

Pradip J. Shah
M.Com., LL.B., F.C.A., DISA.

PRADIP J. SHAH & CO.
CHARTERED ACCOUNTANTS

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VADODARA 390 005.
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INDEPENDENT AUDITORS' REPORT

**To the Members of
Banco Gaskets (India) Limited
Vadodara**

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Banco Gaskets (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the

assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:


- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".


- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Vadodara.
Date : 30th May, 2020.


**For Pradip J. Shah & Co.,
Chartered Accountants
Firm Regn.No. 112845W**


**(P. J. Shah)
Proprietor
Membership No. 037207**

UDIN - 20037207AAAACH6154



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ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in Paragraph 1 under heading 'Report on Other Legal and Regulatory Requirements'
of the Independent Auditors' Report of even date)

- 1(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment (fixed assets);
- 1(b) The Property Plant and Equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- 1(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable properties are held in the name of the Company.
- 2 Inventories, other than materials in transit, were physically verified by the management at reasonable intervals. The discrepancies noticed on verification between physical stock and book record were not material in relation to the operations of the company and the same have been properly dealt with in the books of account.
- 3 In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3(a), 3(b) and 3(c) are not applicable for the year.
4. In our opinion and according to the information and explanations given to us, no investment is made or loans or guarantees or security is given as per provision of section 185 and 186 of the Act.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from public, within the meaning of the provisions of section 73 to 76 and the rules framed there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. However, we have not made a detailed examination of records.
- 7(a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise-duty, value added tax, GST, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise-duty, value added tax, cess and other statutory dues were in arrears, as at 31st March, 2020 for a period of more than six months from the date they became payable;
- 7(b) According to the information and explanations given to us, the following are the particulars of duty of excise, customs, service tax sales tax and income tax as at 31st March, 2020 which has not been deposited on account of dispute.

Name of the Statute	Nature of the disputed dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where disputes are pending
Finance Act, 1994	Service Tax	24.16	From Apr., 2011 to Sept., 2015	Commissioner (Appeals),
Customs Act, 1962	Customs Duty	2.20	F.Y. 2014-15	CESTAT, Mumbai
Sales Tax	VAT & CST	3.38 2.54	F.Y. 2012-13 F.Y. 2015-16	GVAT Tribunal Commissioner (Appeals)

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks. The Company did not have any loans or borrowings from any financial institution, government or debenture holders during the year.
9. In our opinion, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration, in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non cash transactions with directors or person connected with directors.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Pradip J. Shah & Co.
Chartered Accountants
Firm Regn No. 112845W

(P. J. Shah)

Proprietor

Membership No. 037207.

Place: Vadodara.

Date : 30th May, 2020.

UDIN – 20037207AAAACH6154



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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF BANCO GASKETS (INDIA).LTD.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Banco Gaskets (India) Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

⌋ We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Vadodara.
Date : 30th May, 2020.

For Pradip J. Shah & Co.
Chartered Accountants
Firm Regn No.112845W

(P. J. Shah)
Proprietor
Membership No. 037207.

UDIN – 20037207AAAACH6154

BANCO GASKETS (INDIA) LIMITED
Balance Sheet As at 31st March'2020

(Rs.in Lakhs)

Particulars	Notes	As at 31st Mar 2020	As at 31st Mar 2019
ASSETS			
Non-current assets			
Property, Plant and Equipments	3	1,872.91	2,141.20
Capital Work-in -progress			
Other Intangible Assets	3	1.53	1.97
Financial Assets			
Other Financial Assets	4	3.69	0.69
Current Tax Assets (Net)		163.53	59.75
Other Non-current Assets	5	5.88	87.20
		<u>2,047.54</u>	<u>2,290.81</u>
Current Assets			
Inventories	6	3,888.05	4,237.98
Financial Assets			
Trade Receivables	7	1,931.28	3,319.89
Cash and cash equivalents	8	8.78	354.30
Other Financial Assets	9	0.48	2.98
Other Current Assets	10	95.38	101.82
		<u>5,923.97</u>	<u>8,016.97</u>
		<u>7,971.51</u>	<u>10,307.78</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11	3,500.00	3,500.00
Other Equity	12	2,329.26	4,498.29
LIABILITIES			
Non Current Liabilities			
Provisions	13	198.51	184.15
Deferred Tax Liabilities (Net)	14	60.16	86.60
		<u>6,087.93</u>	<u>8,269.04</u>
Current Liabilities			
Financial Liabilities			
Borrowings	15	304.57	9.73
Trade Payables	16	1,040.21	1,369.71
Other Financial Liabilities	17	88.13	99.92
Other Current Liabilities	18	428.81	538.82
Provisions	19	21.86	20.56
		<u>1,883.58</u>	<u>2,038.74</u>
		<u>7,971.51</u>	<u>10,307.78</u>
Total Equity & Liabilities			

