power Corporation of ₹ 10 each	0.18	0.18
315 Nos. (Previous Year 315 Nos.) Oil India Ltd of ₹ 10 each	3.31	3.31
0 Nos. (Previous Year 750 Nos.) Bajaj Finserve Ltd of ₹ 10 each	0.00	2.45
0 Nos. (Previous Year 250 Nos.) United Spirits Ltd of ₹ 10 each	0.00	3.34
0 Nos. (Previous Year 300 Nos.) Patni Computers Systems Ltd of ₹ 10 each	0.00	1.65
225 Nos. (Previous Year 150 Nos.) Glaxosmithkline Consumer healthcare Ltd of ₹ 10 each	3.65	2.22
900 Nos. (Previous Year 300 Nos.) Axis Bank Ltd of ₹ 10 each	11.85	3.48
1050 Nos. (Previous Year 500 Nos.) Dr Reddys Laboratories Ltd of ₹ 5 each	13.41	5.69
600 Nos. (Previous Year 600 Nos.) Punjab National Bank of ₹ 10 each	5.51	5.51
2000 Nos. (P.Y. Nil) IVRCL Infrastruchire Ltd of ₹ 2 each	3.33	0.00
7500 Nos. (P.Y.Nil) ITC LTD of Re.1 each	12.61	0.00
400 Nos. (P.Y.Nil) INFOSYS Technologies Ltd of ₹ 5 each	11.67	0.00
320 Nos. (P.Y.Nil) State Bank of India of ₹ 10 each	8.85	0.00
1000 Nos. (P.Y. Nil) Opto circuit India Ltd of ₹ 10 each	2.81	0.00
8000 Nos. (P.Y. Nil) Ashok Leyland Ltd of Re.1 each	5.98	0.00
3400 Nos. (P.Y. Nil) Tulip Telecom Ltd of ₹ 2 each	5.96	0.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
150 Nos. (P.Y. Nil) Larsen & Turbo Ltd of ₹ 2 each	2.26	0.00
250 Nos. (P.Y. Nil) HDFC Bank Ltd of ₹ 10 each	5.40	0.00
625 Nos. (P.Y. Nil) Tata Steel Ltd of ₹ 10 each	4.02	0.00
05 Nos. NCD (P.Y. Nil) Tata Housing Development Ltd of ₹ 1000000 each	52.12	0.00
Sub - Total	169.45	53.12
B. OTHER INVESTMENTS (UN QUOTED- FULLY PAID) :		
310040 Nos. (Previous Year 310040 Nos.) Banco Aluminium Ltd. of ₹ 10 each (A Company under Same Management)	25.35	25.35
1000 Nos. (P.Y. 1000 Nos.) Co-Operative Bank of Baroda of ₹ 25 each	0.25	0.25
3540 Nos. (P.Y Nil) Shares of SH 100000 each Lake Cement Ltd (TZ)	107.62	0.00
Sub - Total	133.22	25.60
C. INVESTMENTS IN MUTUAL FUND (QUOTED FULLY PAID)		
Nil Nos. (Previous Year 5000000) 11.25% Loans IRB	0.00	50.00
Nil Nos. (Previous Year 10552) Reliance Money Manager Fund	0.00	105.52
11405 Nos. Baroda pioneer psu equity fund	20.00	0.00
11 Nos. (Previous Year Nil.) Motilal Oswal Most Shares M50 ETF-Gr of ₹ 10 each	8.90	0.00
417 Nos. (Previous Year Nil.) Benchmark Banking Index Benchmark Exchange Traded scheme	0.00	0.10
1650 Nos. (Previous Year Nil.) NIFTY JR Benchmark ETF	0.00	0.43
355000 Nos. Bench Mark Mutual Fund	0.00	8.30
164089 Nos. DSP BlackRock FMP-12 M Series 17-Growth of ₹ 10 each	35.50	0.00
Motilal oswal most shares Midcap 100 ETF(8) of ₹ 10 each	13.00	0.00
Sub - Total	77.40	164.35
D. IN SUBSIDIARY COMPANIES		
45182 Nos. (Previous Year 45092) Kilimanjaro Biochem Ltd.- Tanzania of the face value of Tshs. 100000 each (subsidiary company)	1615.83	1613.04
25000 Ordinary shares (P.Y. 25000 Nos.) of 4.54 Euro each Nederlandse Radiateuren Fabriek B.V. (Subsidiary company)	11194.54	11194.54
Sub - Total	12810.37	12807.58
TOTAL	13190.44	13050.65
QUOTED INVESTMENTS	246.85	217.47
UNQUOTED INVESTMENTS	12943.59	12833.18
TOTAL	13190.44	13050.65
Aggregate market price of Quoted investment excluding Mutual Funds ₹ 206.73 Lacs (Previous Year ₹ 106.81 Lacs)		
SCHEDULE 7 - INVENTORIES (At lower of cost or net realisable value):		
Raw Material	7603.18	5667.25
Work - in - Process	1642.15	950.36
Finished Products	750.01	682.68
Sundry Stores	402.42	293.02
TOTAL	10397.76	7593.31
(As per Inventory taken, Valued and Certified by the Management)		

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 8 - SUNDRY DEBTORS (UNSECURED):		
Outstanding for a period exceeding 6 months - Considered good	298.41	215.60
- Considered Doubtful	0.00	0.00
Other Debts - Considered good**	9161.61	8574.33
TOTAL	9460.02	8789.93
**Sundry Debtors includes ₹ 277.76 Lacs (Previous year ₹ 230.87 Lacs) receivables from NRF,Subsidiery Co.		
SCHEDULE 9 - CASH & BANK BALANCES:		
Cash on hand	9.18	5.00
With Scheduled Banks :		
i) In Other Current Accounts	261.91	466.48
ii) In Margin Deposit/Short Term Deposit	579.28	78.90
TOTAL	850.37	550.38
SCHEDULE 10- LOANS & ADVANCES:		
(UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or in kind or for value to be received	823.08	639.38
Pre paid Expenses	43.73	49.91
Balance with Custom and Central Excise	203.92	182.04
Advance Income Tax Paid (Net of Provision)	132.75	151.83
TOTAL	1203.48	1023.16
SCHEDULE 11 - CURRENT LIABILITIES & PROVISIONS:		
(A) CURRENT LIABILITIES :		
Sundry creditors		
Due to Micro Small & Medium enterprises (refer note B (7) schedule 21)	347.12	291.90
Due to Others	3411.35	3310.43
Other Current liabilities	357.76	219.61
Advances from Customers	398.30	96.40
Investors Education and Protection Fund Unclaimed Dividend (There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as at 31st March 2011)	94.26	81.45
	4608.79	3999.79
(B) PROVISIONS:		
Proposed Dividend	2145.56	1430.37
Income Tax on Proposed Dividend (Including ₹ 0.03 lac relating to previous year)	356.40	237.58
For Leave Encashment	84.64	72.67
For Gratuity	234.97	210.73
	2821.57	1951.35
TOTAL	7430.36	5951.14

