

# **BANCO PRODUCTS (INDIA) LIMITED**



**62<sup>nd</sup> ANNUAL REPORT  
2022-2023**



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

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



<b>Board of Directors</b>	:	Mehul K. Patel	Chairman
		Sharan M. Patel	Whole Time Director
		Ramkisan A. Devidayal	Independent Director
		Mukesh D. Patel	Independent Director
		Devesh A. Pathak	Independent Director
		Udayan P. Patel	Independent Director
		Ameeta V. Manohar	Independent Director
		Himali H. Patel	Whole time Director & CFO
<b>Company Secretary</b>	:	Pooja Gurnani	
<b>Bankers</b>	:	State Bank of India	
		Bank of Baroda	
		HDFC Bank Limited	
<b>Auditors</b>	:	Parikh Shah Chotalia & Associates,	
		Chartered Accountants,	
		Vadodara	
<b>Registered Office</b>	:	Bil, Near Bhaili Railway Station,	
		Padra Road, Vadodara-391 410	
<b>Works</b>	:	At Bil, Near Bhaili Railway Station,	
		Padra Road, Vadodara-391 410	
		At Jamshedpur	
		At Rudrapur	
		At Waghodia (SEZ Unit)	
		At Zaheerabad	
<b>Listing</b>	:	BSE Limited (500039)	
		National Stock Exchange of India Limited (BANCOINDIA)	
<b>CIN</b>	:	L51100GJ1961PLC001039	
<b>Website</b>	:	www.bancoindia.com	
<b>RTA</b>	:	Link Intime India Pvt. Ltd.	

## INDEX

	Page No.
Notice	2
Board's Report	16
Management Discussion and Analysis and Annexures to Board's Report (A to F)	23
Report on Corporate Governance	36
Business Responsibility and Sustainability Report	54
Auditors' Report on Standalone Financial Statement	82
Standalone Balance Sheet	94
Standalone Statement of Profit and Loss	95
Standalone Cash Flow Statement	96
Standalone Statement of Changes in Equity	98
Notes to Standalone Financial Statement	100
Auditors' Report on Consolidated Financial Statement	138
Consolidated Balance Sheet	147
Consolidated Statement of Profit and Loss	148
Consolidated Cash Flow Statement	149
Consolidated Statement of Changes in Equity	151
Notes to Consolidated Financial Statement	153

## NOTICE

NOTICE is hereby given that the 62<sup>nd</sup> Annual General Meeting (AGM) of the Company will be held on Friday, the 22<sup>nd</sup> day of September, 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31.03.2023 including Balance Sheet as at 31.03.2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31.03.2023 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended March 31, 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT a dividend at the rate of ₹ 14/- (Rupees Fourteen only) per Equity Share of ₹ 2/- (Rupees Two only) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2023 and the same be paid out of the profits of the Company."
3. To appoint a Director in place of Shri Sharan M. Patel (DIN: 09151194), who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business

#### 4. To Appoint Shri Shivam M Patel (DIN: 09501828) as Director

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Shivam M. Patel (DIN: 09501828) who was appointed as Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 ("the act") and in respect of whom the Company has received a notice in writing under section 160(1) of the Act, be and is, hereby appointed as Non Executive Non Independent Director liable to retire by rotation pursuant to Sections 152, 160 and other applicable provisions, if any of the act.

**RESOLVED FURTHER THAT** the any Director and the Company Secretary of the Company be and are hereby severally authorised to take necessary actions and complete all the legal formalities related thereto."

#### 5. To ratify Remuneration to Cost Auditor

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration payable to M/s. Y.S. Thakar & Co., Cost Accountants, Vadodara (FRN : 000318) appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the financial year 2023-24, amounting to ₹ 45,000/- (Rupees Forty Five Thousand Only) plus government taxes, as applicable and out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

#### 6. To consider revision in payment of commission to Non-Executive Independent Directors

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 149 (9), 197, 198 and other applicable provisions of the Companies Act, 2013 ("the Act"), the underlying rules (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), framework for remuneration to non-executive directors and subject to such regulatory approvals as may be required and subject to availability of net profits at the end of each financial year and subject to the total remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors not exceeding in the aggregate 1% (one percent) of the net profits of the Company computed in the manner stipulated in Section 198 of the Act, consent of the Members be and is hereby accorded to pay following compensation in the form of profit related commission (exclusive of applicable taxes, if any) to following Non-Executive Independent Directors of the Company-

**RESOLVED FURTHER THAT** the above payment of commission is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and/or other meetings being paid to the non-executive independent Directors.

Sr. no.	Name of the Director	Period	Proposed Amount in ₹
1.	Mr. Ramkisan A. Devidayal	1st April 2023 till the date of Completion of his tenure	5,50,000
2.	Mr. Mukesh D. Patel	1st April 2023 till the date of Completion of his tenure	5,00,000
3.	Mr. Devesh A. Pathak	1st April 2023 till the date of Completion of his tenure	2,50,000
4.	Mr. Udayan Patel	1st April 2023 till the date of Completion of his tenure	2,50,000

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

By order of the Board

**Mehul K. Patel**

Chairman

(DIN: 01772099)

Date : 7th August, 2023

Place : Bil

**NOTES :**

1. The Explanatory Statement, pursuant to SEBI Listing Regulations and / or Section 102 of the Companies Act, 2013, relating to the Special Business enumerated under Item No. 04 to 06 of the accompanying Notice is annexed hereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 8<sup>th</sup> September, 2023 to 22<sup>nd</sup> September, 2023 (both days inclusive) for the purpose of dividend, if approved.
3. In accordance with the prevailing provisions of the Income Tax Act, 1961, the Company would be required to deduct tax at source ("TDS") at the prescribed rates on the dividend paid to its shareholders after 1<sup>st</sup> April, 2020.

The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Therefore, the members are requested to update their PAN and upload applicable documents, to avoid deduction of tax at higher rate by complying with the process mentioned hereunder or by way of email to the Company or its /Registrar and Transfer Agents as per the Email Ids provided.

Members are requested to visit the website of Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Limited ("LIPL") to upload the applicable documents such as Form 15G/15H, documents u/s. 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax Certificate and upload applicable documents such as Form 15G/15H, documents u/s. 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax Certificate at <https://web.linkintime.co.in/formsreq/submission-of-form-15g-15h.html> in order to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

Non Resident Indians (NRI) are requested to download and open in Acrobat Reader the form of Indian Withholding Tax declaration for F.Y. 2023-24 from the link at -

<http://mail.bancoradiator.com/upload/form-indian-withholding-tax-declaration-2023.pdf> and shall submit the same to the Company by way of email to the Company at [taxation@bancoindia.com](mailto:taxation@bancoindia.com), [investor@bancoindia.com](mailto:investor@bancoindia.com) and [sec@bancoindia.com](mailto:sec@bancoindia.com) or its /Registrar and Transfer Agents as per the Email Ids provided in addition to their Tax Residency Certificate.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines mentioned in point no. 2.

4. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 in continuation with General circular 02/2022 dated 5<sup>th</sup> May, 2022 and General circular no. 02/2021 dated 13<sup>th</sup> January, 2021, 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the

physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM.

5. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
6. In compliance with the read with aforesaid MCA Circulars and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5<sup>th</sup> January, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/ P/2022/62 dated 13<sup>th</sup> May, 2022, SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and SEBI Circular dated 15<sup>th</sup> January, 2021, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website [www.bancoindia.com](http://www.bancoindia.com), website of stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of Link Intime India Private Limited (LIPL) at <https://instameet.linkintime.co.in>
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime India Pvt. Ltd. by following the below mentioned process. Participation is restricted upto 1000 members only. It is recommended to join the AGM through laptop for better experience. You are requested to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their data network. It is therefore recommended to use stable wi-fi or wired connection to mitigate any kind of aforesaid glitches.
8. All the work related to share registry in terms of both physical and electronic, are being conducted by Company’s R & T Agents, Link Intime India Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Tel: +91 265 2356573 | 6136000, Email Id: [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). The Members are requested to send their communication to the aforesaid address.
9. The Company has designated an exclusive Email Id: [investor@bancoindia.com](mailto:investor@bancoindia.com) for redressal of Shareholders’/Investors’ complaints/grievance. In case you have any queries, complaints or grievances, then please write to us at the above mentioned e-mail address. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email Id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at [investor@bancoindia.com](mailto:investor@bancoindia.com) from 10<sup>th</sup> September, 2023 to 15<sup>th</sup> September, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. Further, Members who would like to have their questions / queries responded to during the AGM, are requested to send such questions / queries in advance within the aforesaid date, by following similar process as mentioned above. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
10. Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting and updation of bank account mandate for receipt of dividend:
  - i. In case shares are held in physical mode, members are requested to contact Company’s Registrar & Share Transfer Agent, Link Intime India Private Limited at above address or the Company at above email ID.
  - ii. In case shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants.
11. Voting through Electronic Means and Declaration of Results:

Pursuant to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide its Members, the facility of casting votes using an electronic voting system (“remote e- voting”) as well as E-Voting during AGM, through the e-voting services provided by Link Intime India Private Limited (LIPL) on all the resolutions set forth in this Notice.

Shri Mehul K. Patel, Chairman of the Company or Shri Sharan M. Patel, Whole Time Director or Smt. Himali H. Patel, Whole Time Director & CFO or Shri Shailesh Thakker – President – Commercial will declare the voting results based on the Scrutinizer’s report received on Remote e-voting and voting at the meeting. The voting results along with Scrutinizer’s report will be displayed on the:

- (i) Notice Board of the Company at its Registered Office;
- (ii) Company’s website [www.bancoindia.com](http://www.bancoindia.com);
- (iii) Link Intime India Private Limited (LIPL) at <https://instameet.linkintime.co.in> and
- (iv) Stock exchanges’ website [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

The instructions for casting your vote electronically are as under:

- i. The remote e-voting period begins on 19<sup>th</sup> September, 2023 (9:00 a.m. IST) and ends on 21<sup>st</sup> September, 2023 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as at the cut-off date of 15<sup>th</sup> September, 2023 may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of this Notice, may obtain the login Id and password by sending request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in). The remote e-voting module will be disabled by Link Intime India Private Limited for voting after 21<sup>st</sup> September, 2023 (5.00 p.m. IST).
- ii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iii. Those Members, who will be present in the AGM through VC / OAVM and have not cast their vote through remote e-voting and are otherwise not barred from doing this, shall be eligible to vote through e-voting system during the AGM.
- iv. M/s. J J Gandhi & Co., Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting during the AGM in a fair and transparent manner.
- v. The details of process and manner for attending the Annual General Meeting, for remote e-voting during the AGM and e-voting are as under :

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - Select the “**Company**” and “**Event Date**” and register with your following details:
    - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company
    - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. Mobile No.:** Enter your mobile number.
    - D. Email ID:** Enter your email id, as recorded with your DP/Company.
  - Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the Insta Meet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

#### **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet :**

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the Company at [sec@bancoindia.com](mailto:sec@bancoindia.com) and [investor@bancoindia.com](mailto:investor@bancoindia.com).