As per our report of even date attached

Pradip J Shah & Co.
Chartered Accountants
Firm's Registration No. 112845W

Pradip J Shah
Proprietor
Membership No. 037207
UDIN - 20037207 AAAA CH6154

For Banco Gaskets (India) Limited

Mehul K Patel
Director
DIN 01772099

Rameshwar Sharma
Chief Financial Officer

M.J. Vyas
Director
DIN 08666512

Sudhir Sabloke
Whole Time Director
DIN 07639480

Dinesh Kavthekar
Company Secretary

Place : Vadodara
Date :-30/05/2020

Place : Vadodara
Date :-30/05/2020



BANCO GASKETS (INDIA) LIMITED
Statement of profit and loss for the year ended on 31st March 2020
(Rs.in Lakhs)

Particulars	Notes	Year 2019-2020	Year 2018-2019
Revenue from Operations	20	12,105.00	15,478.27
Other Income	21	32.87	101.50
Total Income		12,137.87	15,579.77
Expenses			
Cost of Materials Consumed	22	6,875.12	8,355.89
Changes in Inventories of finished goods and work-in-progress.	23	166.24	(217.85)
Employee Benefit Expenses	24	1,030.95	982.53
Finance Costs	25	67.65	60.76
Depreciation/amortisation Expenses	3	367.04	372.91
Other Expenses	26	3,022.13	3,398.32
Total Expenses		11,529.13	12,952.56
Profit/ (Loss) before Exceptional items and Tax		608.74	2,627.21
Exceptional items		-	-
Profit/ (Loss) after Exceptional items and Tax		608.74	2,627.21
Tax Expense:			
Current Tax		188.92	821.36
Deferred Tax		(26.65)	(80.49)
Total Tax Expenses		162.27	740.87
Profit for the year from continuing operations		446.47	1,886.34
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Employee Benefit Plans		0.75	(3.86)
Income Tax Expenses on Remeasurement of Defined Employees Benefits Plans		(0.21)	1.12
Total Other Comprehensive Income		0.54	(2.74)
Total Comprehensive Income		447.01	1,883.60
Earning per equity share (for Continuing operations):	27		
Basic in Rs.		1.28	5.39
Dilluted in Rs.		1.28	5.39

Significant Accounting Policies
2

The accompanying notes are an integral part of the Financial Statements.

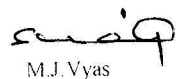
As per our report of even date attached


Pradip J Shah & Co.
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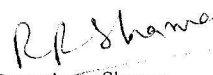
Pradip J Shah
Proprietor
Membership No. 037207

UDIN-20037207MAACH6154
For Banco Gaskets (India) Limited

Mehul K Patel
Director
DIN 01772099


M.J. Vyas
Director
DIN 08666512


Sudhir Sabloke
Whole Time Director
DIN 07639480


Rameshwar Sharma
Chief Financial Officer


Dinesh Kavthekar
Company Secretary

Place : Vadodara
Date :-30/05/2020
Place : Vadodara
Date :-30/05/2020


Banco Gaskets (India) Limited
Cash Flow Statement for the year ended on 31st March'2020

PARTICULARS	(Rs. in Lakhs)			
	2019-20		2018-19	
Cash flow from Operating Activities				
Net profit/(loss) before tax		608.74		2,627.21
Adjustments for non cash items required to be disclosed separately:				
Depreciation	367.04		372.91	
Unrealised foreign exchange (gain)/loss (Net)	5.91		(9.71)	
Finance costs	67.65		60.76	
Interest Income	(4.47)		(65.34)	
Remeasurement of Defined Employee Benefit Plans	0.75		(3.86)	
(Profit) / Loss on sale of Property, Plant and Equipment	(3.68)	433.20	(2.40)	352.36
Operating profit before working capital changes		1,041.94		2,979.57
Adjustments for				
(Increase)/decrease in inventories	349.93		(1,129.57)	
(Increase)/decrease in trade receivables	1,382.30		(654.28)	
(Increase)/decrease in other financial Assets (Current & Non Current)	(0.66)		0.17	
(Increase)/decrease in other non-current Assets	59.14		(37.41)	
(Increase)/decrease in Other current Assets	6.44		(9.08)	
Increase/(decrease) in Trade Payable	(329.10)		(170.83)	
Increase/(decrease) in Other Financial Liabilities (current)	(11.79)		9.25	
Increase/(decrease) in Other Current Liabilities	(110.01)		(108.25)	
Increase/(decrease) in Provisions (Current & Non Current)	15.67	1,361.91	19.03	(2,080.98)
Cash generated from operations		2,403.85		898.59
Income Tax Paid		(292.70)		(736.39)
Net cash flow from Operating activities (A)		2,111.15		162.20
Cash flow from Investing Activities				
Purchase of property, plant and equipment and capital advances	(82.47)		(256.50)	
Sale of property, plant and equipment	10.02		7.89	
Interest Received	4.64	(67.82)	98.36	(150.25)
Net cash used in Investing activities (B)		(67.82)		(150.25)
Cash flow from Financing Activities				
Finance costs	(67.65)		(60.76)	
Dividend and Dividend Tax paid	(2,616.05)	(2,683.70)	(843.89)	(904.65)
Net cash cash used in financing activities (C)		(2,683.70)		(904.65)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(640.37)		(892.70)
Cash and cash equivalents at the beginning of the year		344.57		1,237.27
Cash and cash equivalents at the end of the year		(295.80)		344.57