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	2010-11	2009-10
SCHEDULE 12 - OTHER INCOME :		
Sales Tax Set Off and Refund	5.96	18.77
Export Incentives	81.00	120.69
Dividend Received	27.75	28.54
Interest (Tax Deducted at Source ₹ 1.13 Lacs) (Previous Year ₹ 9.60 Lacs)	31.18	93.21
Misc.Income (Tax Collected at Source ₹ 1.17 Lacs) (Previous year ₹ 0.52 Lac)	84.27	73.76
Sundry Balances Written back (Net)	19.82	3.77
Profit on Sale of Assets	46.17	11.03
Profit on Sale of Investments	4.35	211.16
Gain on Exchange Rate Fluctuation (Net)	0.00	42.73
Insurance claims	52.41	0.00
TOTAL	352.91	603.66
SCHEDULE 13 - INCREASE / (DECREASE) IN STOCKS:		
Closing Stock		
Work in Process	1642.16	950.36
Finished Goods	750.01	682.68
	2392.17	1633.04
Less:Opening Stock		
Work in Process	950.36	688.49
Finished Goods	682.68	1058.93
	1633.04	1747.42
TOTAL	759.13	(114.38)
SCHEDULE 14 - COST OF MATERIALS :		
Raw Materials (Including Packing Material) :		
Stock (Opening)	5667.25	3679.10
Add: Purchases and expenses	27480.21	22807.36
	33147.46	26486.46
Less: Stock(Closing)	7603.18	5667.25
TOTAL	25544.28	20819.21
SCHEDULE 15 - PAYMENTS TO AND PROVISION FOR EMPLOYEES :		
Salaries, Wages and Bonus	1771.09	1532.45
Contribution to Provident and Other funds	105.67	88.18
Staff Welfare Expenses	46.68	37.46
TOTAL	1923.44	1658.09

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS		2010-11	2009-10
SCHEDULE 16 - RESEARCH & DEVELOPMENT EXPENSES :			
Material Consumed		100.00	89.22
Salaries, Wages and Bonus	153.94		128.97
Contribution to Provident and Other funds	4.07		3.45
Welfare Expenses	0.02		0.00
		158.03	132.42
Utilities / others		51.61	44.12
Other Administrative Expenses		25.12	22.40
TOTAL		334.76	288.16
SCHEDULE 17 - MANUFACTURING EXPENSES :			
Stores, Tools and Dies Consumed		1008.64	790.72
Power & Fuel		556.40	464.41
Labour Charges		2898.17	2335.78
Repairs & Maintenance :			
(a) Plant & Machinery	833.88		553.13
(b) Electrical Installations	133.35		23.05
(c) Buildings	33.82		57.08
(d) Sundry Repairs	1.73		0.87
		1002.78	634.13
Factory General Expenses		102.59	88.30
Insurance Premium on Assets		6.08	6.53
TOTAL		5574.66	4319.87
SCHEDULE 18 - ADMINISTRATIVE AND GENERAL EXPENSES :			
Rent,Rates & Taxes		13.81	11.17
Printing and Stationery		19.87	40.11
Postage and courier		36.04	22.81
Telephone		34.96	33.16
Directors Sitting Fees		1.85	2.55
Insurance		0.48	0.72
Travelling,Conveyance and Vehicle Expenses		209.08	181.92
Miscellaneous Expenses		212.44	121.97
Stamp Duty on Amalgamation		0.00	29.69
Donation		14.31	12.29
Loss on Exchange Rate Fluctuation (Net)		0.42	0.00
Auditors Remuneration towards :			
Audit	9.50		6.00
Certification charges	4.88		2.02
Out of pocket expenses	1.99		1.84
		16.37	9.86
TOTAL		559.63	466.25

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	2010-11	2009-10
SCHEDULE 19 - SELLING AND DISTRIBUTION EXPENSES :		
Commission and Discount	1064.32	1106.18
Advertisement and Sales Promotions	40.06	22.62
Other Selling Expenses	298.16	176.13
Bad debts written off	47.37	0.00
Royalty to Foreign Collaborator	5.01	4.32
Transit Insurance (Out Ward)	56.89	41.56
Freight & Transport (Net)	2050.17	1305.18
TOTAL	3561.98	2655.99
SCHEDULE 20 - INTEREST AND FINANCE CHARGES :		
Interest		
Fixed period Loans / Deposits	133.78	10.25
Other Loans	650.60	117.71
	784.38	127.96
Finance / Bank Charges	87.42	87.24
TOTAL	871.80	215.20

SCHEDULE 21 – NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 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 and impairment, if any, other than land and building at Bhaili division which are shown at revalued cost. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use.
- ii) Depreciation on plant & machinery except electrical installations, computers, laboratory equipments, machine tools and effluent treatment plant purchased on or after 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 ₹ 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, packing materials, work-in-process and finished goods are valued at lower of cost and net realizable value. Damaged, unserviceable and inert stocks are suitably depreciated.

- ii) In determining cost of raw materials, stores & spares and packing materials weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes other than those subsequently recoverable from tax authorities.
- iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

7) Retirement Benefits

The Company has defined contribution plan for its employees' 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 writing off debts considered as bad. Provision is made for debts considered as doubtful, if any. Discounts due yet to be quantified at the customer level are included under the head "Current Liabilities and provisions".

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 The 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 ₹ 1,064.38 Lacs (Previous year ₹ 724.98 Lacs).
- 2) Contingent Liabilities:
 - (a) Counter guarantees given to the banks in respect of various guarantees issued by the banks to third parties ₹ 40.33 Lacs (Previous year ₹ 92.74 Lacs).
 - (b) Letter of credit opened and outstanding ₹ 368.86 Lacs (Previous year ₹ 429.15 Lacs).
 - (c) Other claims against the Company not acknowledged as debts amount unascertainable.
 - (d) Claims from employees and former employees amount unascertainable.
 - (e) Disputed tax liabilities:
 - i) Excise Duty and Service Tax ₹ 203.73 Lacs (Previous year ₹ 193.93 Lacs).
 - ii) Income-tax ₹ 1.19 Lacs (Previous Year ₹ 38.06 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 is done pending formal confirmation.
- 4) Managerial Remuneration:
 - i) Managerial Remuneration as per schedule XIII of the Companies Act, 1956 to the Executive Directors are as under.

	(₹ In Lacs)	
	2010-11	2009-10
Salary and allowances	66.28	59.23
Contribution towards PF etc.	2.71	2.76
Perquisites	1.30	3.68
	70.29	65.67

- 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-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 ₹ 50.06 Lacs (Previous Year ₹ 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.
- 6) Maximum balance due during the year from Banco Aluminum Ltd, a company under the same management, is ₹ 7.26 Lacs (Previous year ₹ 3.24 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:

(₹ in Lacs)

The principal and the interest amount due there on remaining unpaid to any supplier as at 31st March, 2011 :

i) Principal Amount	347.12
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, 2011

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, 2011

Nil

The amount of further interest remaining due and payable for the earlier years.

Nil

Total outstanding dues for Micro enterprises and Small enterprises

347.12

As at 31st March, 2011 ₹ 347.12 Lacs were due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006. (As at 31st March, 2010 ₹ 291.90 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.