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**InstaMeet Support Desk**

**Link Intime India Private Limited**

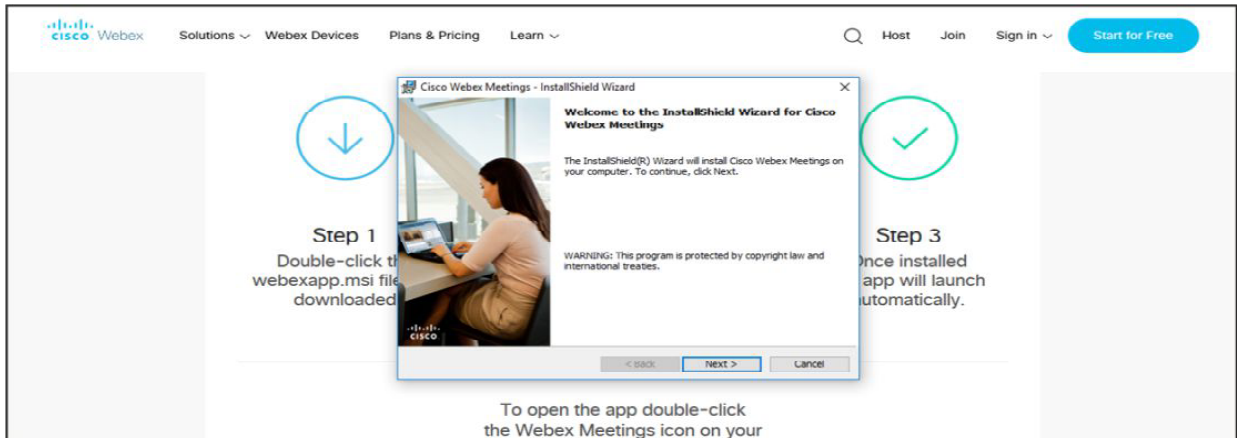
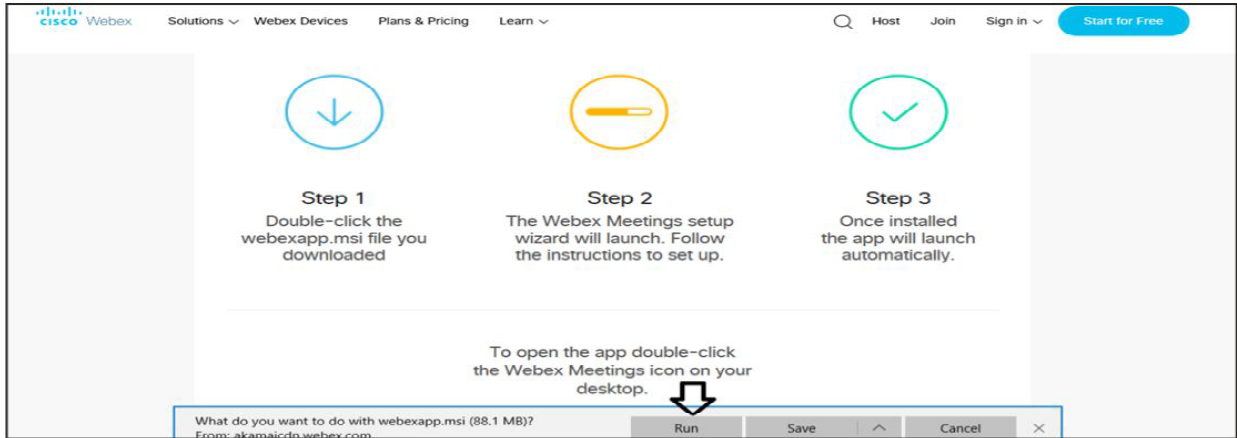
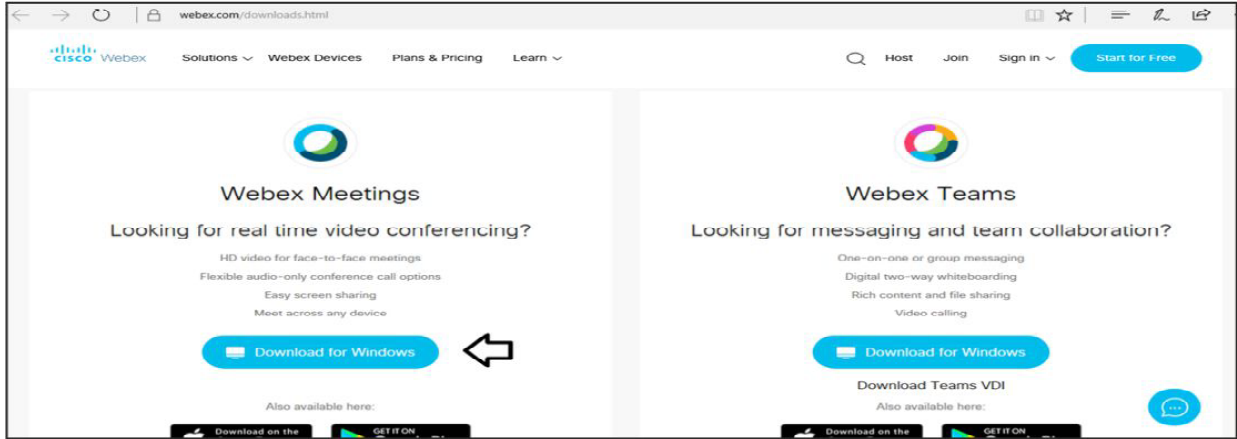


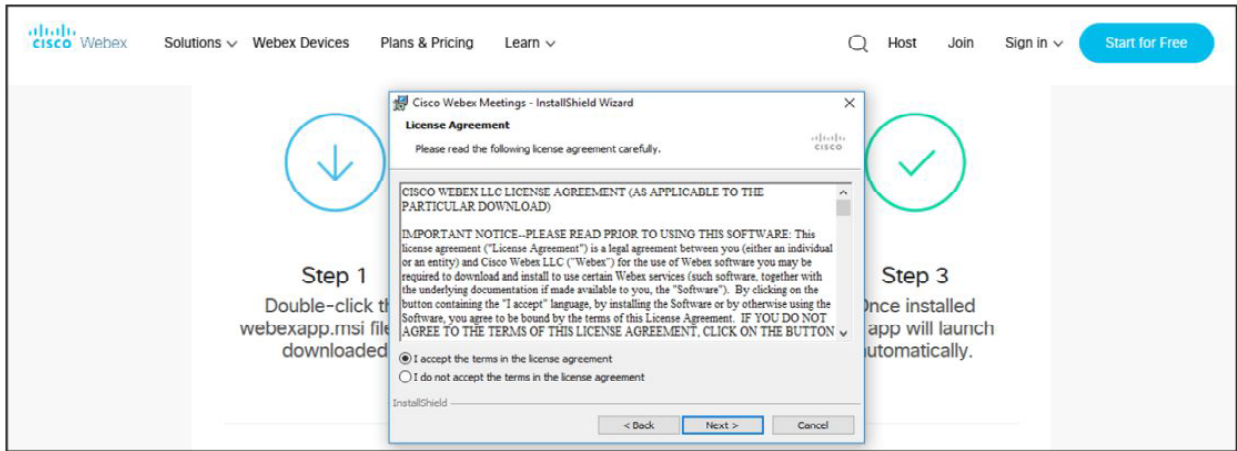
## ANNEXURE

### Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

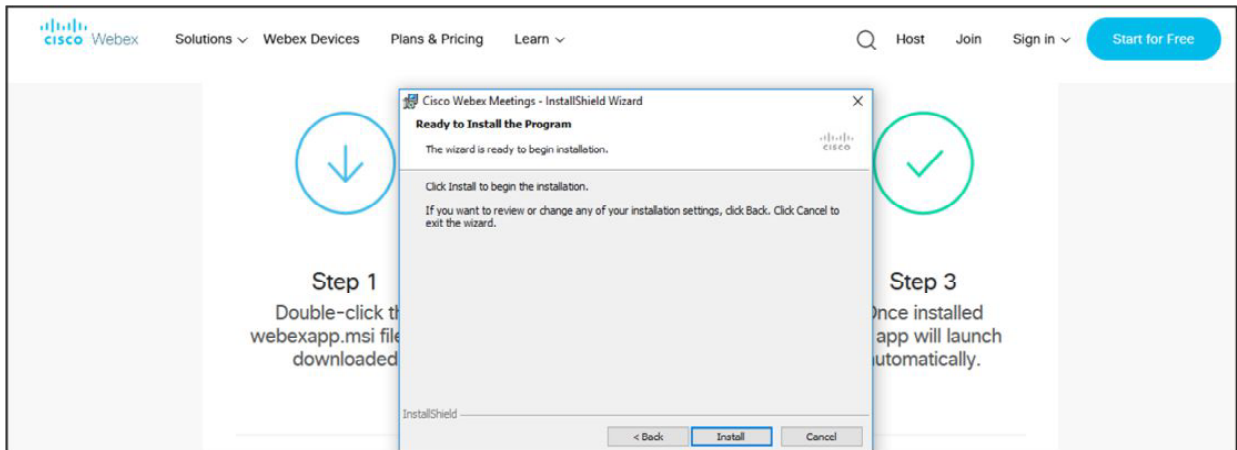
- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





Step 1  
Double-click the  
webexapp.msi file  
downloaded

Step 3  
Once installed  
app will launch  
automatically.



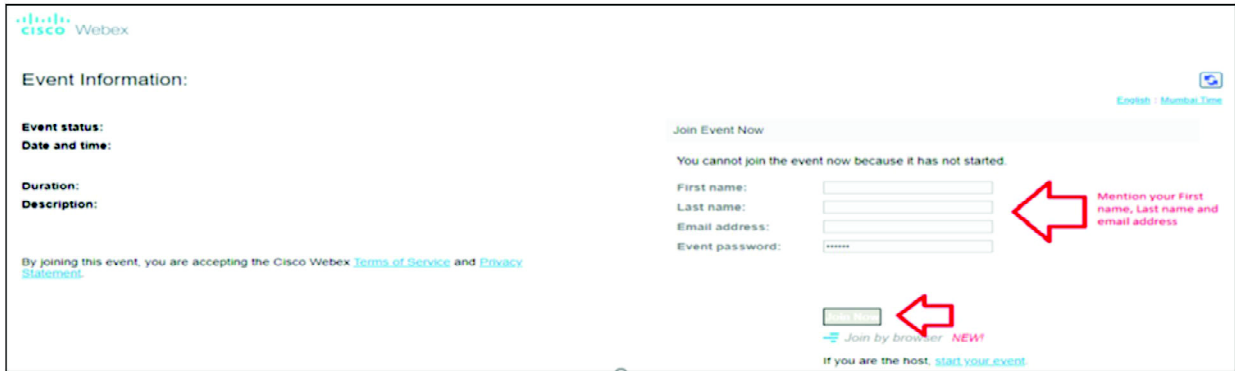
Step 1  
Double-click the  
webexapp.msi file  
downloaded

Step 3  
Once installed  
app will launch  
automatically.