Note:-

(a) Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS-7

(b) Cash and Cash Equivalents Comprises of

PARTICULARS	2019-20	2018-19
Balances with Banks	6.87	2.41
Cash on Hand	1.41	1.16
iii) Bank Deposits held as margin money against Bank guarantees	0.49	0.49
iv) Term Deposit with Original Maturity for more than 3 months but less than 12 months	-	350.24
	8.77	354.30
Less:-Cash Credit refer Note No-15	(304.57)	(9.73)
Cash and Cash Equivalents as per Cash Flow Statement	(295.80)	344.57

As per our report of even date attached

Pradip J Shah & Co.
Chartered Accountants
Firm's Registration No. 112845W

Pradip J Shah
Proprietor
Membership No. 037207

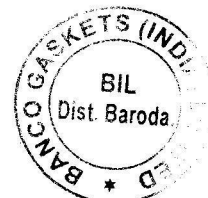
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Director
DIN 01772099

Rameshwar Sharma
Chief Financial Officer

For Banco Gaskets (India) Limited
M.J. Vyas
Director
DIN 08666512

Sudhir Sabloke
Whole Time Director
DIN 07639480

Dinesh Kavthekar
Company Secretary

Place : Vadodara
Date :-30/05/2020

Place : Vadodara
Date :-30/05/2020

Notes to Standalone financial statements for the year ended 31st March, 2020

Note 1: Corporate Information

Banco Gaskets (India) Limited is a public limited Company domiciled in India and incorporated under the Indian Companies Act, 1956. The Company is engaged in manufacturing and selling of gaskets used for automotive industries. The company caters to both domestic and international market. The Registered Office of the Company is located at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara, 391410.

Note 2: Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's financial statements for the year ended 31st March, 2020 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to financial statements.

The financial statements for the year ended 31st March 2018 are the first financial statements of the Company prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 "First time adoption of Indian Accounting Standards".

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on a historical cost convention on the accrual basis except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period set out below. The accounting policy has been applied consistently over all the periods reported in these financial statements.

2.2 Significant Accounting Judgments, Estimates and Assumptions

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant Accounting Standards.

2.3 Classification of Current/Non-Current Assets and Liabilities

All assets and liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and the other criteria set out in Schedule III of the Companies Act, 2013. Based

on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current/Non-Current classification of assets/liabilities.

2.4 Property, Plant and Equipment

Property, Plant and Equipment were carried on historical cost in the balance sheet as on 31 March 2016 prepared in accordance with Indian GAAP. The Company has elected to regard those values as deemed cost at the date of the transition i.e 1st April, 2016 as permitted under Ind AS 101.

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price net of Cenvat, Service Tax, Value Added Tax , Goods and Service Tax and any attributable cost of bringing the assets to its working condition for its intended use, including the cost of replacing parts, borrowing costs for long-term construction projects if the recognition criteria are met. Items such as Spare Parts, Standby Equipments and Service Equipments that meet definition of PPE are capitalized at cost.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Capital Work-in-Progress

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as capital work-in-progress.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

2.6 Impairment

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

2.7 Inventories

(i) Raw materials, stores and 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 and spares (except machinery spares which meet the definition of PPE) 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) and all other costs incurred in bringing the inventory to their present location and condition.

(iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, and an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

2.8 Trade receivable

Trade receivable is stated after writing off debts considered as bad. Adequate provision is made for debts considered as doubtful. Discounts due but yet to be quantified at the customer level are included under the head other Current Liabilities.

2.9 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments where the original maturity is three months or less.

2.10 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

b. Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c. Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.

2.11 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a product or ratably over the period of service to a customer.

Sale of goods

The principal activity from which the Company generates revenue is the supply of products to customers from its various manufacturing sites and warehouses. Products are supplied under a variety of standard terms and conditions, and in each case, revenue is recognized when contractual performance obligations between the Company and the customer are satisfied. This will typically be on dispatch or delivery. When sales discount and rebate arrangements result in variable consideration, appropriate provisions are recognized as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not be required). The

Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

Royalties and profit-sharing arrangements

Revenues are recognized when performance obligations between the Company and the customer are satisfied in accordance with the substance of the underlying contract.

Interest and dividend income

Interest income is recognized on a time-proportion basis using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.12 Depreciation / Amortisation

Depreciation on property, plant and equipment except plant and machinery has been provided on written down value method over the useful lives of the assets as provided in schedule II to the Companies Act, 2013. Depreciation on plant and machinery is provided on straight line method over the useful lives of the assets provided in schedule II to the Companies Act, 2013. The useful life of Item of PPE are mentioned below.