(₹ in Lacs)

Name of Related Party and Nature of Relationship	Nature of Transaction	2010-11	2009-10
Banco Aluminium Limited (under common control)	Purchase of Goods	584.80	512.00
	Services Rendered	0.02	0.13
	Sales of Goods	24.98	16.71
	Services Received	4.28	7.29
	Closing Balance (Cr.)	0	66.43
Ms Hasumatiben K Patel (Relative of Director)	Interest paid on F.D.	1.00	1.00
Kilimanjaro Biochem Limited (Subsidiary Company)	Purchase of Shares	2.79	1,573.66
	Closing Balance	1,615.82	1,613.03
Nederlandse Radiateuren Fabriek B.V. (Subsidiary Company)	Purchase of Shares	0	11,154.25
	Sale of goods	2,604.22	1,489.28
	Services Rendered		
	Capital Assets Sold	119.40	0
	Closing Balance	274.27	230.87
Mr. Kush Patel (Relative of Director)	Salary	1.38	0

- 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, 2011 are as under:

	(₹ in Lacs)	
	As At 31-03-2011	As At 31-03-2010
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	2,958.51	2,679.67
Total Deferred Tax Liabilities	2,958.51	2,679.67
Deferred Tax Assets:		
Provision for Gratuity	14.09	10.78
Provision for Leave Encashment	11.97	21.82
Total Deferred Tax Assets	26.06	32.60
Net Deferred Tax Liabilities (For Calculation of Differed Tax Liabilities)	2,932.45	2,647.07
Deferred Tax Liabilities at the end of the year	(974.08)	(899.73)
Deferred Tax (Expenses) for the year	(74.35)	(37.08)

- 10) Earning Per Share (EPS):

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

	2010-11	2009-10
Net Profit After Tax (₹ in Lacs)	5,883.01	7,840.75
Weighted average paid up Equity Share (Number in Lacs)	715.19	715.19
Earning Per Equity Share (basic and diluted)	8.23	10.96
Nominal value per equity share (₹)	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

(₹ in Lacs)

	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit Obligation (Opening)	210.73	72.67	199.94	50.85
Current Service Cost	19.84	13.85	18.77	13.37
Interest Cost	17.39	5.35	16.50	4.20
Actuarial (Gain)/Loss	10.24	14.58	(2.43)	25.70
Benefits Paid	(23.23)	(21.81)	(22.05)	(21.45)
Defined Benefit Obligation (Closing)	234.97	84.64	210.73	72.67

Reconciliation of fair value of plan assets

	2010-11	2009-10
Fair Value of Plan Assets At beginning of the year	136.09	126.24
Expected Return on Plan Assets	12.50	10.67
Actuarial (Gain)/Loss	0.61	(0.62)
Employer Contribution	21.49	20.61
Benefits Paid	(23.23)	(22.05)
Fair value of Plan Assets At year end	146.25	136.09

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

	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	19.84	13.85	18.77	13.37
Interest Cost	17.39	5.35	16.50	4.19
Actuarial (Gain)/Loss	10.85	14.58	(3.05)	25.70
Expected return on plan assets	(12.51)	-	(10.67)	-
Total Expenses/ Gain recognized in Profit & Loss Account	35.57	33.78	21.55	43.26

Actuarial assumptions

	2010-11	2009-10
Mortality	LIC (1994-1996) published table of mortality rate	LIC (1994-1996) published table of mortality rate
Rate of Interest	8.25 %	8.25 %
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 Years	58 Years
Expected return on plan assets at 31 st March	9.25 %	8.50 %
Base of LIC structure of interest rates on gratuity funds		

- 13) Legal & professional charges include ₹ 1.50 Lacs (Previous Year 0.50 Lacs) paid to Shah & Associates, wherein some of the partners of the 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	2010-11			2009-10		
	Gaskets	Radiators	CFJS	Gaskets	Radiators	CFJS
Figures in...	(Nos. in Lacs)	(Nos.)	MT	(Nos. in Lacs)	(Nos.)	MT
Installed Capacity	800	13,44,000	4,000	800	13,44,000	4,000
Actual Production	848.82	11,42,940	870.42	709.75	8,66,557	705.68
Opening Stock (Qty)	8.99	16,699.00	6.99	18.37	28,503	1.17
Opening Stock (Value) - ₹ Lacs	194.02	476.21	12.44	316.26	739.55	3.12
Closing Stock (Qty)	12.29	43156	7.88	8.99	16,699	6.99
Closing Stock (Value) - ₹ Lacs	174.01	558.12	17.88	194.02	476.21	12.44
Sales (Qty)	845.52	11,16,483	869.53	719.13	8,78,361	699.86
Sales (Value) - ₹ Lacs	9,322.66	36,162.93	385.41	8,967.65	30,891.04	372.68
Total product sales value (A) (₹ Lacs)			45,871.00			40,231.37

Notes:

- As the Company does not come under the purview of the Industries (Development and Regulation) Act 1951, it is not considered necessary to furnish the licensed capacity.
- Number of items contained in the set is taken as ONE.
- Sales quantity includes destruction, free supply as samples etc. Major of CFJS productions are used for captive consumption.

II) Regarding other activities:

(₹ in Lacs)

Class of Goods (Machinery and Spares)	2010-11	2009-10
Opening Stock	435.77	182.44
Purchases	53.84	666.83
Total product sales value (B)	126.69	483.61
Closing Stock	379.05	435.77
Total Sales (A+B)	45,997.69	40,714.98

(B) Raw material consumed

	2010-11			2009-10		
	UNIT	QTY	₹ in Lacs	UNIT	QTY	₹ in Lacs
Copper and Copper Alloys	MT	1,849.57	5,241.86	MT	1,571.13	4,652.92
Compressible Gasket Material	MT/SQM	-	1,202.31	MT/SQM	-	1,433.60
Steel sheets/Plates	MT	1,537.83	1,294.84	MT	4,254.81	2,299.16
Aluminum	MT	5,758.56	8,431.53	MT	5,160.04	8,209.30
Others	-	-	9,473.74	-	-	4,313.45
Total			25,644.28			20,908.43

(C) Consumption of imported and indigenous materials

	2010-11		2009-10	
	₹ in Lacs	%	₹ in Lacs	%
Imported items (including canalized items at landed cost)	8,733.08	34.05	8,387.60	40.12
Indigenous items	16,911.20	65.95	12,520.83	59.88
Total	25,644.28	100	20,908.43	100.00

(D) CIF value of imports

(₹ in Lacs)

	2010-11	2009-10
Raw Material (excluding canalized items)	10,598.30	8,601.97
Store and Spares	340.41	40.49
R & D Expenditure	5.76	15.43
Capital Goods	1,399.71	654.72
Total	12,344.18	9,312.61

(E) Expenditure in foreign currency

(₹ in Lacs)

	2010-11	2009-10
Commission on Exports	718.38	526.42
Foreign Traveling	6.90	22.26
Consultancy and Professional Charges	74.85	48.54
Royalty to Foreign Collaborator	5.67	5.09
Others	154.99	66.98
Total	960.79	669.29

(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

	2010-11	2009-10
Number of non-resident shareholders	556	493
Number of equity shares held (of ₹ 2 each)	4,84,23,128	4,80,90,583
Amount remitted net of tax (₹ in Lacs)	624.02	468.01
Year to which dividend relates	2009-10	2008-09

(G) Earning in foreign exchange

	2010-11	2009-10
F.O.B. value of exports (₹ in Lacs)	12,333.03	13,453.14

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 and on behalf of the Board,	
For Shah & Co.		Vimal K.Patel	Director
Chartered Accountants		Mehul K.Patel	Director
FRN : 109430W		Ram Devidayal	Director
		Mukesh D. Patel	Director
H. N. Shah	Dinesh Kavthekar	Manubhai G. Patel	Director
Partner	Company Secretary	Shailesh A. Thakker	ED & CFO
Membership No. : 8152		Bil-Vadodara : 30th May, 2011	
Mumbai : 30th May, 2011			