Or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



**c) Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz... <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page</li> </ol>

	<p>of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME / Non-Individual Shareholders holding securities in demat mode	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>2. Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: - <ol style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.</li> <li><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> <li>*Shareholders holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</li> <li>*Shareholders holding shares in <b>NSDL form</b>, shall provide ‘D’ above</li> </ul> </li> </ol> <ul style="list-style-type: none"> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>▶ Click “confirm” (Your password is now generated).</li> </ul> </li> <li>3. Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> </ol> <p><b>Cast your vote electronically:</b></p> <ol style="list-style-type: none"> <li>1. After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>2. E-voting page will appear.</li> <li>3. Refer the Resolution description and cast your vote by selecting your desired option ‘<b>Favour / Against</b>’ (If you wish to view the entire Resolution details, click on the ‘<b>View Resolution</b>’ file link).</li> <li>4. After selecting the desired option i.e. Favour / Against, click on ‘<b>Submit</b>’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘<b>Yes</b>’, else to change your vote, click on ‘<b>No</b>’ and accordingly modify your vote.</li> </ol>

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**InstaVote Support Desk**

**Link Intime India Private Limited**

**Registered Office:**

**Banco Products (India) Limited**

Bil, Near Bhaili Railway Station, Padra Road, Vadodara-391 410

CIN : L51100GJ1961PLC001039 Tel Nos.: (0265) 2318226, Fax No. (0265) 2680433

Website : [www.bancoindia.com](http://www.bancoindia.com),

Email : [investor@bancoindia.com](mailto:investor@bancoindia.com),[sec@bancoindia.com](mailto:sec@bancoindia.com)

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 / the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)****Item No. 4**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Shri Shivam M. Patel (DIN: 09501828) as an Additional Director (Non Executive Non Independent Director) of the Company under Section 161(1) of the Act, with effect from 7<sup>th</sup> August, 2023. In terms of Section 161(1) of the Act, Shri Shivam M. Patel holds office only upto the date of the forthcoming AGM and is eligible for appointment as a Director liable to retire by rotation, subject to approval of the Members.

The Company has received requisite notice from a member as per Section 160 of the Act in respect of candidature of Shri Shivam M. Patel as Non Executive Non Independent Director liable to retire by rotation. The nomination and remuneration committee at its meeting held on 7th August, 2023, also recommended the aforesaid appointment.

Shri Shivam M. Patel carries a diverse range of experience, focused on delivering work to a high standard of client satisfaction whilst ensuring profitability and developing operational management mechanisms combining theoretical knowledge and adapting a practical approach in order to achieve maximum efficiency and reduced wastage of resources in multiple automotive manufacturing environment factory set ups.

Mr. Shivam M. Patel, a Graduate in Chemistry (BSc Hons.) from the University of Warwick, United Kingdom having various expertise including, rubber technology, organic and inorganic chemical synthesis, new materials for better and sustainable chemistry and also energy generation from alternate sources.

In addition, Mr. Shivam M. Patel brings along with him creative and dynamic vision of various businesses and has good experience in consistently penetrating new markets to ensure sustainable revenue growth across the spectrum. He also specialises in effective communication and in-person meetings to establish presence.

Shri Shivam M. Patel holds 65000 number of Equity Shares of the Company.

Shri Mehul K. Patel and Shri Sharan M. Patel, being relative of Shri Shivam M. Patel are deemed to be interested in the proposed resolution.

Other Directors, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Your Directors therefore recommend the resolution as set out in item no. 4 of the accompanying notice as an Ordinary Resolution for your approval.

The required details as per the Secretarial Standards (“SS-2”) and Regulation 36(3) of the Listing Regulations, is provided at Annexure A of this Notice.

**Item No. 5**

The Board of Directors of the Company, has on the recommendation of Audit Committee, approved the appointment and remuneration of M/s. Y.S. Thakar & Co., Cost Accountants, Vadodara, to conduct the audit of the cost records of the Company for the financial year 2023-24.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is to be ratified by the Members of the Company.

The Board of Directors recommends the resolution as an Ordinary Resolution set out in Item No. 5 of the accompanying Notice for your approval.

Neither any of the Promoters, Directors, Key Managerial Personnel of the Company nor their relatives is, in any way shall be deemed to be concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of the Notice.

**Item No. 6**

The Shareholder, in the Annual General Meeting held on 23.09.2019, have approved the revision in payment of Commission to the Non-Executive Independent Directors. The Board of Directors, in its meeting held on 07.08.2023, and in terms of the recommendation of Nomination and Remuneration Committee Meeting held on 07.08.2023, have approved the revision in payment of Commission to following Non-Executive Independent Directors subject to approval by Shareholders.

Details of the proposed commission to Non-Executive Independent Directors are as under:

Sr. no.	Name of the Director	Proposed Amount of Commission not exceeding ₹ Per annum	Period	No of Shares held	Inter se-Relationship, If any.
1.	Mr. Ramkisan A. Devidayal	5,50,000	1st April 2023 till the date of Completion of his tenure	5,86,034 (0.82%)	No
2.	Mr. Mukesh D. Patel	5,00,000	1st April 2023 till the date of Completion of his tenure	-	No
3.	Mr. Devesh A. Pathak	2,50,000	1st April 2023 till the date of Completion of his tenure	-	No
4.	Mr. Udayan Patel	2,50,000	1st April 2023 till the date of Completion of his tenure	-	No

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and taking into account the roles and responsibilities of the directors, it is proposed that the Non-Executive Independent Directors other than the Whole-time Directors be paid for each of the financial years of the Company commencing from 1st April 2023 till the date of Completion of their tenure, a remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013.

This remuneration will be distributed amongst aforesaid Non -Executive Independent Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Companies Act, 2013. This remuneration shall be in addition to the fee payable to the Directors for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, approval of the Shareholders is sought by way of an Ordinary Resolution under the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for payment of remuneration by way of commission to the Directors of the Company other than the Wholetime Directors, for a period commencing from 1<sup>st</sup> April 2023 till the date of Completion of their tenure as set out in the Resolution at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out under Item No. 6 of the Notice for approval by the shareholders.

The Directors, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, except Shri Ramkisan Devidayal, Shri Mukesh Patel, Shri Devesh Pathak and Shri Udayan Patel, the Directors of the Company who may be deemed to be concerned or interested in the resolution set out at Item No. 6 of the Notice respectively.

Date : 07.08.2023

Place : Bil

By order of the Board

**Mehul K. Patel**

Chairman

(DIN: 01772099)

## ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

## Profile of Director seeking re-appointment

Name	Sharan M. Patel	Shivam M. Patel
Birth Date / Age	03.03.1995/28 years	03/12/1997/ 26 years
Date of Appointment on the Board	22.04.2021	07.08.2023
Qualifications	Graduate Engineering Manager	Graduate in Chemistry (BSc Hons.)
Expertise/Brief Profile/Brief Resume	<p>Shri Sharan M. Patel, a Graduate Engineering Manager from the University of Greenwich having various expertise including Operations Management, Project Management, Business Development, Strategic Planning, Marketing Risk Analysis and Management, Research, Quality Engineering and Computer Aided Design (CAD). In addition, Shri Sharan M. Patel has been awarded professional recognition as 'EWB project UK shortlist' in the past from Engineers Without Borders, United Kingdom providing various Engineering solutions for betterment or advancement of underprivileged regions in many parts of the world.</p>	<p>Mr. Shivam M. Patel carries a diverse range of experience, focused on delivering work to a high standard of client satisfaction whilst ensuring profitability and developing operational management mechanisms combining theoretical knowledge and adapting a practical approach in order to achieve maximum efficiency and reduced wastage of resources in multiple automotive manufacturing environment factory set ups.</p> <p>Mr. Shivam M. Patel, a Graduate in Chemistry (BSc Hons.) from the University of Warwick, United Kingdom having various expertise including, rubber technology, organic and inorganic chemical synthesis, new materials for better and sustainable chemistry and also energy generation from alternate sources.</p> <p>In addition, Mr. Shivam M. Patel brings along with him creative and dynamic vision of various businesses and has good experience in consistently penetrating new markets to ensure sustainable revenue growth across the spectrum. He also specialises in effective communication and in-person meetings to establish presence.</p>
Terms and conditions of Appointment or Re-Appointment	Not Applicable	Not Applicable
Remuneration last drawn	Rs. 115.76 Lakhs	Not Applicable
No. of meetings of the Board attended for the period from 01.04.2022 to 31.03.2023	04	Not Applicable



Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Shri Sharan M. Patel is son of Shri Mehul K. Patel, Promoter Director and Chairman of the Company	Shri Shivam M. Patel is immediate relative of Shri Mehul K. Patel, Promoter Director & Chairman of the Company and Shri Sharan M. Patel, Whole Time Director (KMP)- Promoter Group of the Company.
Directorships held in other Companies	1. Banco New Energy Cooling Systems Limited 2. Banco Foundation 3. K. K. Patel Foundation	1. Banco Gaskets India Limited 2. Kilimanjaro Biochem Limited
Details of Membership in Committees	Member in Risk Management Committee of the Company	Nil
Details of resignation in the past three years	-	-
No. of Shares held in the Company	2,00,000	65,000

## BOARD'S REPORT

To,  
The Members of  
Banco Products (India) Limited

Your directors have the pleasure in presenting the 62<sup>nd</sup> Annual Report together with the Audited Financial Statements of Banco Products (India) Limited ("the Company") and its subsidiaries for the financial year ended on 31.03.2023 with the mission:

- (a) To safeguard health, safety and well-being of employees and of the communities around.
- (b) To initiate effective measures towards minimum disruption of the operations and thus ensuring smooth business continuity and sustainable growth.
- (c) As ever, adversities test every organization's resilience and true strength - At Banco Products, we have been engaged in taking extensive measures to emerge more resilient, post the current crisis by enhancing in-house capabilities.

### 1. Overview of the Company's Performance:

During the year under review, India once again showcased its resolve and resilience to report healthy economic growth despite the gloom prevailing in the external world; Persistent inflation, political developments and the continuing impact of geopolitical. The government's strong capex disbursements, recovery in auto industrial and agricultural equipment sales, and improving capacity utilisation at a macro level played an essential role in India's economic progress. The economic scenario during 2022-23 remained positive.

We have seen a recovery in OEM business, (volume wise) during the second half of FY 21-22 as compared to FY 20-21, as first half had Covid disruptions.

As ever, the executive team at Banco Products and its subsidiaries strived to deliver their best in terms of their core strengths i.e. innovation and customer service, be it developing new designs or delivering the products at short notices.

Changes in emission norms to BS-VI and BS6 phase 2 RDE (real driving emissions) norms have come into effect in India from April 1, 2023 in the automotive industry and CPCB-IV in the construction machinery and off-highway sectors, led to a large number of new opportunities, for which your Company has been managing successfully on-going basis.

In general, the OEM customer expectations in respect to product thermal efficiency, compact packaging of cooling modules, lower weight targets for saving fuel and increased product reliability, has taken us to newer vistas of business development and achievement.

Our R&D teams have been responding to these challenges through our bespoke engineering approach by continuously improving, testing and proving the efficiency of cooling elements. We have delivered to our customers optimized solutions by use of advanced software tools - which delivers best in class field performance. In EV mobile sector, we have begun participation in product development and supply to selected customers in Cooling as well as in Gasket Sealing segments and that includes expanding customer bases both in domestic and global arena.

In the export markets, the Company's sales growth remained positive during the year. We will continue to focus on expanding our business in export markets. New product additions were at all time high in Engine cooling segment for both Aftermarket and OEMs segments.

Business at subsidiaries – Banco Gaskets and NRF b.v. continue to follow same trend as Banco Products. Focus at Banco Gaskets continues to be in developing new technologies in elastomeric solutions for automotive customers and we are observing encouraging long term growth in both, tier one and tier two OEM segments. Aftermarket market segment, also enjoyed better sales growth rate over previous years as brand enjoys strong popularity across India.

NRF b.v. had one of the strongest sales growth compared to previous years in aftermarket especially in European market. NRF has been investing heavily in brand development as well as introduction of wide range of 'under bonnet' Cooling and HVAC parts. Going forward, the product line expansion will continue to serve clients with products which offers highest reliability and value. We continue to invest into better logistical capabilities to enhance customer experience and to improve loyalty towards NRF brand. NRF continues to invest for enhancing technical facilities to introduce wider range of products for aftermarket, beyond its traditional products in cooling.