Class of Assets	Range of Useful Life (In Years)
Factory Buildings	30
Plant and Equipments	10-15
Furniture & Fixtures	10
Vehicles	8-10
Office equipment	5
Computer Hardware	3-6
Software	3-6

The management, based on internal technical evaluation, believes that the useful lives as given above best represent the period over which the assets are expected to be used.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

2.13 Taxes on income:

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

2.14 Employees benefits

(i) Provident fund is a defined contribution scheme and the contribution as required by the statute paid to government provident fund and it is charged to the statement of profit and loss.

(ii) Gratuity liability is a defined benefit obligation and is funded through a gratuity fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on actuarial valuation carried out as at the end of each financial year, using the projected unit credit method. Actuarial gain and/or losses are recognised in the statement of other comprehensive income.

(iii) The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year, using the projected unit credit method. Actuarial gain and/or losses are recognised in the statement of profit and loss.

2.15 Borrowing costs

- (i) Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

2.16 Foreign Exchange Transactions

Transactions in foreign currencies are initially recorded by the Company at the rate of exchange prevailing on the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies remaining unsettled at the end of the year are converted at the exchange rate prevailing on the reporting date.

Differences arising on settlement or conversion of monetary items are recognised in statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

2.17 Research and development

- (i) All revenue expenses related to research and development including expenses in relation to development of product/processes which does not meet the criteria for recognition as an intangible assets, are charged to the statement of profit and loss in the year in which it is incurred.
- (ii) Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and intangible assets.

2.18 Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The Chief Operating Decision Maker (CODM) is responsible for allocating resources and assessing performance of the operating segments of the Company.

2.20 Financial Instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

a. Financial Assets

(i) Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way trade of financial assets are accounted for at trade date.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as under:

- Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments at amortised cost are subsequently measured at amortised cost using the effective interest rate method, less impairment, if any.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- Financial assets at fair value through profit or loss

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

b. Financial Liabilities

(i) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts. Financial liabilities are classified, at initial recognition, at fair value through profit and loss.

(ii) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading.

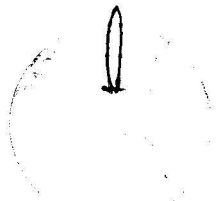
The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.



BANCO GASKETS (INDIA) LIMITED

Notes to Stand Alone Financial Statements for the year ended 31st March 2020

3. Property, Plant and Equipment

(Rs. in Lakhs)

Financial Year 2019-20

		GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
		As at 1st April 2019	Additions during the year	Deletion during the year	As at 31st March 2020	As at 1st April 2019	For the year	Deduction Others	As at 31st March 2020	As at 31st March 2019
I	Tangible Assets									
a	Freehold Land	241.24	-	-	241.24	-	-	-	241.24	241.24
b	Buildings	528.37	-	-	528.37	237.12	27.67	-	264.79	291.25
c	Plant & Machinery	2,815.34	97.75	-	2,913.09	1,477.70	292.69	-	1,770.39	1,337.64
d	Other Assets	39.76	0.38	-	40.14	32.11	3.67	0.34	35.45	7.65
e	Computer	22.36	2.64	0.34	24.67	19.87	1.77	-	21.64	2.49
f	Furniture & Fixtures	59.13	-	-	59.13	41.09	6.04	-	47.13	18.04
g	Vehicle	14.32	-	14.01	0.31	6.57	1.33	7.66	0.23	7.75
h	Scientific Research Building	58.04	-	-	58.04	11.52	1.81	-	13.33	46.52
2	Plant and Equipments	281.06	-	-	281.06	100.07	27.91	-	127.98	180.99
3	Other Assets	4.25	-	-	4.25	2.26	0.65	-	2.91	1.99
4	Computer	47.48	3.89	-	51.37	42.94	2.93	-	45.87	4.54
5	Furniture and Fixture	0.06	-	-	0.06	0.06	0.00	-	0.06	(0.00)
6	Vehicle	1.57	-	-	1.57	0.47	0.15	-	0.62	1.10
II	Intangible Assets									
i	Software	44.78	-	-	44.78	42.81	0.44	-	42.25	1.97
j	Technical Knowhow	39.36	-	-	39.36	39.36	-	-	39.36	-
	Total	4,197.12	104.66	14.34	4,287.44	2,053.95	367.04	8.00	2,412.99	2,143.17

3. Property, Plant and Equipment

(Rs. in Lakhs)