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

Registration No.	1039	CIN	L51100GJ1961PLC001039
Balance Sheet Date :	31.03.2011	State Code	4

2 CAPITAL RAISED DURING THE YEAR (₹ In Lacs)

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

3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (₹ In Lacs)

Total Liabilities	38,744	Total Assets	38,744
SOURCES OF FUNDS		APPLICATION OF FUNDS	
Paid Up Capital	1,430	Net Fixed Assets	11,073
Reserve and Surplus	25,056	Investments	13,190
Secured Loans	11,261	Net Current Assets	14,481
Unsecured Loans	23	Miscellaneous Expenditure	-
Deferred Tax Liability	974	Accumulated Losses	-

4 PERFORMANCE OF THE COMPANY (₹ In Lacs)

Turnover	47,110	Total Expenditure	39,667
Profit Before Tax	7,442	Profit After Tax	5,883
Earning Per Share in ₹	8.23	Dividend ₹ Per Share	3.00

5 GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

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

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 audited the attached consolidated Balance Sheet of BANCO PRODUCTS (INDIA) LIMITED and its subsidiaries as at 31st March, 2011, 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 have been furnished with the unaudited accounts of the subsidiaries mentioned in annexure to this report and have relied on the unaudited financials as approved by the Board of Directors of the subsidiaries and our report in so far as it relates to the amounts included in respect of the subsidiary company is based solely on such approved unaudited consolidated financial statements.

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 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 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, 2011.
- 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
FRN 109430W

(H.N.SHAH)
Partner
Membership No : 8152

Mumbai: 30.05.2011

Annexure to the Auditors' Report - 31 March 2011

(Referred to in our report of even date)

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

Name of Company	Accounting Period	Nature of Subsidiary	Total Assets (Rs. In lakhs)	Total Revenue (Rs. In lakhs)
Kilimanjaro Biochem Ltd (Audited)	1 st April 10 - 31 st March 11	Direct	4562.20	
Nederlandse Radiateuren Fabriek BV	1 st April 10 - 31 st March 11	Direct	26423.25	42198.69
Skopimex BV	1 st April 10 - 31 st March 11	Indirect		
NRF France Sarl	1 st April 10 - 31 st March 11	Indirect		
NRF BVBA	1 st April 10 - 31 st March 11	Indirect		
NRF United Kingdom Ltd	1 st April 10 - 31 st March 11	Indirect		
NRF Handelsges. mbH	1 st April 10 - 31 st March 11	Indirect		
NRF Deutschland gmbH	1 st April 10 - 31 st March 11	Indirect		
NRF Espana S.A.	1 st April 10 - 31 st March 11	Indirect		
NRF Poland Spoz	1 st April 10 - 31 st March 11	Indirect		
NRF Italia Srl	1 st April 10 - 31 st March 11	Indirect		
NRF Zwitserland AG	1 st April 10 - 31 st March 11	Indirect		

FOR SHAH & CO.,
Chartered Accountants
FRN 109430W

(H.N.SHAH)
Partner
Membership No : 8152

Mumbai: 30.05.2011

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

(₹ in Lacs)

PARTICULARS	SCHEDULES		AS AT 31.03.2011	AS AT 31.03.2010
I SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUNDS:				
(a) Capital	1		1430.37	1430.37
(b) Reserves & Surplus	2		33789.40	29524.29
			<u>35219.77</u>	<u>30954.66</u>
Minority Interest			18.80	2.85
(2) LOAN FUNDS:				
(a) Secured Loans	3		12724.44	1878.15
(b) Unsecured Loans	4		22.60	7760.23
			<u>12747.04</u>	<u>9638.38</u>
(3) Deferred Tax Liabilities (Refer Note B (9) in Schedule 21)			1677.44	1417.67
TOTAL			<u>49663.05</u>	<u>42013.56</u>
II APPLICATION OF FUNDS :				
(1) FIXED ASSETS :				
(a) Gross Block	5	42074.59		37765.70
(b) Less: Depreciation		27990.38		26471.18
(c) Net Block			14084.21	11294.52
(d) Capital Work in Progress including Capital Advances			5331.96	1302.42
			<u>19416.17</u>	<u>12596.94</u>
(2) INVESTMENTS :	6		272.45	243.07
(3) CURRENT ASSETS, LOANS & ADVANCES:				
(a) Inventories	7	20613.52		17960.32
(b) Sundry Debtors	8	17087.19		15345.19
(c) Cash & Bank Balances	9	2916.00		3968.95
(d) Loans & Advances	10	2466.87		2459.01
			<u>43083.58</u>	<u>39733.47</u>
LESS: CURRENT LIABILITIES & PROVISIONS:	11			
(a) Liabilities		10160.91		8608.57
(b) Provisions		2948.24		1951.35
			<u>13109.15</u>	<u>10559.92</u>
NET CURRENT ASSETS			<u>29974.43</u>	<u>29173.55</u>
TOTAL			<u>49663.05</u>	<u>42013.56</u>

As per our report of even date

For Shah & Co.

Chartered Accountants

FRN : 109430W

H. N. Shah

Partner

Membership No. : 8152

Mumbai : 30th May, 2011

Dinesh Kavthekar

Company Secretary

For and on behalf of the Board,

Vimal K Patel

Director

Mehul K Patel

Director

Ram Devidayal

Director

Mukesh D. Patel

Director

Manubhai G. Patel

Director

Shailesh A. Thakker

ED & CFO

Bil - Vadodara: 30th May, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(₹ in Lacs)

PARTICULARS	SCHEDULES		2010-11	2009-10
INCOME :				
Gross Sales			88022.14	48580.86
Less: Excise Duty			3598.33	2463.28
Net Sales			84423.81	46117.58
Other Income	12		839.23	603.66
Increase / (Decrease) in Stock	13		858.18	124.64
TOTAL			86121.22	46845.88
EXPENDITURE :				
Material Consumed	14		46411.22	23649.94
Payment to and Provision for employees	15		6163.60	3407.10
Research and Development Expenses	16		932.33	288.16
Manufacturing Expenses	17		12988.09	4649.16
Administrative and General Expenses	18		2332.74	761.96
Selling and Distribution Expenses	19		5918.90	2901.50
Interest and Finance Charges	20		945.22	235.53
Depreciation		1907.40		1060.23
Less:Charged to Revaluation Reserve		1.26		1.39
TOTAL			1906.14	1058.84
PROFIT BEFORE TAX			8522.98	9893.69
Provision For Current Tax		1886.10		1996.54
Provision For Deferred Tax		74.35		37.08
			1960.45	2033.62
PROFIT AFTER TAX			6562.53	7860.07
Add:Balance Brought Forward from Previous Year			12482.60	7290.48
BALANCE AVAILABLE FOR APPROPRIATION			19045.13	15150.55
APPROPRIATIONS				
General Reserve			700.00	1000.00
Proposed Dividend on Equity Shares			2145.56	1430.37
Tax on Proposed Dividend			356.40	237.58
Balance Carried to Balance Sheet			15843.17	12482.60
TOTAL			19045.13	15150.55
Earning Per Share Face value of ₹ 2			9.18	10.99
Notes Forming Part of Accounts	21			

As per our report of even date

For Shah & Co.