## 2. Financial Summary/Highlights:

At a glance, the summarized Standalone and Consolidated results of your Company are given below:

(₹ in Crores)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended on 31.03.2023	Year ended on 31.03.2022	Year ended on 31.03.2023	Year ended on 31.03.2022
<b>Total Turnover</b>	<b>979.00</b>	<b>772.00</b>	<b>2301.00</b>	<b>1927.00</b>
<b>Profit Before Taxation</b>	<b>280.00</b>	<b>110.00</b>	<b>311.00</b>	<b>224.00</b>
<b>Less:-Tax Expenses</b>	<b>35.00</b>	<b>24.00</b>	<b>76.00</b>	<b>72.00</b>
<b>Profit After Tax</b>	<b>245.00</b>	<b>86.00</b>	<b>235.00</b>	<b>152.00</b>
Balance Brought forward from P.Y.	538.00	466.00	660.00	522.00
<b>Profit available for Appropriation</b>	<b>783.00</b>	<b>552.00</b>	<b>895.00</b>	<b>674.00</b>
Appropriations:				
Investment measured at FVTOCI	-	-	-	-
Dividend	200.00	14.00	200.00	14.00
<b>Balance Carried to Balance Sheet</b>	<b>583.00</b>	<b>538.00</b>	<b>695.00</b>	<b>660.00</b>

## 3. Dividend:

Your Directors had declared and paid Interim Dividend during the year 2022-23 at 400% i.e. ₹ 8/- per Equity Shares of ₹ 2 each absorbing ₹ 57.21 Crores (gross) and have recommended dividend at 700% i.e ₹ 14 /- per equity share of ₹ 2/- each for the financial year ended on 31.03.2023 (total Dividend 1100%) as compared to ₹ 20/- per equity share of ₹ 2.00 each (1000% during previous year).

## 4. Reserve:

The Company is not required to transfer any amount to reserves. Accordingly, the Company has not transferred any amount to reserve.

## 5. Operations and State of Affairs:

The Company continued its initiatives during the year, to upgrade technology and quality at its plants. As pioneers in the country, your Company invests in best in class technology and has lined up an accelerated investment plan to retain its technology leadership position.

Our Research and Development capabilities, including test equipments and design software are being improved in line with modern practices. Our R & D spend, during the year was placed at 0.55% of turnover.

Sales and Profit for Banco Products (India) Ltd. stood at:

(₹ In Crores)

Particulars	Year ended on 31.03.2023	Year ended on 31.03.2022
Sales (Net)	<b>979</b>	<b>772</b>
Profit after Tax (PAT)	<b>245</b>	<b>86</b>

### Domestic Sales:

During the period under review, the Company's Domestic sales stood at ₹ 709/- crores as against ₹ 531/- crores in the previous year representing a 34% increase.

### Export Sales:

During the period under review, the Company's Export sales stood at ₹ 270/- crores as against ₹ 241/- crores in the previous year, despite growing global competition.

Overall sales mix was placed at Domestic 72% (previous year 69 %) and Export 28% (previous year 31%).

## 6. Management Discussion and Analysis:

The Report on Management's Discussion and Analysis as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") forms part of this report as per Annexure "A".

**7. Business Responsibility and Sustainability Report:**

The business responsibility and sustainability report as required under LODR forms part of this Annual Report.

**8. Corporate Social Responsibility:**

Your Directors believe that it is vital for surrounding communities and stakeholders to progress with the Company.

In compliance with the requirements of Section 135 of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), the Board of Directors have constituted a Corporate Social Responsibility Committee. Annual Report on CSR containing particulars specified in Annexure II to the CSR Rules is forming part of the Board's Report as per Annexure "B".

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee and other details are available on the website of the Company as per the web link provided in the report on Corporate Social Responsibility Activities.

**9. Conservation of Energy, Technology Absorption and Foreign exchange:**

In accordance with the provisions of Section 134(3)(m) of the Act, read with Rule 8 of The Companies (Accounts) Rules, 2014, the relevant information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed as per Annexure "C" to this Report.

**10. Directors' Responsibility Statement:**

In terms of Section 134(3) (c) of the Act, your directors would like to state:

- i) that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31<sup>st</sup> March, 2023 and of the profit and loss of the Company for that period;
- iii) that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual financial statements have been prepared on a going concern basis;
- v) that the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vi) that the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**11. Directors and Key Managerial Personnel:****11.A STATEMENT WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTORS**

Your directors are of the opinion that Independent Directors of the Company are of high integrity, suitable expertise and experience (including proficiency). The Independent Directors have given declaration under sub section (6) of Section 149 of the Act. The tenure of Independent Directors is in compliance of provisions of Section 149(10).

**11.1 Performance Evaluation:**

Pursuant to the provisions of the Act and LODR, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its requisite Committees.

The evaluation has been carried out with a well structured questionnaires taking into consideration various aspects and roles of the Board and its Committees such as knowledge, skills, conduct, integrity, contribution in setting up and achieving goals etc. The Board of Directors expressed their satisfaction with the evaluation process.

**11.2 Policy on Directors' Nomination, Appointment and Remuneration:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy in relation to remuneration of Directors. The policy also laid down the criteria for selection and appointment of Directors, Senior Management and their remuneration. The detailed Remuneration Policy is stated in the Corporate Governance Report.

The details regarding the composition and Role of Nomination and Remuneration Committee are provided in the report on Corporate Governance and forms part of this report.

### 11.3 Disclosure of Remuneration paid to Directors:

The details of remuneration paid to the Directors is given in the Report on Corporate Governance.

### 11.4 Change in Directors/KMP:

In accordance with the provisions of the Act and rules made there under Mr. Sharan M. Patel (DIN: 09151194) retires by rotation at the 62<sup>nd</sup> Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors has appointed Mr. Shivam M. Patel on 7th August, 2023 as an Additional Director (Non Executive - Non Independent Director) to hold office upto next Annual General Meeting, subject to approval of the members of the Company.

### 12. Number of Board Meetings:

The details of 04 Board Meetings held during the financial year 2022-23 are provided in the Report on Corporate Governance and forms part of this report.

### 13. Audit Committee:

The details regarding the Composition, power and role of Audit Committee are provided in Report on Corporate Governance and forms part of this report.

### 14. Vigil Mechanism / Whistle Blower Policy:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. A Vigil Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail the mechanism and also provides for direct access to the Chairman of the Company / Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism / Whistle Blower Policy are available on Company's website at -

<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>

### 15. Risk Management:

Pursuant to the requirement of LODR, the Company has formed Risk Management Policy to ensure appropriate risk management within its systems and culture. The Company operates in a competitive environment and is generally exposed to various risks at different times such as technological risks, business risks, operational risks, financial risks, etc. The Board of Directors and the Audit Committee of the Company periodically review the Risk Management Policy of the Company so that the Management can control the risk through properly defined network.

The Company has a system based approach to business risk management backed by strong internal control systems.

The Corporate Governance Policy clearly lays down the roles and responsibilities of the various entities in relation to risk management. A range of responsibilities, from strategic to the operational is specified in the Governance Policy. These role definition, inter-alia aims at ensuring formulation of appropriate risk management policies and procedures, their effective implementation and independent monitoring and reporting by Internal Audit.

A strong independent Internal Audit Function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk managements processes may need to be improved.

The Board reviews internal audit findings and provides strategic guidance on internal controls, monitors the internal control, environment within the Company and ensures that Internal Audit recommendations are effectively implemented.

The combination of policies and procedures adequately addresses the various risks associated with your Company's businesses.

The details regarding the composition and Role of Risk Management Committee are provided in report on Corporate Governance and forms part of this report.

### 16. Corporate Governance:

Pursuant to LODR, the Report on Corporate Governance forms an integral part of this Report. The requisite certificate confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

### 17. Extract of Annual Return:

A copy of the Annual Return as required under section 92(3) and Section 134(3)(a) of the Companies Act, 2013 has been placed on the website of the Company. The web-link as required under the act is as under-  
[http://mail.bancoradiator.com/upload/annual\\_return\\_2023.pdf](http://mail.bancoradiator.com/upload/annual_return_2023.pdf)

**18. Auditors:****18.1 Statutory Auditors:**

M/s. Parikh Shah Chotalia & Associates, Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W), were appointed as Statutory Auditors of the Company for a term of Five consecutive years from conclusion of 58<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2019 till the conclusion of 63<sup>rd</sup> Annual General Meeting. The Auditor's Report for financial year 2022-23 does not contain any qualification, reservation or adverse remark. The Auditors have conveyed their confirmation about their eligibility to continue as Statutory Auditors of the Company.

**18.2 Internal Auditors:**

Your Company had appointed Mr. SnehalKumar Shah, Head-Internal Audit Department of the Company as the Internal Auditor to carry out the Internal Audit of various operational areas of the Company.

**18.3 Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. J.J. Gandhi & Co., Practicing Company Secretaries, Vadodara as Secretarial Auditors of the Company. The Secretarial Audit Report for the Financial Year ended on 31.03.2023 is annexed herewith as per Annexure "D" to this Report and it does not contain any qualification, reservation or adverse remark.

**18.4 Cost Auditors:**

Your Company has appointed M/s. Y.S. Thakar & Co., Cost Accountants, Vadodara (FRN : 000318) in terms of provisions of Section 148 and any other provisions applicable, if any, of the Act and Rules made thereunder.

The proposals for ratification of their remuneration by way of Ordinary Resolution, to conduct the audit of the Cost Records of the Company for the financial year 2023-24, in terms of the recommendation of the Audit Committee is included in the Notice of the Annual General Meeting.

**19. Subsidiary Companies:****19.1 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 the areas of production, marketing, distribution and other operational areas. We expect that these initiatives will yield results in time to come and result in improvement in the performance.

**19.2 Banco Gaskets (India) Limited –Vadodara:**

In terms of the requisite approvals of Shareholders, the Gasket Divisions of the Company was transferred to its Wholly Owned Subsidiary Company viz. Banco Gaskets (India) Limited with effect from 31.03.2012 and is in operation.

Pursuant to Section 129(3) of the Act, the statement containing the salient features of the financial statement of the Company's Subsidiaries is annexed as per Annexure "E" to this Report.

The determination of Material Subsidiary is in compliance with LODR.

**19.3 Banco New Energy Cooling Systems Limited – Vadodara:**

Banco New Energy Cooling Systems Limited, was incorporated on 17th May, 2021 with object to carry on all type of business of manufacturing, making, assembling, exporting and distribution of all kinds of Heat Exchangers for Electrical Vehicles (EV) Automotive /Non Automotive and industrial applications.

**20. Particulars of Employees:**

The Statement pursuant to Section 197(12) of the Act, and Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 is attached as per Annexure "F" to this Report.

A Statement of the details of employees covered under Rule 5(2) of the aforesaid Rules are provided in the Annual Report. The Annual Report is being sent excluding the aforesaid information. Such particulars will be furnished to any shareholder on a specific request made in writing by the shareholder.

**21. Related Party Transactions:**

All transactions entered into with the Related Parties as defined under the Act and LODR during the financial year ended on 31.03.2023 were in the ordinary course of business and arm's length basis and do not attract the provisions of Section 188 of the Act, 2013. Thus disclosure in form AOC 2 is not applicable.

All the Related Party Transactions are reviewed by the Audit Committee on quarterly basis and it has provided an omnibus approval for all Related Party Transactions which are within its purview.

The information on Related Party Transactions, forming part of this Report, is provided in Notes of Annual Financial Statement for the Financial Year ended on 31.03.2023.