Financial Year 2018-19

		GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
		As at 1st April 2018	Additions during the year	Deletion during the year	As at 31st March 2019	As at 1st April 2018	For the year	Deduction Others	As at 31st March 2019	As at 31st March 2018
I	Tangible Assets									
a	Freehold Land	241.24	-	-	241.24	-	-	-	241.24	241.24
b	Buildings	492.59	35.78	-	528.37	208.70	28.42	-	237.12	283.89
c	Plant & Machinery	2,652.23	172.41	9.30	2,815.34	1,199.90	281.62	3.82	1,477.70	1,452.33
d	Other Assets	35.01	5.54	0.79	39.76	28.86	4.03	0.78	32.11	6.15
e	Computer	20.20	2.16	-	22.36	16.99	2.88	-	19.87	3.21
f	Furniture & Fixtures	51.03	8.10	-	59.13	30.13	10.96	-	41.09	20.90
g	Vehicle	14.32	-	-	14.32	3.95	2.62	-	6.57	10.37
h	Scientific Research Building	57.30	0.74	-	58.04	9.74	1.78	-	11.52	47.56
2	Plant and Equipments	271.41	9.65	-	281.06	67.73	32.34	-	100.07	203.68
3	Other Assets	2.42	1.83	-	4.25	1.62	0.64	-	2.26	0.80
4	Computer	42.75	4.73	-	47.48	38.63	4.31	-	42.94	4.12
5	Furniture and Fixture	0.06	-	-	0.06	0.05	0.01	-	0.06	0.01
6	Vehicle	1.57	-	-	1.57	0.41	0.06	-	0.47	1.16
II	Intangible Assets									
i	Software	42.62	2.16	-	44.78	41.70	1.11	-	42.81	0.92
j	Technical Knowhow	39.36	-	-	39.36	37.23	2.13	-	39.36	2.13
	Total	3,964.11	243.10	10.09	4,197.12	1,685.64	372.91	4.60	2,053.95	2,143.17

4: OTHER FINANCIAL ASSETS (Non Current)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Security Deposit	3.69	0.69
Total	3.69	0.69

5: OTHER NON-CURRENT ASSETS

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Unsecured, considered good	0.63	22.82
Capital advances	5.25	64.38
Balance with Statutory Authorities		
Total	5.88	87.20

6: INVENTORIES

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
(At lower of cost and net realisable value)		
Raw Materials	2,417.19	2,573.99
Work-in-progress	462.05	734.87
Finished Goods	652.63	546.05
Stores and Spares	188.76	205.02
Loose Tools	67.00	82.21
Packing Materials	100.42	95.84
Total	3,888.05	4,237.98

7: TRADE RECEIVABLES

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Trade Receivables - Unsecured	1,931.28	3,319.89
(i) Considered good		
(ii) Considered doubtful		
	1,931.28	3,319.89
Less: Allowance for doubtful debts		
Total	1,931.28	3,319.89

8: CASH AND CASH EQUIVALENTS

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Cash and Cash Equivalents		
Balances with Banks	6.87	2.41
Cash on Hand	1.42	1.16
Total	8.29	3.57
Other Bank Balances		
Term Deposit with Original Maturity for more than 3 months but less than 12 months	-	350.24
Bank Deposits held as margin money against Bank guarantees	0.49	0.49
Total	0.49	350.73
Total	8.78	354.30

9: OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Interest accrued but not due on Bank Deposits	0.21	0.38
Security Deposits	0.27	2.60
Total	0.48	2.98

10: OTHER CURRENT ASSETS

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Prepaid Expenses	14.98	15.18
Advance to Vendors	41.51	36.14
Duty Drawback Receivables	2.99	6.36
Other Advances	35.90	44.14
Total	95.38	101.82

11: EQUITY SHARE CAPITAL

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Authorised shares		
3,50,00,000 (Previous Year 3,50,00,000) Equity Shares of Rs. 10 each	3,500.00	3,500.00
Issued, subscribed & fully paid up		
3,50,00,000 (Previous Year 3,50,00,000) Equity Shares of Rs. 10 each fully paid	3,500.00	3,500.00
Total issued, subscribed & fully paid up share capital	3,500.00	3,500.00

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of shares in Lakhs	
	As at 31st Mar 2020	As at 31st Mar 2019
Equity Shares at the beginning of the year	350.00	350.00
Add:- Shares issued during the year	-	-
Equity Shares at the end of the year	350.00	350.00

Particulars	Rs. in Lakhs	
	As at 31st Mar 2020	As at 31st Mar 2019
Balance at the beginning of the year	3,500.00	3,500.00
Shares issued during the year	-	-
Balance at the end of the year	3,500.00	3,500.00

(b) Terms/rights attached to Equity shares

For all matters submitted to vote in a shareholders meeting of the company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each shares held. Any dividend declared by the company shall be paid to each holder of equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the company. The remaining assets of the company shall be distributed to the holders of equity shares in proportion to the number of shares held to total equity shares outstanding as on that date.

(c) Shares held by Holding & Other Associated Companies

Name of share holder	No. of shares in Lakhs	
	As at 31st Mar 2020	As at 31st Mar 2019
Holding Company : Banco Products (India) Limited	350.00	350.00
	350.00	350.00

(d) Shares in the company held by shareholders holding more than 5% are as under

Particulars	No. of shares in Lakhs	
	As at 31st Mar 2020	As at 31st Mar 2019
Banco Products (India) Limited	350.00	350.00
	350.00	350.00

12. Other Equity

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Surplus/(deficit) in the Statement of Profit and Loss		
At the beginning of the year	4,498.29	3,458.58
Net Profit for the year	446.47	1,886.34
Remeasurment of Defined Benefit Plans	0.54	(2.74)
Final Dividend and Dividend Distribution Tax	(2,616.05)	(843.89)
Total	2,329.25	4,498.29