Chartered Accountants

FRN : 109430W

H. N. Shah

Partner

Membership No. : 8152

Mumbai : 30th May, 2011

Dinesh Kavthekar

Company Secretary

For and on behalf of the Board,

Vimal K Patel

Director

Mehul K Patel

Director

Ram Devidayal

Director

Mukesh D. Patel

Director

Manubhai G. Patel

Director

Shailesh A. Thakker

ED & CFO

Bil - Vadodara: 30th May, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(₹ in Lacs)

PARTICULARS	AMOUNT	2010-11	AMOUNT	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extra ordinary items Adjusted For		8522.98		9893.69
Depriciations	1906.14		1056.94	
Interest Paid	945.22		215.20	
Interest Receivied	(54.84)		(90.84)	
Unrealised Gains (Net of Loss)	38.89		(50.73)	
(Profit)/Loss on Sale of Inventories	(4.35)		(211.16)	
(Profit)/Loss on Sale of Fixed Assets	(46.78)		(11.03)	
Pre-operative expenses	0.00		(75.20)	
Effect of exchange rate difference on translation	205.78		0.00	
Dividend Received	(27.75)		(28.54)	
		2962.31		804.64
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		11485.29		10698.33
(Increase)/Decrease in Debtors	(1570.00)		(3183.68)	
(Increase)/Decrease in Inventories	(2652.97)		(2205.33)	
(Increase)/Decrease in Advances	35.88		(856.80)	
Increase/(Decrease) in Trade Payables	1715.22		2219.70	
		(2471.87)		(4026.11)
CASH GENERATED FROM OPERATIONS		9013.42		6672.22
Direct Taxes Paid (Net of refunds)	(1842.24)		(1743.44)	
		(1842.24)		(1743.44)
NET CASH FLOW FROM OPERATING ACTIVITIES		7171.18		4928.78
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(8847.17)		(1748.48)	
Sale of Fixed Assets	167.31		41.81	
Capital Reserve created on Acquisition	0.00		1369.12	
Interest Received	54.84		88.86	
Purchase of Investments				
Investment in Subsidiaries	(2.79)		(12768.21)	
Other Investment	(223.94)		(200.94)	
Sale of Investments	91.30		676.98	
Dividend Received	27.75		28.54	
		(8732.43)		(12512.32)
NET CASH USED IN INVESTMENT ACTIVITIES		(1561.25)		(7583.54)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	(1417.56)		(1072.78)	
Interest Paid	(945.22)		(215.20)	
Tax paid on Dividend	(237.58)		(182.32)	
Increase / (Decrease) in Borrowings	3114.46		974.45	
Increase / (Decrease) in short term Borrowings	(5.80)		7889.25	
		508.30		7393.40
NET CASH USED IN FINANCING ACTIVITIES		(1052.95)		(190.14)
Cash and Cash Equivalents at the beginning of the year		3968.95		4159.09
Cash and Cash Equivalents at the end of the year		2916.00		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		Mehul K Patel	Director
FRN : 109430W		Ram Devidayal	Director
H. N. Shah	Dinesh Kavthekar	Mukesh D. Patel	Director
Partner	Company Secretary	Manubhai G. Patel	Director
Membership No. : 8152		Shailesh A. Thakker	ED & CFO
Mumbai : 30th May, 2011		Bil - Vadodara: 30th May, 2011	

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 1 - CAPITAL		
Authorised:		
1520 Lacs Equity Shares of ₹ 2/- each	3040.00	3040.00
	3040.00	3040.00
Issued subscribed and Paid up:		
715.19 Lacs Equity Shares of ₹ 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 ₹ 2/- each have been allotted as fully paid up Bonus Shares by Capitalization of General Reserve.
- (b) 99.45 Lacs Equity Shares of ₹ 2/- each have been allotted as fully paid up in terms of amalgamations without payment being received in cash.

PARTICULARS	AS AT 01.04.2010	ADDITIONS	DEDUCTIONS	AS AT 31.03.2011
SCHEDULE 2 - RESERVES & SURPLUS :				
Capital Reserve	0.77			0.77
	(0.77)			(0.77)
Revaluation Reserve	26.12		1.26	24.86
	(27.51)		(1.39)	(26.12)
Share Premium	1200.31			1200.31
	(1200.31)			(1200.31)
Capital Reserve on Acquisition	9617.24			9617.24
		(9617.24)		(9617.24)
Translation Adjust.	(1788.56)	205.78		(1582.78)
		(1762.72)	(25.84)	(1788.56)
Investment Subsidy	33.45			33.45
	(33.45)			(33.45)
General Reserve	7952.36	700		8652.36
	(6952.36)	(1000)		(7952.36)
Surplus in Profit and Loss Account	12482.60	3360.59		15843.19
	(7290.48)	(5192.12)		(12482.60)
TOTAL	29524.29	4266.37	1.26	33789.40
	(15504.88)	(14046.64)	(27.23)	(29524.29)

Note : Figures in bracket relate to Previous Year

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 3 - SECURED LOANS :		
Term Loan		
From bank	5213.38	0.00
Working Capital Loan		
From Banks	7511.06	1878.15
TOTAL	12724.44	1878.15
1. Term Loan are secured against first pari-passu charge on all present and future movable assets of the Company alongwith other term lenders.		
2. Working Capital Loans are secured by hypothecation of stocks and book debts of the Company both present & future ranking pari-passu in favour of participating Scheduled Banks.		
SCHEDULE 4 - UNSECURED LOANS :		
Fixed Deposits		
Repayable within one year ₹ 10.00 Lacs (Previous year ₹ 25.70 Lacs)	22.60	28.40
Short Term Working Capital Demand Loans from Banks	0.00	7731.83
TOTAL	22.60	7760.23

SCHEDULE 5 - FIXED ASSETS

(₹ in Lacs)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
		As at 01.04.2010	Additions	Deduction	As at 31.03.2011	Upto 31.03.2010	For the year	Deduction	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Freehold Land	549.29	1.07	0.00	550.36	0.00	0.00	0.00	0.00	550.36	549.29
2	Leasehold Land	2.16	869.96	0.00	872.12	0.00	2.55	0.00	2.55	869.57	2.16
3	Buildings	8045.64	300.82	14.56	8331.90	5235.55	210.15	0.00	5445.70	2886.20	2810.09
4	Plant and Machinery*	25994.93	3171.20	418.27	28747.86	18761.42	1478.07	317.08	19922.42	8825.44	7233.51
5	Furniture, Fixture & office Equipments	2330.06	220.19	24.83	2525.42	2004.70	140.90	24.83	2120.77	404.65	325.36
6	Vehicles	418.80	183.54	51.08	551.26	298.92	35.94	46.30	288.56	262.70	119.88
7	Scientific Research Buildings	85.25	0.00	0.00	85.25	33.08	5.15	0.00	38.23	47.02	52.17
	Machinery/Equip	230.99	66.01	0.00	297.00	70.58	28.07	0.00	98.65	198.35	160.41
	Furniture	20.67	1.69	0.00	22.36	8.84	2.23	0.00	11.07	11.29	11.83
8	Other Assets **	87.91	3.15	0.00	91.06	58.09	4.34	0.00	62.43	28.63	29.82
	Current Year's Total	37765.70	4817.63	508.74	42074.59	26471.18	1907.40	388.21	27990.38	14084.21	11294.52
	Previous Year's Total	39231.63	1195.61	2661.54	37765.70	28012.47	1060.23	2601.52	26471.18	11294.52	