The Board has approved a Policy on Related Party Transactions which has been uploaded on the Company's website at <http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>

## 22. Particulars of Loans given, Guarantees given and Investments made by the Company:

During the year under review, there were no Loans and Guarantees given / made by the Company. The Investments made under the provisions of the Act is provided in the Note no. 04 of Notes to Standalone Financial Statements of the Company.

During the year under review, the Company has invested in Equity Shares of Banco New Energy Cooling Systems Limited a Wholly Owned Subsidiary of the Company, amounting to ₹ 4 Crores (₹ 2 Crore on 31.05.2022, ₹ 1 Crore on 08.09.2022 and ₹ 1 Crore on 08.10.2022) aggregating total ₹ 8.40 Crores and has granted a Loan of ₹ 8.5 Crores for its Principal business activities out of the Company's internal sources of funds.

## 23. Share Capital:

As on 31st March, 2023, the paid up equity share capital of your Company was ₹ 14.30 crores. During the year under review, the Company has not issued any shares.

## 24. Change in Capital Structure:

During the year under review, the Company has not issued any Equity Share with differential rights, Employees Stock Options and Sweat Equity Share. Hence, details as per applicable rules of the Companies (Share Capital and Debentures) Rules, 2014 are not required to be reported.

## 25. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The summary of sexual harassment complaints received and disposed off during the financial year 2022-23 is as under:

-Number of Complaints Received: Nil

-Number of Complaints Disposed off: Nil

## 26. Deposits:

The Company has neither accepted nor renewed any deposits during the year under review.

## 27. Insurance:

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

## 28. Industrial Relations:

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

## 29. Internal Financial Control:

The Company has appropriate internal financial control systems and procedures in place with regard to effective utilization of resources, efficiency in operation, financial reporting and compliance with various rules and regulations and keeping in view the organization's pace of growth and increasing areas of operations.

The internal auditors conduct extensive audits throughout the year across all locations and across all functional areas and submit their reports to the Audit Committee of the Board of Directors.

## 30. Details of Fraud Reporting, if any:

There has been no instance of fraud reported by the Auditors under section 143(12) of the Act and Rules framed thereunder either to the Company or the Central Government.

**31. Familiarisation Programme for Independent Directors:**

The details of programmes for familiarization of Independent Directors and training with the Company, their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at-

<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>

**32. Human Resources:**

Many initiatives have been taken to support business through organizational efficiency and various employee engagement programmes which have helped the Organization to achieve higher productivity levels.

Significant efforts have also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

The Company's HR processes such as hiring, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process and market aligned policies have been seen as benchmark practices in the Industry.

**33. Material changes and Commitments:**

Your Directors are of the opinion that there are no material changes and commitments affecting financial position of the Company which have occurred between end of financial year of the Company and the date of this report.

**34. Safety, Health and Environment Safety:**

The Company has been continuously exercising effective safety, health and environment policies. Water and air pollution control measures are successfully operated and industrial trade effluents are used for gardening.

The tree plantation at the factory site is maintained properly and is being duly taken care.

**35. Web Links**

Web links related to various policies are available in the Corporate Governance Report.

**36. Change in the nature of Business:**

There is no change in the nature of business during the year under review.

**37. Significant and material order passed by the Regulator or Court:**

No order was passed by any regulator, court or tribunal impacting the going concern status and Company's operation in future during the year under review.

**38. Disclosure in respect of Cost Records:**

The Company has maintained the cost accounts and records respectively, as required under provisions of the Companies Act, 2013.

**39. Compliance of applicable Secretarial Standards:**

Pursuant to Clause 9 of Secretarial Standards on Meetings of Board of Directors, it is stated that the Company is compliant of applicable Secretarial Standards during the year.

**40. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review - Neither any application was made nor any proceeding was pending in this regard.****41. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions - No one time settlement.****42. Acknowledgement:**

Your Directors wish to convey their gratitude and place on record their deep appreciation for the co-operation and continued support received by the Company from Government, Customers, Shareholders, Vendors, Bankers and all other Stake Holders, as well as Employees at all levels during the year.

By the order of the Board,

**Mehul K. Patel**  
(Chairman)  
DIN: 01772099

Date : 07.08.2023  
Place : Bil



## ANNEXURE “A”

### “Management Discussion and Analysis Report”

Banco Products (India) Ltd. is a leading designer, manufacturer of engine cooling modules for automotive and industrial applications. We combine the power of innovation and product application engineering to develop products which deliver high performance solutions for our customers in OEM and aftermarket segments. The Company enjoys status of strategic supplier to various esteemed Original Equipment Manufacturers as new product development partner wherein cooling products fall into category of proprietary parts.

#### **Our Products:**

Engine Cooling Modules such as Radiators, Charged Air Coolers, Fuel Coolers, Oil Coolers for various applications, AC Condensers, De-aeration Plastic tanks, Metal Layered Gaskets and Elastomeric Moulded gaskets for static sealing applications.

#### **Applications**

Engine Cooling Modules and Gaskets are considered very critical for efficient performance of Internal Combustion Engines as well as for EV electrical systems with wide ranging applications such as Passenger Cars, Light Commercial Vehicles, Medium and Heavy Commercial Vehicles, Agricultural Tractors, Harvesters, High Performance Bikes, Construction Machineries, Material Handling equipment, Mining machinery, Power Generation Equipment, Traction Rail Locomotives and Air compressors.

#### **Our Markets:**

**OEM:** We design and develop efficient cooling modules for OEM customers from wide range of various industries. With successful record of accomplishment and long-term relationship with our key customers, we aim to become the preferred supply partner to OEMs in all off-road and industrial segments by offering innovative thermal solutions.

#### **Aftermarket:**

We meet growing service demand in the automotive aftermarket through our extensive distribution network which is pan India, by adding new models and related thermal products as market trends along with measures for strengthening Banco brand reach by marketing campaigns.

#### **Exports:**

BANCO continues to develop a comprehensive service range of cooling products for global aftermarket.

Establish supplier status with wide range of various MNC OEMs in advanced markets with the objective of securing long-term business.

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Emissions norms legislation and Trends in Industrial and Automotive sectors has a large influence on your Company's business. Engine Cooling supplier vendor base is dominated by MNC or joint ventures both in India and abroad. Globally, OEM customers outside automotive industry are having increasing preference to develop autoparts suppliers from low cost countries like India.

The industry is rapidly changing, in terms of its size and technology. Indian OEM industry for non highway is in the process of developing CPCB IV and Stage V emission regulatory norms which are likely to be implemented by the end of the year 2023. We strive to provide cooling solutions for complete range of vehicles and machines in this segment. Range of product programs are very wide for each OEM wherein quick development solutions are needed.

#### **Demand development:**

Demand development of your Company's products is directly dependent on the development in the user industries. Investment for increasing production capacity both for handling additional business volume changes as well as product diversity is the norm.

#### **Automotive:**

Developments in Automotive industry during the last year have been very positive as witnessed in the quantum of vehicles sold. Government spending on infrastructure projects is massively up spurring sales of construction machines and commercial heavy trucks. OEMs are increasing the rate of introduction of new models to stay ahead of competition.

#### **Agriculture:**

The Indian Government has been supporting accelerated development of agriculture sector with higher grain support prices which has stimulated demand for tractors and combined harvesters.

**Industrial:**

Demand is increasing in all sectors due to faster pace of GDP growth and government spending on roads and launch of large infra projects resulting in downstream demand for power generation equipment, mining machinery etc.

**Our Bespoke engineering approach:**

We invest our resources to develop relevant products for wide range of applications. Banco offers quick and customised solutions to meet cost targets as well as meeting assorted technical requirements. With this approach, we co-create best in class - solutions which are efficient and deliver very reliable performance under challenging operating environment. Process of development of better designs is by taking inputs from actual users in field conditions and employing advanced IT solutions.

**Electric Vehicles:**

The development of Electrical Vehicles in India is picking but further progress will be driven by cost of batteries and downstream charging network facilities. In particular, two wheeler industry, passenger car and bus industry have shown some progress towards the development of Electric Vehicles. Cooling systems do play a central role in an Electric Vehicles. Various projects are under development stage.

Banco New Energy Cooling Systems Limited, a Wholly Owned Subsidiary of Banco Products is in final stages of plant commission and product trials.

**OPERATIONS:**

Considering the nature of business cost, pressures are always at the forefront; we continuously invest in development of competent vendor base as well as in-house component production facilities to bring flexibility and cost competitiveness in overall scheme of things.

Investment into advanced low cost manufacturing is on going alongwith adding capacities wherein management sees good future demand growth.

**STRENGTHS:**

Our strengths include:

- Wide customer and geographical customer base to minimize exposure to any one customer segment.
- Competent research, design and product homologation capabilities
- Constant drive to increase customer base and introduction of new products.
- Capability to adjust the operations activities to meet volatility in demand

**WEAKNESS:**

Some of the concerns:

- Unprecedented increases in commodity prices, inflationary pressures and constant global supply chain disruptions
- Foreign Exchange volatility.

**OPPORTUNITIES:****New development projects:**

Growing Indian economy provides several growth opportunities. Growth in automotive industry is characterized by introduction of numerous new platforms. At the same time there is ever increasing demand for higher efficiency and tighter emission control. This provides opportunity for your Company to collaborate with our customers and co-create efficient engine cooling solutions that is energy efficient and cost efficient.

**New Market Sectors:**

Cooling systems have a very wide usage in automotive and industrial segments globally. Various initiatives of past have resulted in business at present and we are multiplying efforts in that direction.

**Global OEM Projects:**

Banco is already a supplier to many large industrial MNCs in India as their strategic supplier and we are leveraging these relationships to their overseas locations in stages. We are observing a higher intake of RFQs from foreign OEMs and business development is progressing well.

**Strengthening export business:**

Customers globally are looking for cost effective alternate to their existing suppliers. BANCO continues to expand its initiatives in the overseas market to realize some of these opportunities.

### THREATS, Risk and Concerns:

Dynamic business environment of modern times throws several challenges from time to time. Threats include:

- Growing competition both from domestic and global players.
- High inflationary trends.
- High dependence on imported raw material.
- Volatility in metal prices and fluctuations in Foreign Exchange.
- Foreign government putting protective duty barriers to Indian exports.

### TECHNOLOGY:

Management strategically invests to upgrade its product technology and manufacturing processes in order to meet customer expectations ahead of time.

We have developed advanced solutions for contemporary emission norms for BS-VI for automotive, BS-IV / Trem V for agriculture machineries/off highway equipment and new CPCB 4 norms for Power Generation equipment.

We are also investing in developing competencies and capabilities of our people so that they can contribute effectively to the success of the organization while realizing their own full potential.

### Internal Control and its Adequacy:

The system of internal control designed to provide reasonable maintenance of proper accounting records and the reliability of operational and financial information complying with statutes, safeguarding assets from unauthorized use or losses executing transaction with proper authorization ensuring compliance of corporate policies used with a view to running business. The Company has clearly defined organization structure and lines of authority.

Sufficient control is exercised through monthly, quarterly and annual business review by the Management Review Committee and application of Corporate Governance. An internal audit system is in place. Normal foreseeable risks to the Company's assets are adequately covered by comprehensive insurance.

The Company has, during the year appointed Mr. SnehalKumar Shah, Head-Internal Audit Department as Internal Auditor of the Company, 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 audits are oriented towards the review of operational controls in the management of risk strengths and opportunities.