13. Non Current-Provisions

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Provision for Employee Benefits	198.51	184.15
Total	198.51	184.15

14. Deferred Tax Liability (net)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Deferred Tax Liability		
Difference between Book Depreciation and Tax Depreciation	121.47	146.21
Deferred Tax Assets		
MAT Credit Entilement	61.31	59.61
Expense allowable on payment basis as per Income Tax Act, 1961		
Net Deferred Tax Liability/(Assets)	60.16	86.60

Rs. in Lakhs				
As at 31st March 2020				
Particulars	As at 1st April 2019	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2020
Fixed assets :- Impact of difference between WDV as per Income Tax Act and as per books of accounts	146.21	(24.74)		121.47
Expense Allowable for Tax on payment	59.61	1.49	0.21	61.31
Total	86.60	(26.23)	(0.21)	60.16

Rs. in Lakhs				
As at 31st March 2019				
Particulars	As at 1st April 2018	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2019
Fixed assets :- Impact of difference between WDV as per Income Tax Act and as per books of accounts	233.63	(87.42)		146.21
Expense Allowable for Tax on payment	65.42	(4.69)	(1.12)	59.61
Total	168.21	(82.73)	1.12	86.60

15. Borrowing

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Loans repayable on demand from Banks	304.57	9.73
Cash Credit from Banks-Secured		
Total	304.57	9.73

*Cash Credit Loans are secured by way of hypothecation of entire Current assets of the Company both present and future.

16. Trade Payable

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Due to Micro, Small and Medium Enterprises	85.48	136.21
Due to Others	954.73	1,233.50
Total	1,040.21	1,369.71

17: OTHER FINANCIAL LIABILITIES

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Payable to Employees	88.13	99.92
Total	88.13	99.92

18. Other Current Liabilities

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Statutory Liabilities	17.47	100.91
Advance from Customers	10.80	21.19
Other Payables	400.54	416.72
Total	428.81	538.82

19. Current-Provisions

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Provision for Employee Benefits	21.86	20.56
Total	21.86	20.56

20. Revenue from Operations

Particulars	Year 2019-2020	Year 2018-2019
(a) Sale of Product		
Gross Sales of Finished Goods(net of returns and discounts)	11,747.30	14,996.15
(b) Other Operating Revenue		
Scrap Sales	289.90	390.84
Export Incentives	67.80	91.28
Total	12,105.00	15,478.27

21. Other Income

Particulars	Year 2019-2020	Year 2018-2019
i) Interest Income from Bank Deposits	4.47	65.34
ii) Other Non Operating Income	10.67	19.16
iii) Other gain and losses -exchange difference gain (net)	17.73	17.00
Total	32.87	101.50

22. Cost of Materials Consumed

Particulars	Year 2019-2020	Year 2018-2019
Inventory at the beginning of the year	2,669.83	1,874.40
Add : Purchases during the year	6,722.90	9,151.32
	9,392.73	11,025.72
Less : Inventory at the end of the year	2,517.61	2,669.83
Cost of Materials Consumed	6,875.12	8,355.89

23. Changes in value of Inventories of Finished Goods & Semi-finished Goods

Particulars	Year 2019-2020	Year 2018-2019
Inventories at the beginning of the year		
Work-in-progress	734.87	585.17
Finished Goods (Including goods in transit)	546.05	477.90
	1,280.92	1,063.07
Inventories at the end of the year		
Work-in-progress	462.05	734.87
Finished Goods (Including goods in transit)	652.63	546.05
	1,114.68	1,280.92
Changes in Inventories	166.24	(217.85)

24. Employee Benefit Expenses

Particulars	Year 2019-2020	Year 2018-2019
i) Salaries, Wages and Bonus	881.57	818.93
ii) Contribution to Provident fund and Other funds	63.06	57.86
iii) Staff Welfare Expenses	86.32	105.74
Total	1,030.95	982.53



25. Finance Cost

Particulars	Year	Year
	2019-2020	2018-2019
i.) Interest on Financial Liabilities carried at amortised cost	60.45	51.65
ii) Bank Charges	7.20	9.11
Total	67.65	60.76

26. Other Expenses

Particulars	Year	Year
	2019-2020	2018-2019
Consumption of Stores and Spares	261.37	223.37
Power and Fuel	591.22	593.75
Excise Duty provision on finished goods		
Labour charges	1,328.76	1,587.90
Repair and maintenance		
Plant and Machinery	83.36	87.72
Building	52.02	62.00
Factory General Expenses	42.52	40.35
Insurance	8.28	10.65
Audit Fees	1.63	1.33
Rent Rates and Taxes	0.94	0.24
Travelling and Conveyance	20.85	24.72
CSR Expenses	29.99	46.22
Legal and Professional Fees	15.19	20.18
Donation	0.10	0.25
Miscellaneous Expenses	29.48	56.53
Freight Outward	259.24	345.87
Other Selling Expenses	297.18	297.24
Total	3,022.13	3,398.32