Capital work in progress including capital advance ₹ 5331.96 Lacs (previous year 1302.42 Lacs)

* Plant & Machinery includes intangible assets of ₹ 380.93 Lacs viz. Technical Know-how and Software

** Other Assets include Weighing Machines, Air Conditioners and Other Equipments

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010	
SCHEDULE 6 - INVESTMENTS AT COST:			
A. LONG TERM INVESTMENTS			
TRADE INVESTMENTS (QUOTED-FULLY PAID EQUITY SHARES, DEBENTURES AND BONDS) :			
3294 Nos. (Previous Year 3294 Nos.)	Indian Motor Parts Ltd. of ₹ 10 each	3.14	3.14
400 Nos. (Previous Year 400 Nos.)	Perfect Circle Victor Ltd. of Re.1 each	0.01	0.01
0 Nos. (Previous Year 300 Nos.)	Reliance Industries Ltd. of ₹ 10 each	0.00	3.24
132700 Nos. (Previous Year 132700 Nos.)	Swiss Glasscoat Equipment Ltd. of ₹ 10 each	13.38	13.38
0 Nos. (Previous Year 800 Nos.)	Wipro Ltd. of ₹ 10 each	0.00	5.52
511 Nos. (Previous Year 511 Nos.)	National Hydro Power Corporation of ₹ 10 each	0.18	0.18
315 Nos. (Previous Year 315 Nos.)	Oil India Ltd of ₹ 10 each	3.31	3.31
0 Nos. (Previous Year 750 Nos.)	Bajaj Finserve Ltd of ₹ 10 each	0.00	2.45
0 Nos. (Previous Year 250 Nos.)	United Spirits Ltd of ₹ 10 each	0.00	3.34
0 Nos. (Previous Year 300 Nos.)	Patni Computers Systems Ltd of ₹ 10 each	0.00	1.65
225 Nos. (Previous Year 150 Nos.)	Glaxosmithkline Consumer healthcare Ltd of ₹ 10 each	3.65	2.22
900 Nos. (Previous Year 300 Nos.)	Axis Bank Ltd of ₹ 10 each	11.85	3.48
1050 Nos. (Previous Year 500 Nos.)	Dr Reddys Laboratories Ltd of ₹ 5 each	13.41	5.69
600 Nos. (Previous Year 600 Nos.)	Punjab National Bank of ₹ 10 each	5.51	5.51
2000 Nos. (P.Y. Nil)	IVRCL Infrastruchire Ltd of ₹ 2 each	3.33	0.00
7500 Nos. (P.Y.Nil)	ITC LTD of Re.1 each	12.61	0.00
400 Nos. (P.Y.Nil)	INFOSYS Technologies Ltd of ₹ 5 each	11.67	0.00
320 Nos. (P.Y.Nil)	State Bank of India of ₹ 10 each	8.85	0.00
1000 Nos. (P.Y. Nil)	Opto circuit India Ltd of ₹ 10 each	2.81	0.00
8000 Nos. (P.Y. Nil)	Ashok Leyland Ltd of Re.1 each	5.98	0.00
3400 Nos. (P.Y. Nil)	Tulip Telecom Ltd of ₹ 2 each	5.96	0.00
150 Nos. (P.Y. Nil)	Larsen & Turbo Ltd of ₹ 2 each	2.26	0.00
250 Nos. (P.Y. Nil)	HDFC Bank Ltd of ₹ 10 each	5.40	0.00
625 Nos. (P.Y. Nil)	Tata Steel Ltd of ₹ 10 each	4.02	0.00
05 Nos. NCD (P.Y. Nil)	Tata Housing Development Ltd of ₹ 1000000 each	52.12	0.00
Sub - Total		169.45	53.12
B. OTHER INVESTMENTS (UN QUOTED- FULLY PAID) :			
310040 Nos. (Previous Year 310040 Nos.)	Banco Aluminium Ltd. of ₹ 10 each (A Company under Same Management)	25.35	25.35
1000 Nos. (P.Y. 1000 Nos.)	Co-Operative Bank of Baroda of ₹ 25 each	0.25	0.25
Sub - Total		25.60	25.60
C. INVESTMENTS IN MUTUAL FUND (QUOTED FULLY PAID)			
Nil Nos. (Previous Year 5000000)	11.25% Loans IRB	0.00	50.00
Nil Nos. (Previous Year 10552)	Reliance Money Manager Fund	0.00	105.52
11405 Nos.	Baroda pioneer psu equity fund	20.00	0.00
11 Nos. (Previous Year Nil.)	Motilal Oswal Most Shares M50 ETF-Gr of ₹ 10 each	8.90	0.00
11 Nos. (Previous Year Nil.)	Benchmark Banking Index Benchmark Exchange Traded scheme	0.00	0.10
417 Nos. (Previous Year Nil.)	NIFTY JR Benchmark ETF	0.00	0.43
1650 Nos. (Previous Year Nil.)	Bench Mark Mutual Fund	0.00	8.30
355000 Nos.	DSP BlackRock FMP-12 M Series 17-Growth of ₹ 10 each	35.50	0.00
164089 Nos.	Motilal oswal most shares Midcap 100 ETF(8) of ₹ 10 each	13.00	0.00
Sub - Total		77.40	164.35
TOTAL		272.45	243.07
QUOTED INVESTMENTS		246.85	217.47
UNQUOTED INVESTMENTS		25.60	25.60
TOTAL		272.45	243.07
Aggregate market price of Quoted investment excluding Mutual Funds ₹ 206.73 Lacs (Previous Year ₹ 106.81 Lacs)			

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE 7 - INVENTORIES (At lower of cost or net realisable value) :		
Raw Material	10074.98	8389.37
Work - in - Process	2890.09	1510.89
Finished Products	7246.02	7767.04
Sundry Stores	402.43	293.02
TOTAL	20613.52	17960.32
(As per Inventory taken, Valued and Certified by the Management)		
SCHEDULE 8 - SUNDRY DEBTORS (UNSECURED) :		
Outstanding for a period exceeding 6 months - Considered good	298.41	215.60
Other Debts - Considered good	16788.78	15622.03
Less:-Provision for doubtful debts	0.00	(492.44)
TOTAL	17087.19	15345.19
SCHEDULE 9 - CASH & BANK BALANCES :		
Cash on hand	22.14	18.17
With Scheduled Banks :		
i) In Other Current Accounts	2219.00	3871.88
ii) In Margin Deposit/Short Term Deposit	674.86	78.90
TOTAL	2916.00	3968.95
SCHEDULE 10 - LOANS & ADVANCES : (UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or in kind or for value to be received	1179.03	1921.62
Pre paid Expenses	927.81	242.98
Balance with Custom and Central Excise	203.92	182.04
Advance Income Tax Paid (Net of Provision)	156.11	112.37
TOTAL	2466.87	2459.01
SCHEDULE 11 - CURRENT LIABILITIES & PROVISIONS :		
(A) CURRENT LIABILITIES :		
Sundry creditors		
Due to Micro Small & Medium enterprises (refer note B (7) schedule 21)	347.12	291.90
Due to Others	7634.49	7175.09
Other Current liabilities	1686.74	963.73
Advances from Customers	398.30	96.40
Investors Education and Protection Fund Unclaimed Dividend (There are no amounts due and outstanding to be credited to Investors Education and Protection Fund as at 31st March 2011)	94.26	81.45
	10160.91	8608.57
(B) PROVISIONS :		
Proposed Dividend	2145.56	1430.37
Income Tax on Proposed Dividend (Including ₹ 0.03 lac relating to previous year)	356.40	237.58
For Leave Encashment	84.64	72.67
For Gratuity	234.97	210.73
Other	126.67	0.00
	2948.24	1951.35
TOTAL	13190.15	10559.92