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

### Segment-Wise Performance

- a) The Company is only in one line of business- automobile components.
- b) The Segment Revenue in the Geographical Segment considered for disclosures are as follow:
  - Revenue within India includes sales to customers located within India
  - Revenue outside India includes sales to customers located outside India

(₹ Crores)

Sales	2022-23	2021-22
Within India	709.00	531.00
Outside India	270.00	241.00

### Information Technology:

The Company is successfully operating SAP (ERP) system with the use of advanced licensed software packages for product simulation, development and general engineering work.

### Financial performance with respect to operational performance:

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

Particulars	2022-23	2021-22	Reasons for Significant changes
Operating Profit (PBT)(%)	29	14	Rise in Other Income
Earnings Per Share (EPS) (₹)	34	12	Rise in Other Income
Cash Earnings Per Share (₹)	37	15	Rise in Other Income
Return on Net worth (PAT) (%)	35	13	Rise in Other Income
Dividend Payout Ratio (including Dividend Tax) (%)	82	17	Final dividend for F.Y.2021-22 ₹ 20 per share (1000%) and Interim dividend for F.Y. 2022-23 ₹ 8 per share (400%) paid in F.Y. 2022-23, compared to ₹ 2 per share(100%) for F.Y. 2020-21 paid in F.Y. 2021-22.
Retained Earnings (₹) in crores)	583	538	–
Retained Earnings (%)	74	97	–
Debtors Turnover	4.60	4.26	–
Inventory Turnover	4.40	4.39	–
Interest Coverage Ratio	2198	930	Rise in PBT backed by Other Income
Current Ratio	5.1	5.7	–
Debt Equity Ratio	0.00032	0.00006	Rise in Net worth

#### Material Developments in Human Resources:

The industrial relations in all the units of the Company during the financial year 2022-23 were peaceful and harmonious.

Experienced and motivated employees have been the backbone of the Company. There were 655 peoples employed in the Company as on 31.03.2023.

Your Company puts special emphasis on team building and positive work culture. We train employees to understand and absorb the latest technological trends which in turn, prepare them to achieve higher efficiency levels in production, quality besides leading to higher customer satisfaction.

There is a systematic identification of training needs. Training and development inputs are provided to all employees in the areas of skill development and behavioral improvement so that individual development keeps pace with organizational development.

#### Future Strategy / Outlook:

Your Company will continue to follow technology led strategy to realize profitable growth and thus create sustainable value for the organization. Collaboration with our customers on the basis of our proven 'bespoke engineering' approach will remain cornerstone of our future strategy. Besides strengthening our core markets, we will expand and broad base our customer market portfolio in Indian and International markets. We will continue to invest in advanced manufacturing and supply chain processes to retain our leadership position. Relentless drive to improve quality and productivity while cutting waste and cost defines our approach towards manufacturing excellence.

Qualified, trained and motivated employees drive successful strategies and towards this objective we also plan to step up our employee development initiative in the coming days.

#### Cautionary Statement:

Certain statement made in this report, are forward looking statements and actual results may differ from such expectations or projections about the future, 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. The Company assumes no responsibility publicly to amend, modify or revise any such statements on the basis of subsequent developments, information or events.

By the order of the Board,

**Mehul K. Patel**  
Chairman  
(DIN: 01772099)

Date : 07.08.2023

Place : Bil

## ANNEXURE “B”

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31.03.2023

1. **Brief outline on CSR Policy of the Company:** The Company’s CSR Policy aims to create a meaningful and lasting impact in the lives of beneficiaries. To achieve the desired impact, the Company allocates its resources in specific strategic areas rather than spreading them over several areas.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Meहुल K. Patel	Chairman of the Committee	01	01
2.	Shri Ramkisan Devidayal	Member of the Committee	01	01
3.	Shri Mukesh D. Patel	Member of the Committee	01	01
4.	Shri Devesh A. Pathak	Member of the Committee	01	01
5.	Shri Udayan P. Patel	Member of the Committee	01	00
6.	Smt. Ameeta V. Manohar	Member of the Committee	01	01

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

[https://www.bancoindia.com/wp-content/uploads/2017/06/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.bancoindia.com/wp-content/uploads/2017/06/Corporate_Social_Responsibility_Policy.pdf)

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1.	2021-22	326.27	326.27
	<b>TOTAL</b>	326.27	326.27

6. **Average net profit of the company as per section 135(5):** ₹ 8948.92 Lakhs
7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹ 178.98 Lakhs
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years.:** Nil
- (c) **Amount required to be set off for the financial year, if any:** ₹ 326.27 Lakhs
- (d) **Total CSR obligation for the financial year (7a+7b- 7c):** ₹ (147.29) Lakhs
8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (2022-23) (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 440.79	NIL	-	-	NIL	-

- (b) **Details of CSR amount spent against ongoing projects for the financial year:** NA

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (₹ in lakhs)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
1.	National Employment Enhancement Mission (NEEM) Project	Promotion of Education/ providing skill development	YES	Gujarat	Vadodara	159.71	YES*		
2.	National Apprenticeship Promotion Scheme (NAPS)	Promotion of Education/ providing skill development	YES	Gujarat	Vadodara	281.08	YES*		
<b>TOTAL (₹)</b>						<b>440.79 Lakhs</b>			

\*Training given under NEEM & NAPS directly by the Company under respective projects.

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 440.79 Lakhs

(g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in ₹ Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	178.98
(ii)	Amount available for set-off from Financial Year 2021-22 Total amount spent for the Financial Year 2022-23	326.27 440.79
(iii)	Excess amount spent for the financial year [(ii)-(i)]	588.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	588.08*

\* ₹ 440.79 Lakhs from 2022-23 till 2025-26 and ₹ 147.29 for 2023-24 and 2024-25

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (assetwise details): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

On behalf of the Board and Committee

**Mehul K Patel**  
(Chairman of CSR Committee)  
DIN: 01772099

Date: 20<sup>th</sup> May, 2023  
Place: Bil

**Sharan M Patel**  
(Whole Time Director)  
DIN: 09151194

**ANNEXURE “C”**  
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,**  
**FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of  
the Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY :**

1) In line with the Company's commitment towards conservation of energy, the Company continued with its efforts to the possible extent through conversion of process equipments, installation of energy saving devices, effective energy management study, etc. The steps taken in this direction are as under:

- Led street light fixture, 28 watt At Boundaries of plant Installed
- Led false ceiling light fixture 36w 230v At Standard Room & Lab Installed
- Led flood light 100w At FGS Rack Area Installed
- Led tube light, 2 feet At Final Inspection Area Installed
- LED round and 20 watt LED at parking areas.
- Led lights 4 feet installed in plant side by replacing old fixtures
- Led high bay light 80 w At Cu Br Plant Installed

The capital Investment on energy conservation equipments during the financial year 2022-2023 ₹ 21.54 Lakhs.

2) Energy cost saving through power trading and wind power ₹ 35.16 Lakhs.

**B. Technology Absorption :**

**Research and Development :**

Details of Technology Imported	Year of Import	Whether the technology has been fully Absorbed / Implemented	If technology not fully absorbed, areas where absorption has not taken place, and the reasons thereof
None			

3) The expenditure incurred on Research and Development are : (₹ In Lakh)

Expenditure on R&D	2022-23	2021-22
1. Capital	69.51	26.17
2. Recurring	473.94	390.62
<b>3. Total</b>	<b>543.45</b>	<b>416.79</b>
4. Percentage of R&D Expenditure to Total Turnover	00.55%	00.54%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

(₹ In Lakh)

	2022-23	2021-22
1. Foreign Exchange earned in terms of Actual Inflows	33,916.34	32,397.27
2. Foreign Exchange outgo in terms of Actual Outflows	31,658.28	26,547.45

By the order of the Board,

**Mehul K. Patel**

Chairman

(DIN: 01772099)

Date : 07.08.2023

Place : Bil

**ANNEXURE “D”**  
**Secretarial Audit Report**  
**(For the Financial year ended on 31<sup>st</sup> March, 2023)**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Banco Products (India) Ltd.  
Bil, Near Bhaili Railway Station,  
Bhaili, Dist. Vadodara

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Banco Products (India) Limited (CIN-L51100GJ1961PLC001039)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31<sup>st</sup> March, 2023**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). - As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’).
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable to the Company during the Audit Period.
  - D. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable to the Company during the Audit Period.
  - E. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable to the Company during the Audit Period.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. - The Company is not registered as Registrar to Issue and Share Transfer Agent.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. - Not Applicable to the Company during the Audit Period.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. - Not Applicable to the Company during the Audit Period.



6. Further, as per representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company. There are adequate systems and processes in the company to monitor and ensure compliance.
1. The Environment (Protection) Act, 1986
  2. The Air (Prevention and Control of Pollution) Act, 1981
  3. The Water (Prevention and Control of Pollution) Act, 1974

We have also examined compliance with the applicable clauses of the following:

- (i) The Mandatory Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Due Notice were served on all Directors entitled to receive notice in accordance with section 173(3) of the Companies Act, 2013 for holding Board and Committee Meetings. Agenda and detailed notes on Agenda were sent to the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

Based on the Compliance mechanism established by the Company and on the basis of certificates placed before the Board and taken on record by the Directors at their meetings, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For J. J. Gandhi & Co.  
Practising Company Secretaries**

**(J. J. Gandhi)  
Proprietor  
FCS No. 3519 and CP No. 2515  
P R No. 1174/2021  
UDIN number : F003519E000744941**

**Place: Vadodara  
Date: 07.08.2023**

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

**Annexure to Secretarial Audit Report**

Date: 07.08.2023

To,  
The Members,

**Banco Products (India) Limited,**

Opp. Bhaili Railway Station, Bhaili, Dist. Vadodara

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For J. J. Gandhi & Co.**  
**Practising Company Secretaries**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

**ANNEXURE - "E"**  
**FORM AOC-I**

**(Pursuant to first proviso to the sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)**  
**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF**  
**SUBSIDIARIES/ASSOCIATES/JOINT VENTURES**

**PART : "A" - SUBSIDIARIES**

Sr. No.	Name of Subsidiary Company	Reporting Period ended on	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (except investments in the subsidiary)	Turnover/ income *	Profit / (Loss) before taxation *	Provision for Taxation *	Profit / (Loss) after taxation *	Proposed Dividend	% of Share Holding	Date of acquisition
1	Nederlandse Radiateurs Fabrik BV (NRF)	31st March 2023	100	34,760	67,094	32,233	-	51,223	7,653	-29	7,682	-	100%	23.02.2010
1.1	NRF Thermal Engineering BV (Skopimex BV)	31st March 2023	14	369	610	227	-	8,575	64	-4	68	-	100%	
1.2	NRF France SARL	31st March 2023	164	156	9,442	9,122	-	15,943	134	-	134	-	100%	
1.3	NRF Thermal Engineering Poland sp.z.o.o.	31st March 2023	11	-2,236	2,213	4,438	-	3,517	-925	-168	-757	-	100%	
1.4	NRF Deutschland GMBH	31st March 2023	90	254	492	148	-	-	312	89	223	-	100%	
1.5	NRF Espana S.A.	31st March 2023	2,977	3,159	17,877	11,741	-	29,770	2,510	631	1,879	-	100%	
1.6	NRF Poland Sp.z.o.o.	31st March 2023	11	11,413	58,014	46,589	-	81,174	11,456	2,333	9,124	-	100%	
1.7	NRF Italia Srl	31st March 2023	9	1,253	6,156	4,894	-	14,101	153	493	-340	-	100%	
1.8	NRF Switzerland AG	31st March 2023	89	85	138	-35	-	756	102	9	93	-	100%	
2.	Banco Gaskets (India) Limited	31st March 2023	3,500	4,231	9,994	2,264	-	18,510	2,466	627	1,839	-	100%	26.08.2011
3.	Banco New Energy Cooling Systems Limited	31st March 2023	840	-67	1,815	1,042	-	-	-48	-	-48	-	100%	17.05.2021

**Note:**

- Sr. 1.1 to 1.8 are subsidiaries of NRF.
  - Exchange rate used for conversion of figures in Euro (1 to 1.8 of NRF group) ₹ 88.45 Per Euro (31st March 2022, ₹ 83.49 Per Euro)
  - Banco Gaskets (India) Limited and Banco New Energy Cooling Systems Ltd. are Indian Subsidiaries using Indian Rupees as functional currency
  - Names of Subsidiaries which are yet to commence Operations- Banco New Energy Cooling Systems Ltd.
- \* Indicating the highlights of Subsidiary Companies.