27. Earning Per Share (EPS)

For the period ended	31st March, 2020	31st March, 2018
Profit after Tax available for equity shareholders (Amount In Lakhs)	446.47	1,886.34
Weighted Average number of equity shares	3,50,00,000	3,50,00,000
Basic and Diluted Earnings per share (Face value per share `10/- each)	1.28	5.39

28. Capital Commitment and Contingent Liabilities**(Rs. in Lakhs)**

As at	31st March, 2020	31st March, 2019
Estimated amount of contracts net of advances remaining to be executed on capital accounts	1.49	48.20
Letter of Credit	110.33	112.77
Bank guarantees issued by bank to third party	83.45	81.22
Excise duty	26.35	14.52
Sales tax	5.92	23.02

29. EMPLOYEE BENEFITS**a) DEFINED CONTRIBUTION PLAN:**

The Company makes contribution towards recognized provident fund to defined contribution retirement benefit plan for qualifying employee. Under the plan, the company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefit.

b) DEFINED BENEFIT PLAN

The Company makes annual contributions to Employees Group Gratuity with LIC , a funded defined benefit plan for employees of the company.

Actuarial value of plan Assets and the present value of the defined benefit obligations for gratuity were carried out as on 31st March every year. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to built up the final obligation.



The principle assumptions used for the purpose of the actuarial valuation were as follows

Financial Assumptions:

Particulars	31-Mar-20	31-Mar-19
Discount Rate	6.25%	7.15%
Salary Growth Rate	6.00%	6.00%

Demographic Assumptions:

Withdrawal Rates (p.a.)	31-Mar-20	31-Mar-19
Age Band		
25 & Below	15.00%	15.00%
26 to 35	12.00%	12.00%
36 to 45	9.00%	9.00%
46 to 55	6.00%	6.00%
56 & above	3.00%	3.00%

Mortality Rates

Age (in years)	31-Mar-20	31-Mar-19
20	0.09%	0.09%
30	0.10%	0.11%
40	0.17%	0.18%
50	0.44%	0.49%
60	1.12%	1.15%

Amount recognized in Statement of Profit and loss account for the period

Particulars	31-Mar-20 Rs.in Lakhs	31-Mar-19 Rs.in Lakhs
Service cost:		
Current service cost	13.82	11.81
Past service cost and loss/(gain) on curtailments and settlement	10.77	9.97
Net interest cost	-	-
Total Charge to P&L	24.59	21.78

Past Service cost is on account of increase in Gratuity Ceiling from Rs.10.00 Lakhs to Rs.20.00 Lakhs.

Amount recognized in Other Comprehensive Income for the period

Particulars	31-Mar-20 Rs.in Lakhs	31-Mar-19 Rs.in Lakhs
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	9.12	1.37
Due to change in demographic assumption	(0.04)	-
Due to experience adjustments	(9.67)	0.85
Return on plan assets excluding amounts included in interest income	(0.16)	1.64
Amounts recognized in Other Comprehensive Income	(0.75)	3.86

Reconciliation of Defined Benefit Obligation

Particulars	31-Mar-20 Rs.in Lakhs	31-Mar-19 Rs.in Lakhs
Opening Defined Benefit Obligation	189.31	165.90
Transfer in/(out) obligation	-	-
Current service cost	13.82	11.81
Interest cost	12.25	11.12
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	9.12	1.37
Due to change in demographic assumption	(0.04)	-
Due to experience adjustments	(9.67)	0.85
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(4.79)	(1.74)
Closing Defined Benefit Obligation	210.00	189.31

Reconciliation of Defined Plan Assets

Particulars	31-Mar-20 Rs.in Lakhs	31-Mar-19 Rs.in Lakhs
Opening value of plan assets	31.79	23.40
Transfer in/(out) plan assets	-	-
Interest Income	1.48	1.15
Return on plan assets excluding amounts included in interest income	0.16	(1.64)
Assets distributed on settlements	-	-
Contributions by employer	12.97	10.62
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(4.79)	(1.74)
Closing value of plan assets	41.61	31.79

Reconciliation of Net Defined Benefit Liability

Particulars	31-Mar-20 Rs.in Lakhs	31-Mar-19 Rs.in Lakhs
Net opening provision in books of accounts	157.52	142.50
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expenses	24.59	21.78
Amounts recognized in Other Comprehensive Income	(0.75)	3.86
Closing value of plan assets	181.36	168.14
Benefits paid by the Company	(12.97)	(10.62)
Contributions to plan assets	(12.97)	(10.62)
Closing provision in books of accounts	168.39	157.52

Composition of the Plan Assets

Particulars	31-Mar-20	31-Mar-19
Policy of Insurance	100%	100%
Total	100%	100%

Principle Actuarial assumptions

Particulars	31-Mar-20	31-Mar-19
Discount Rate	6.25%	7.15%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rates	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

c) OTHER EMPLOYEE BENEFITS

The liabilities for leave encashment based on actuarial valuation as at the year ended on 31st March 2020 is Rs.51.99 lakhs (P.Y.Rs.47.19 lakhs).