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	2010-11	2009-10
SCHEDULE 12 - OTHER INCOME :		
Miscellaneous Sales	462.04	0.00
Sales Tax Set Off and Refund	5.97	18.77
Export Incentives	81.00	120.69
Dividend Received	27.75	28.54
Interest (Tax Deducted at Source ₹ 1.13 Lacs) (Previous Year ₹ 9.60 Lacs)	54.84	93.21
Misc.Income (Tax Collected at Source ₹ 0.52 Lac) (Previous year ₹ 1.79 Lacs)	84.27	73.76
Sundry Balances Written back (Net)	19.82	3.77
Profit on Sale of Assets	46.78	11.03
Profit on Sale of Investments	4.35	211.16
Gain on Exchange Rate Fluctuation (Net)	0.00	42.73
Insurance claims	52.41	0.00
TOTAL	839.23	603.66
SCHEDULE 13 - INCREASE / (DECREASE) IN STOCKS :		
Closing Stock		
Work in Process	2890.09	1510.89
Finished Goods	7246.02	7767.04
	10136.11	9277.93
Less : Opening Stock		
Work in Process	1510.89	1296.71
Finished Goods	7767.04	7856.58
	9277.93	9153.29
TOTAL	858.18	124.64
SCHEDULE 14 - COST OF MATERIALS :		
Raw Materials (Including Packing Material) :		
Stock (Opening)	8389.37	6459.09
Add : Purchases and expenses	48096.83	25580.22
	56486.20	32039.31
Less : Stock (Closing)	10074.98	8389.37
TOTAL	46411.22	23649.94
SCHEDULE 15 - PAYMENTS TO AND PROVISION FOR EMPLOYEES :		
Salaries, Wages and Bonus	5176.65	2889.88
Contribution to Provident and Other funds	854.40	191.82
Staff Welfare Expenses	132.55	325.40
TOTAL	6163.60	3407.10

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS		2010-11	2009-10
SCHEDULE 16 - RESEARCH & DEVELOPMENT EXPENSES :			
Material Consumed		151.81	89.22
Salaries, Wages and Bonus	565.77		128.97
Contribution to Provident and Other funds	127.81		3.45
Welfare Expenses	10.21		0.00
		703.79	132.42
Utilities / others		51.61	44.12
Other Administrative Expenses		25.12	22.40
TOTAL		932.33	288.16
SCHEDULE 17 - MANUFACTURING EXPENSES :			
Stores, Tools and Dies Consumed		1008.64	790.72
Power & Fuel		1027.15	554.94
Labour Charges		9093.34	2448.17
Repairs & Maintenance :			
(a) Plant & Machinery	1279.33		637.82
(b) Electrical Installations	133.35		23.05
(c) Buildings	313.15		96.52
(d) Sundry Repairs	24.46		3.11
		1750.29	760.50
Factory General Expenses		102.59	88.30
Insurance Premium on Assets		6.08	6.53
TOTAL		12988.09	4649.16
SCHEDULE 18 - ADMINISTRATIVE AND GENERAL EXPENSES :			
Rent,Rates & Taxes		780.21	144.08
Printing and Stationery		96.69	40.11
Postage and courier		36.03	43.96
Telephone		170.64	33.16
Directors Sitting Fees		1.85	2.55
Insurance		104.49	17.24
Travelling,Conveyance and Vehicle Expenses		495.95	220.54
Miscellaneous Expenses		405.27	184.26
Stamp Duty on Amalgamation		0.00	29.69
Loss on exchange rate fluctuation (Net)		0.42	0.00
Donation		14.31	12.29
Auditors Remuneration towards :			
Audit	108.39		30.22
Certification charges	1.99		2.02
Out of pocket expenses	116.50		1.84
		226.88	34.08
TOTAL		2332.74	761.96

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	2010-11	2009-10
SCHEDULE 19 - SELLING AND DISTRIBUTION EXPENSES :		
Commission and Discount	1472.94	1129.68
Advertisement and Sales Promotions	559.36	22.62
Other Selling Expenses	683.20	398.14
Bad debts written off	40.76	0.00
Royalty to Foreign Collaborator	5.01	4.32
Transit Insurance (Out Ward)	56.89	41.56
Freight & Transport (Net)	3100.74	1305.18
TOTAL	5918.90	2901.50
SCHEDULE 20 - INTEREST AND FINANCE CHARGES :		
Interest		
Fixed period Loans / Deposits	133.78	10.25
Other Loans	650.60	138.04
	784.38	148.29
Finance / Bank Charges	160.84	87.24
TOTAL	945.22	235.53

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-11 (AS-11) 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 unaudited 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, 2011.
- 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	Nederlandse Radiateuren Fabriek BV	Netherlands	100%	30 th November, 2010
	1.1 Skopimex BV	Uden	100%	30 th November, 2010
	1.2 NRF France Sarl	France	100%	30 th November, 2010
	1.3 NRF BVBA	Belgium	100%	30 th November, 2010
	1.4 NRF United Kingdom Ltd	England	100%	30 th November, 2010
	1.5 NRF Handelsges. GmbH	Austria	100%	30 th November, 2010
	1.6 NRF Deutschland GmbH	Germany	100%	30 th November, 2010
	1.7 NRF Espana S.A.	Spain	100%	30 th November, 2010
	1.8 NRF Poland Spoz	Poland	100%	30 th November, 2010
	1.9 NRF Italia Srl	Italy	100%	30 th November, 2010
	1.10 NRF Switzerland AG	Switzerland	100%	30 th November, 2010
	Note : Sr. No.1.1 to 1.10 are subsidiaries of Nederlandse Radiateuren Fabriek BV			
2	Kilimanjaro Biochem Ltd	Tanzania	100 %	31 st March, 2011

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

8A) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions specified in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

9) 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.

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 ₹ 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 ₹ 1,064.38 Lacs (Previous year ₹ 724.98 Lacs).
- 2) Contingent Liabilities:
 - (a) Counter guarantees given to the banks in respect of various guarantees issued by the banks to third parties ₹ 40.33 Lacs (Previous year ₹ 92.74 Lacs).
 - (b) Letter of credit opened and outstanding ₹ 368.86 Lacs (Previous year ₹ 429.15 Lacs).
 - (c) Other claims against the Company not acknowledged as debts amount unascertainable.
 - (d) Claims from employees and former employees amount unascertainable.

- (e) Disputed tax liabilities:
- Excise Duty and Service Tax ₹ 203.73 Lacs (Previous year ₹ 193.93 Lacs).
 - Income-tax ₹ 1.19 Lacs (Previous Year ₹ 38.06 Lacs).

3) Managerial Remuneration:

- i) Managerial Remuneration for the year are as under. (₹ in Lacs)

	2010-11	2009-10
Salary and allowances	297.57	63.96
Contribution towards PF etc.	2.76	2.76
Perquisites	3.68	3.68
	345.15	70.40

- ii) The above remuneration does not include contribution to gratuity fund and leave encashment, as this contribution is a lump sum 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 ₹ 50.06 Lacs (Previous year ₹ 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 Aluminium Ltd, a company under the same management, is ₹ 7.26 Lacs (Previous Year ₹ 3.24 Lacs).