**PART "B" : ASSOCIATES AND JOINT VENTURES**  
**Statement pursuant to Section 129 (3) of Companies Act, 2013**  
**related to Associates Companies and Joint Venture**

----- Not Applicable -----

By the order of the Board,

**Mehul K. Patel**

Chairman

(DIN: 01772099)

Date : 07.08.2023

Place : Bil

## ANNEXURE “F”

**Statement pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (1) The Percentage Increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial year 2022-23. The ratio of the remuneration of each Director/KMP to the median remuneration of the employee of the Company for the Financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under: (₹ in Lakhs)

Sr. No.	Name	Remuneration for the Financial year 2022-23	Ratio to median remuneration	% increase in Remuneration in the Financial Year
1	<b>Non-Executive Director (Chairman)</b>			
	Mr. Mehul K. Patel	-	-	-
2	<b>Independent Directors*</b>			
	Mr. Ramkisan Amirchand Devidayal	6.09	1.46:1	(8.28%)
	Mr. Mukesh Dahyabhai Patel	6.09	1.46:1	(8.28%)
	Mr. Devesh Amubhai Pathak	3.59	1.16:1	(3.06%)
	Mr. Udayan Prabhudas Patel	2.93	0.70:1	(29.22%)
	Mrs. Ameeta Vikas Manohar	3.59	0.86:1	(13.29%)
3	<b>Executive Directors, CFO &amp; CS</b>			
	Mr. Sharan M. Patel Executive Director (w.e.f. 21 <sup>st</sup> April, 2021)#	115.76	-	-
	Mrs. Himali Harnish Patel Executive Director & CFO	24.41	5.84:1	8.00%
	Ms. Pooja Gurnani Company Secretary (w.e.f. 14 <sup>th</sup> August, 2021)#	7.66	-	-

\* Commission and sitting fees paid is considered for purpose of remuneration to Independent Directors.

# Since the remuneration of these Directors/KMP is only for the part of the previous year, % increase in remuneration in the Financial year is not comparable and hence not stated.

- (2) Median remuneration of employees of the Company during the financial year was ₹ 4.18 Lakhs p.a., Resigned and Joined employees have not been considered in the calculation of median.
- (3) In the financial year, there was an increase of 11.64% in the median remuneration of the employees.
- (4) There were 391 Nos. of people (excluding workers) were on roll of the Company as on 31.03.2023.
- (5) Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2022-23 is 11.26%.
- (6) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

By the order of the Board,

**Mehul K. Patel**  
Chairman  
(DIN: 01772099)

Date : 07.08.2023  
Place : Bil

## REPORT ON CORPORATE GOVERNANCE

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR”) the Company presents the report on Corporate Governance as mentioned in the applicable Regulations for the Financial Year ended on 31.03.2023.

### 1. Company’s Philosophy on 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 for Board Members and Senior Management, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as also the Code of Conduct to Regulate, Monitor and Report Trading by Employees and Other Connected Persons leading to sharply focused and operationally efficient growth. Its well structured Internal Control Systems are subjected to regular assessment for its effectiveness, reinforcing integrity of management and fairness in dealing with the Company’s stakeholders. The business operations are conducted to benefit all its stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

The Company is in compliance with the requirements of the guidelines on Corporate Governance as stipulated under LODR from time to time and as applicable.

### 2. Governance Structure:

The structure of the Company broadly comprises of the Board of Directors and the Committees of the Board.

This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction to operational level to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable growth.

### 3. Board of Directors:

As at 31<sup>st</sup> March, 2023, the Board of Directors Comprised of 8 (Eight) Directors. There are 5(Five) Non- Executive Independent Directors, 2 (Two) Executive Non-Independent Directors and 1 (One) Promoter Non- Executive Non-Independent Director. A brief resume of the director being appointed/re-appointed at the Annual General Meeting, the nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership of the committees of the Board is annexed to the Notice of the Annual General Meeting.

The Composition of the Board is in conformity with Regulation 17 of LODR.

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 Regulation 26 of LODR, across all the Companies in which he / she is a Director.

Necessary disclosure regarding the Committee position in other Public Companies as at 31.03.2023 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 Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected of him / her as a Director of the Company.

The Director is also explained in detail the compliances required under the Act and LODR and other relevant regulations.

By way of an introduction to the Company, the Directors are provided with an induction kit of the Company with a view to familiarise him / her with the Company’s Operations as a whole.

#### Board Procedures

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

#### Details of Board Meeting

During the year under review, the Board met 4 (Four) times on 26<sup>th</sup> May, 2022, 10<sup>th</sup> August, 2022, 12<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023. The gap between any two Board Meetings did not exceed 120 days.

**Composition of Board and details of Attendance by the Directors**

Name of Director	Category	No of Board Meeting Attended / Held during 2022-2023	Whether attended last AGM	No of Directorship held in other Indian public companies	Independent Director of other Listed Companies	@ Committee Position	
						Chairman	Member
Shri Mehul K. Patel DIN: 01772099	Non Executive Chairman & Promoter (Relative of Mr. Sharan M Patel)	4/4	Yes	1	-	-	2
Shri Sharan M. Patel DIN: 09151194	Whole Time Director (Relative of Shri Mehul K. Patel)	4/4	Yes	1	-	-	-
Shri Ramkisan A. Devidayal DIN: 00238853	Non-Executive Independent	4/4	Yes	6	1. Munjal Auto Industries Ltd. - Non-Executive Independent Director 2. 20Microns Ltd. Non-Executive Independent Director	4	8
Shri Mukesh D. Patel DIN: 00009605	Non-Executive Independent	4/4	Yes	3	1. Punjab Chemicals and Crop Protection Ltd. Non-Executive - Independent Director- Chairperson 2. Shilchar Technologies Ltd. Non-Executive – Independent Director	3	6
Shri Devesh A. Pathak DIN: 00017515	Non-Executive Independent	4/4	Yes	2	-	1	3
Shri Udayan P. Patel DIN: 00598313	Non-Executive Independent	4/3	Yes	-	-	-	2
Smt. Ameeta V. Manohar DIN: 00903232	Non-Executive Independent Woman Director	4/4	Yes	-	-	-	2
Smt. Himali H. Patel DIN: 07081636	Whole time Director and CFO	4/4	Yes	-	-	-	-

@ The Committee includes Committees of Banco Products (India) Limited and considered as per Regulation 26(1)(B) of the LODR.

Shareholding of Directors	No. of Shares held as on 31.03.2023
Shri Mehul K. Patel	3,86,83,933 (54.09%)
Shri Sharan M. Patel	2,00,000 (0.28%)
Shri Ramkisan Devidayal	5,86,034 (0.82%)

The Board is of the opinion that the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Matrix setting out the skills/ experience / competence etc. for the Board of Directors

Sr. No.	Skills/ experience/ competence	Availability with current Board	Shri Mehul K. Patel	Shri Sharan M. Patel	Shri Ramkisan A. Devidayal	Shri Mukesh D. Patel	Shri Devesh A. Pathak	Shri Udayan P. Patel	Smt. Ameeta V. Manohar	Smt. Himali H. Patel
01	Productive discussions and interactions	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
02	Discharge of workload effectively	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
03	Appropriate Mix of Board of Directors such as Skill Experience Background	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
04	Assessment of Skill	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
05	Succession Plan for plans are in place for orderly succession for Appointment to The Board of Directors key managerial personnel and senior management	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
06	Consideration of changes to come in Short to medium terms.	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

1. Productive discussions and interactions.
2. Discharge of workload effectively.
3. Succession plans are in place for orderly succession for appointment to the Board of Directors, key managerial personnel and senior management
4. Appropriate Mix of Board of Directors such as –
  - Skill
  - Experience
  - Background
5. Assessment of Skill
6. Consideration of changes to come in Short to medium terms.

#### 4. Audit Committee:

The Board of Directors has constituted an Audit Committee, comprising of five Non-Executive Independent Directors viz. Shri Ramkisan A. Devidayal, Shri Mukesh D. Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel, Smt. Ameeta V.



Manohar and one Promoter Non-Executive Non-Independent Director viz. Shri Mehul K. Patel. Independent Director viz. Shri Ramkisan A. 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 Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act, and LODR. Some of the terms of reference stipulated by the Board of Directors for the Audit Committee include:

**A. Role of the Audit Committee:**

Role of the Audit Committee is in accordance with section 177 of the Act as well as Regulation 17 of LODR read with part C of schedule II of LODR including -

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Internal Auditors and Statutory Auditors of the Company.
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 and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters to be included in the Directors' Responsibility Statement for the inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of Related Party Transactions.
  - vii. modified opinion(s) in the 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 statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval to or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. 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;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Looking, into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Review of the functioning of the Whistle Blower mechanism / Vigil Mechanism.
19. Approval to appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**B. The Audit Committee shall mandatorily review the following information:**

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee) submitted by management;
- (3) Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) Statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**C. Powers of the Audit Committee:**

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice.
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

During the financial year 2023-23, 4 (Four) Audit Committee meetings were held on 26<sup>th</sup> May 2022, 10<sup>th</sup> August, 2022, 12<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023. The details of Members' attendance at the meetings of Audit Committee are as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Ramkisan A. Devidayal	4	4
Shri Mukesh D. Patel	4	4
Shri Devesh A. Pathak	4	4
Shri Udayan P. Patel	4	3
Smt. Ameeta V. Manohar	4	4
Shri Mehul K. Patel	4	4

**5. Nomination and Remuneration Committee:**

The Board of Directors has constituted a Nomination and Remuneration Committee, comprising of five Non- Executive Independent Directors viz. Shri Ramkisan A. Devidayal, Shri Mukesh D. Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel, Smt. Ameeta V. Manohar and one Promoter Non-Executive Non-Independent Director viz. Shri Mehul K. Patel. Independent Director viz. Shri Ramkisan A. Devidayal is the Chairman of the Nomination and Remuneration Committee. The primary objective of the Nomination and Remuneration Committee is to review and recommend the remuneration of Executive Directors and evaluate the performance of whole Board as per defined assessment criteria. The Company's Remuneration Policy is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act and LODR. Some of the terms of reference stipulated by the Board of Directors for the Nomination and Remuneration Committee include:

**Role of the Nomination and Remuneration Committee:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommendation to the Board, all remuneration in whatever form payable to senior management.

**Remuneration Policy:**

The Company shall pay remuneration commensurate with comparable industry standards to all the employees/directors covered by the policy. The Company shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/senior executives of the quality required to run the Company successfully. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks such as knowledge, skills, conduct, integrity, contribution in setting up and achieving goals etc.