30. As at the Balance Sheet date,unhedged foreign currency receivable and payable are as below.

Particular	Currency	31st March, 2020		31st March, 2019	
		FC in Lakhs	Rs. in Lakhs	FC in Lakhs	Rs. in Lakhs
Amount receivable (net) in foreign currency	USD	0.62	42.03	2.17	153.03
	EUR	0.82	64.68	1.13	90.07
	GBP	0.44	41.08	0.60	54.07
Amount payable (net) in foreign currency	USD	0.05	3.70	0.43	31.01
	EUR	-	-	0.004	0.35
	GBP	-	-	-	-

31. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2018-2019, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIER" REGARDING THEIR STATUS UNDER THE ACT.

(Rs. in Lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Principal amount remaining unpaid.	85.48	136.21
Interest due thereon remaining unpaid	Nil	Nil
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006. along-with the amount of the payment made to the supplier beyond the appointed day during the period	Nil	Nil
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	Nil	Nil

32. SEGMENT INFORMATION

The operation of company is limited to one segment, namely manufacturing of automobile components

33. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24 - RELATED PARTY DISCLOSURES

Name of related parties	Nature of relationship
Banco Products (India) Limited	Holding Company
Banco Aluminium Limited	Related Party
Shri Sudhir Sabloke	Key Management personnel
Shri Dinesh Patil (From 01.04.2018 TO 14.09.2018)	Key Management personnel
Shri Rameshwar Sharma (From 01/02/2019)	Key Management personnel

During the year, the following transactions were carried out with related parties and Key Management Personnel in the ordinary course of the business:

(Rs. in Lakhs)

Nature of Transaction	Holding Company		Key Management Personnel	
	31st Mar 2020	31st Mar 2019	31st Mar 2020	31st Mar 2019
Purchase of Goods	38.43	28.85		
Sale of Goods	650.91	1,048.72		
Reimbursement of expenses (For Service Received)	33.97	34.74		
Reimbursement of expenses (For Service Provided)	30.01	47.14		
Remuneration	-	-	151.84	98.83
Dividend Paid	2,170.00	700.00		
Debtors/Creditors (Net)	-	168.46		

34. Auditors Fees and Expenses

(Rs. in Lakhs)

PAYMENT TO AUDITORS	2019-20	2018-19
As auditor :		
Statutory Audit Fees	1.25	1.25
Tax Audit Fees	0.30	
In other capacity :		
(i) Other services (certification fees)	0.83	0.75
(ii) Out of pocket expenses	0.08	0.08
	2.45	2.08

35. Income Tax

(Rs. in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Reconciliation of Tax expenses and the accounting profit for the year is as under :		
Profit before tax	608.74	2,627.15
Income Tax exp @ 27.82% (PY @29.12%)	169.35	765.03
Tax effect of non deductible exp	40.68	60.02
Tax effect of R&D	(20.86)	(23.23)
Tax effect for Deduction u/s 80G	0.01	6.77
Tax effect for Deduction u/s 80JJA	(0.27)	(1.18)
Other	-	6.70
	188.92	814.11

36. Research and Development Expenses

(Rs. in Lakhs)

For the period ended	31st March, 2020	31st March, 2019
Capital expenditure		
Building	-	0.74
Plant & Machinery	3.89	14.38
Office Equipment	-	1.83
Vehicles	-	-
Total Capital expenditure	3.89	16.95
Revenue Expenditure		
Salary and Wages	120.88	115.26
Material Consumption	10.85	5.40
Manufacturing & Administration Expense	10.50	11.59
Depreciation	33.43	39.14
Total Revenue Expenditure	175.66	171.38
Total Research and Development Expenses	179.55	188.33

37. EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VIII THERE OF:

a. Gross amount required to be spent by the company during the year Rs.37.00 Lakhs (31st March 2019 Rs.47.28 Lakhs).

b. Amount spent during the year on:

Particulars	31st March, 2020	31st March, 2019
Construction / acquisition of assets		
Other purposes	29.99	46.22

c. Related Party transaction in relation to Corporate Social Responsibility Rs.Nil (P.Y.Rs.Nil)

38. The Plants of the Company in India were closed in March 22, 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permission and restarted its manufacturing facilities in the second fortnight of April 2020.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, its investments and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company and its subsidiaries. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months.

Further, based on the immediate assessment of the impact of COVID-19 on the operation of the Company, discussions with customers, vendors and services providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services after resumption of the operations. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risks profile of customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these results.

In assessing recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the group is of the view that carrying amounts of trade receivables and inventories are expected to be realizable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results, and the Company will continue to closely monitor the developments. In the case of inventory, Management has performed during the year comprehensive inventory verification at each of its locations and again at a date subsequent to the lifting of the lockdown the stock was taken again for key items of inventory to obtain comfort over the existence and condition of Inventories as at March 31, 2020 including roll-back

39. Figures of previous year have been regrouped/re-cast where ever necessary.