- 6) Related Party Transactions (₹ in Lacs)

Name of Related Party and Nature of Relationship	Nature of Transaction	2010-11	2009-10
Banco Aluminium Limited (under common control)	Purchase of Goods	584.80	512.00
	Services Rendered	0.02	0.13
	Sales of Goods	24.98	16.71
	Services Received	4.28	7.29
	Closing Balance (Cr.)	0	66.43
Ms Hasumatiben K Patel (Relative of Director)	Interest paid on F.D.	1.00	1.00
Mr. Kush Patel (Relative of Director)	Salary	1.38	0

- 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, 2011 are as under:

	As At 31-03-2011	As At 31-03-2010
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	2,958.51	2,679.67
Total Deferred Tax Liabilities	2,958.51	2,679.67
Deferred Tax Assets:		
Provision for Gratuity	14.09	10.78

Provision for Leave Encashment	11.97	21.82
Total Deferred Tax Assets	26.06	32.60
Net Deferred Tax Liabilities (For Calculation of Differed Tax Liabilities)	2,932.45	2,647.07
Deferred Tax Liabilities at the end of the year	(1,677.44)	(1417.67)
Deferred Tax (Expenses) for the year	(74.35)	(37.08)

8) Earning per Share

	2010-11	2009-10
Net Profit After Tax (₹ in Lacs)	6,569.83	7,860.07
Weighted average paid up Equity Share (Number in Lacs)	715.19	715.19
Earning Per Equity Share (basic and diluted)	9.18	10.99
Nominal value per equity share (₹)	2.00	2.00

9) The disclosure requirements as prescribed under the Accounting Standard-15 (AS-15) (Revised) "Employee Benefits" are given below:**Changes in present value of defined benefit obligation**

(₹ in Lacs)

	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit Obligation (Opening)	210.73	72.67	199.94	50.85
Current Service Cost	19.84	13.85	18.77	13.37
Interest Cost	17.39	5.35	16.50	4.20
Actuarial (Gain)/Loss	10.24	14.58	(2.43)	25.70
Benefits Paid	(23.23)	(21.81)	(22.05)	(21.45)
Defined Benefit Obligation (Closing)	234.97	84.64	210.73	72.67

Reconciliation of fair value of plan assets

	2010-11	2009-10
Fair Value of Plan Assets at beginning of the year	136.09	126.24
Expected Return on Plan Assets	12.50	10.67
Actuarial (Gain)/Loss	0.61	(0.62)
Employer Contribution	21.49	20.61
Benefits Paid	(23.23)	(22.05)
Fair value of Plan Assets at year end	146.25	136.09

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

	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	19.84	13.85	18.77	13.37
Interest Cost	17.39	5.35	16.50	4.19
Actuarial (Gain)/Loss	10.85	14.58	(3.05)	25.70
Expected return on plan assets	(12.51)	-	(10.67)	-
Total Expenses/Gain recognized in Profit & Loss Account	35.57	33.78	21.55	43.26

Actuarial assumptions

	2010-11	2009-10
Mortality	LIC (1994-1996) published table of mortality rate	LIC (1994-1996) published table of mortality rate
Rate of Interest	8.25 %	8.25 %
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 Years	58 Years
Expected return on plan assets at 31 st March	9.25 %	8.50 %
Base of LIC structure of interest rates on gratuity funds		

- 10) 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.
- 11) 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".
- 12) Outstanding Leases commitments ₹ 732.57 Lacs (Previous Year ₹ 321.60 Lacs), (term of lease commitments is 3 to 5 years)
- 13) 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		Mehul K.Patel	Director
FRN : 109430W		Ram Devidayal	Director
		Mukesh D. Patel	Director
H. N. Shah	Dinesh Kavthekar	Manubhai G. Patel	Director
Partner	Company Secretary	Shailesh A. Thakker	ED & CFO
Membership No. : 8152		Bil-Vadodara : 30th May, 2011	
Mumbai : 30th May, 2011			

Statement pursuant to Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

(₹ in Lac)

Sr. No.	Name of Subsidiary Company	Paid up Capital	Reserves	Total Assets	Total Liabilities	Investments (except in case of investments in the subsidiary)	Turnover income	Profit/(Loss) before taxation	Provision for Taxation	Profit/(Loss) after taxation	Proposed Dividend
1	Nederlandse Radiateuren Fabriek BV	72.32	21,230.50	24,803.16	5,011.78	1,511.44	14,773.19	131.09	11.26	119.83	-
1.1	Skopimex BV	10.12	228.94	239.06	-	-	-	(0.14)	(0.04)	(0.10)	-
1.2	NRF France Sarl	118.26	807.39	2,369.03	1,443.38	-	5,204.15	153.59	51.79	101.81	286.74
1.3	NRF BVBA	11.85	24.09	46.39	10.44	-	-	25.51	9.70	15.80	15.93
1.4	NRF United Kingdom Ltd	1,144.73	458.21	2,411.12	808.18	-	3,798.97	158.80	16.34	142.46	-
1.5	NRF Handelsges. mbH	23.15	(342.40)	714.07	1,033.32	-	1,959.71	92.90	4.41	88.49	-
1.6	NRF Deutschland gmbH	65.16	1,771.74	2,760.69	923.79	-	6,863.21	450.15	120.65	329.50	318.60
1.7	NRF Espana S.A.	2,144.37	188.67	2,931.46	598.42	-	5,200.67	406.07	122.25	283.82	382.32
1.8	NRF Poland Spoz	11.60	288.85	358.36	57.91	-	1,065.00	42.54	11.89	30.65	-
1.9	NRF Italia Srl	6.58	438.86	1,551.23	1,105.78	-	2,914.02	114.14	44.92	69.22	-
1.10	NRF Zwitserland AG	38.54	77.17	243.36	127.65	-	419.78	33.16	7.93	25.23	-
2	Kilimanjaro Biochem Ltd	1,341.91	-	4,562.20	3,220.30	-	-	-	-	-	-

- Note :** 1. Sr. No. 1.1 to 1.10 are subsidiaries of NRF
2. Closing Exchange Rate of 31.03.2011

Exchange rate used for conversion of figures in Euro (1 to 1.10) : 63.72 Rs. Per Euro

Exchange rate used for conversion of of Figures in TShs (Kilimanjaro Biochem Ltd.) : 0.0297 Rs. Per TShs

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

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

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

Dividend Payment

1) Shareholder's Name :
2) Registered Folio No. :

3) Particulars of Bank Account :
(A) Name of the Bank :
(B) Name of the Branch :
And Address :

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

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

(E) Ledger and Ledger Folio Number :

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

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

4. Date of effect:

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

Date:

Place:

Signature of the shareholder

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

Bank's Stamp

Signature of the authorized Official of the Bank.

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

**THIS PAGE HAS BEEN
INTENTIONALLY LEFT BLANK**

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 50th Annual General Meeting of
the Company to be held at the Registered Office on 06.09.2011 at 10.00 a.m and at any adjournment
thereof.

As witness my/our hand(s) this.....day of.....2011

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 50th Annual General Meeting of Banco Products (India) Limited,
held at the Registered Office on 06.09.2011 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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