**a. Remuneration to Managing/ Whole-time / Executive Director, KMP and Senior Management Personnel:**

**i. Fixed pay:**

The Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and if required by law approved by the shareholders and Central Government, wherever required.

**ii. Variable pay:**

In case of commission forming part of remuneration, such amount shall not exceed the over all remuneration limit laid down in the Act, or any other law.

**iii. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Schedule V of the Act.

**iv. Provisions for excess remuneration:**

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company may waive recovery of such sum refundable in accordance with the Act.

**v. The matters related to service Contract, notice period, severance fees, if any, as may be decided mutually.**

**b. Remuneration to Non-Executive / Independent Directors:**

**i. Remuneration /Commission:**

The remuneration / commission, if any, shall be fixed as per the conditions mentioned in the Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1 lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**ii. Commission:**

Commission, if any, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1 % of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### iii. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

During the financial year 2023-23, 01 (One) Nomination and Remuneration Committee meeting was held on 10th August, 2022. The details of Members' attendance at the meetings of Nomination and Remuneration Committee are as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Ramkisan A. Devidayal	1	1
Shri Mukesh D. Patel	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	1
Smt. Ameeta V. Manohar	1	1
Shri Mehul K. Patel	1	1

The details of criteria for performance evaluation of Independent Director are disclosed in Board's Report.

The details of remuneration paid to Executive Directors during the Financial Year 2022-23 are as under:

(₹ in Lakh)

Sr. No.	Name & Designation of the Executive Directors	Fixed Salary & Perquisites	Variable Performance Bonus (PBIS)	Statutory Bonus	Total
1.	Mr. Sharan M. Patel, Whole Time Director	104.99	10.54	0.23	115.76
2.	Mrs. Himali H. Patel, Whole Time Director and CFO	21.88	2.30	0.23	24.41

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2023-23 are as under:

Sr. No.	Name of the Director	Designation	Sitting Fees (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
1	Shri Ramkisan A. Devidayal	Non-Executive – Independent	2.09	4.00	6.09
2	Shri Mukesh D. Patel	Non-Executive – Independent	2.09	4.00	6.09
3	Shri Devesh A. Pathak,	Non-Executive – Independent	2.09	1.50	3.59
4	Shri Udayan P. Patel	Non-Executive – Independent	1.43	1.50	2.93
5	Smt. Ameeta V. Manohar	Non-Executive – Independent	2.09	1.50	3.59

### 6. Stakeholders' Relationship Committee:

The Board of Directors has constituted a Stakeholders' Relationship Committee, comprising of Five Non-Executive Independent Directors viz. Shri Ramkisan A. Devidayal, Shri Mukesh D. Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel, Smt. Ameeta V. Manohar and one Promoter Non Executive Non-Independent Director viz. Shri Mehul K. Patel. Independent Director viz. Shri Mukesh D. Patel, is the Chairman of the Stakeholders' Relationship Committee.

#### Role of Stakeholders' Relationship Committee

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the financial year 2022-2023, 1 (One) Stakeholders' Relationship Committee meeting was held on 26th May, 2022.

The details of Members' attendance at the meetings of Stakeholders' Relationship Committee are as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Mukesh D. Patel	1	1
Shri Ramkisan A. Devidayal	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	0
Smt. Ameeta V. Manohar	1	1
Shri Mehul K. Patel	1	1

The Company has appointed Ms. Pooja G. Gurnani, the Company Secretary as Compliance Officer w.e.f. 14th August, 2022.

The details of the Shareholders' complaints during the Year ended on 31.03.2023

Sr. No.	Particulars	Information
01	Number of shareholders' complaints received	01
02	Number of complaints solved to the satisfaction of the shareholders;	01
03	Number of pending complaints.	00

No grievances / complaints are outstanding and no requests for dematerialization were pending for approval as on 31.03.2023.

#### 7. Corporate Social Responsibility Committee:

The Board of Directors has constituted a Corporate Social Responsibility Committee, comprising of five Non- Executive Independent Directors viz. Shri Ramkisan A. Devidayal, Shri Mukesh D. Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel, Smt. Ameeta V. Manohar and one promoter Non-Executive Non-Independent Directors viz. Shri Mehul K. Patel. Shri Mehul K. Patel is the Chairman of the Corporate Social Responsibility Committee.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act. Some of the terms of reference stipulated by the Board of Directors for the Corporate Social Responsibility Committee include:

##### Role of the Corporate Social Responsibility Committee:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
2. To formulate and recommend to the Board, an Annual Action Plan in pursuance of Corporate Social Responsibility Policy.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Any other matter as may be prescribed under applicable rules and regulations.
5. To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility Activity.

During the financial year 2022-23, 1(one) Corporate Social Responsibility Committee meeting was held on 26th May, 2022.

The details of Members' attendance at the meeting of Corporate Social Responsibility Committee is as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Mehul K. Patel	1	1
Shri Ramkisan A. Devidayal	1	1
Shri Mukesh D. Patel	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	0
Smt. Ameeta V. Manohar	1	1

#### 8. Separate Independent Directors' Meeting:

During the Financial year under review, one Separate Meeting of Independent Directors' was held on 26th May, 2022.

The meeting inter alia discussed:

1. Criteria for Performance Evaluation of the Board of Directors of the Company and Performance Evaluation by the Independent Directors.
2. Criteria for Performance Evaluation of the Non-Independent Directors of the Company and Performance Evaluation by the Independent Directors.
3. Criteria for Performance Evaluation of the Independent Directors of the Company and Performance Evaluation by the Board of Directors.

The details of Members' attendance at the Separate Meeting of Independent Directors' is as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Ramkisan A. Devidayal	1	1
Shri Mukesh D. Patel	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	0
Smt. Ameeta V. Manohar	1	1

#### 9. Risk Management Committee Composition and Terms of Reference

The Company has constituted the Risk Management Committee with Mr. Devesh A. Pathak as Chairman, Mr. Sharan M. Patel and Mrs. Himali H. Patel as other members. The terms of reference of the Risk Management Committee is in accordance with LODR.

The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

##### Role of the Risk Management Committee

1. To formulate a detailed risk management policy of the Company.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and contents of its discussions, recommendations and actions to be taken;

##### Meetings and attendance during the Year-

During the financial year 2022-23, 3 (three) Risk Management Committee meetings were held on 26<sup>th</sup> May, 2022, 12<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023.

The details of Members' attendance at the meeting of Risk Management Committee is as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Devesh A Pathak	3	3
Shri Sharan M Patel	3	3
Smt. Himali H Patel	3	3

#### 10. General Body Meetings:

The details of the Last three Annual General Meetings are as under:

Financial Year	Location	Date	Time	No. of Special Resolutions passed
2019-20	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	22.09.2020	10.00 a.m.	2
2020-21	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	21.09.2021	11:00 a.m.	0
2022-22	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	22.09.2022	10.30 a.m	0

- whether any special resolution passed last year through postal ballot - **No**
- whether any special resolution is proposed to be conducted through postal ballot - **No**

#### 11. Disclosures:

- a. Related Party Transactions, comprising of contracts or arrangements with the related parties / entities in which the Directors are interested, are entered in the Register of Contracts as per Section 189 of the Act. None of the transactions with any of the related parties were in conflict with the interest of the Company as per requirements of Indian Accounting Standard (IndAS 24). These have been disclosed in notes to accounts annexed to the Financial Statements.
- b. 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.
- c. The Company has a Policy on Whistle Blower / Vigil Mechanism which is also posted on the website of the Company and no personnel has been denied access to the Audit Committee.
- d. Mandatory Requirements:

The Company has complied with the mandatory requirements as stipulated in LODR.

Non-Mandatory Requirements:

The Company adopts non-mandatory requirements on need basis. The Quarterly Financial Results are extensively published in leading financial newspapers, uploaded on the Company's website 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.

- e. Weblink

- Terms and conditions of appointment of independent directors :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
- Composition of various committees of Board of directors :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
- Code of conduct of Board of directors and senior management personnel :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
- Vigil mechanism/ Whistle Blower policy:  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
- Policy on dealing with related party transactions :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
- Policy for determining material subsidiaries :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>

- Familiarization programmes of Independent Directors :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
  - Contact details of KMP for determining materiality of an event :  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
  - Dividend Distribution Policy:  
<http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>
  - Annual Return:  
[http://mail.bancoradiator.com/upload/annual\\_return\\_2023.pdf](http://mail.bancoradiator.com/upload/annual_return_2023.pdf)
- f. Commodity price risk or foreign exchange risk and hedging activities  
The raw materials of the Company are subject to domestic price variations and in case of imported raw material the same is subject to price variation as well as fluctuations in foreign exchange rates. In case of imported raw materials the Company has in place appropriate hedging policy. Further details, if any, are provided in Financial Statements in terms of applicable SEBI Rules and Regulations.
- g. A certificate from a company secretary in practice is obtained to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- h. The total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditors of the Company is mentioned at Note No. 37 of Notes to Standalone Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.
- i. Detail on Prevention of Sexual Harassment of Women at workplace is as per the details provided in the Board's Report.
- j. During the year under review, the Company has granted Loan of ₹ 8.50 Crore to its wholly owned subsidiary viz. Banco New Energy Cooling Systems Limited for its principal business activities out of the Company's internal sources of fund.
- k. None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.
- l. The Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act, and LODR.
- m. There are no amounts pending for transfer to the Investor Education and Protection Fund under Section 125 of the Act.
- n. The Company has in place a mechanism to inform the Board members about the Risk Assessment and mitigation plans to ensure that the critical risks are controlled by the management.
- o. During the year under review, the Company has one Material subsidiary viz. Nederlandse Radiateuren Fabriek B. V. incorporated at Mill Nethelands. HLB Witlox Van den Boomen Audit N.V. are statutory Auditors of Nederlanse Radiateuren Fabriek B.V., appointed on 02.02.2022 w.e.f. 01.04.2022.

## 12. Means of Communication:

The annual and quarterly results are regularly published by the Company in Loksatta Jansatta(Gujarati) and Business Standard (English), the News Papers, as per the LODR requirements and also displayed on its own website viz. [www.bancoindia.com](http://www.bancoindia.com).

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

The Management Discussion and Analysis Report is a part of this Integrated Annual Report.

General Shareholder Information:

Annual General Meeting for the FY 2023:

Date and time : Friday, 22nd September, 2023 at 11:00 A.M. (IST) through Video Conference (VC)/Other Audio Visual Means(OAVM)

Deemed Venue : At the Registered Office of the Company at Bil,  
Near Bhaili Railway Station, Padra Road, Dist. Vadodara – 391 140



**Financial Calendar:**

Unaudited Financial Results for:

Quarter ended 30.06.2023	By end of July, 2023 or within statutory time limit
Quarter ending 30.09.2023	By end of October, 2023 or within statutory time limit
Quarter ending 31.12.2023	By end of January, 2024 or within statutory time limit
Audited Results for the year ending on 31.03.2024	By end of May, 2024 or within statutory time limit

**13. Dividend Payment Date:** On or after 4th October, 2023**Book Closure Dates for the proposed dividend at AGM:**

To determine the entitlement of shareholders to receive the dividend, if any, for the financial year ended 31.03.2023, the Register of Members and Share Transfer Books of the Company will remain closed from 08.09.2023 to 22.09.2023 (both days inclusive) for the proposed dividend.

**Dividend Remittance:** The dividend on Equity Shares as recommended by the Board of Directors for the financial year ended 31.03.2023, if approved at Annual General Meeting will be paid on or after 04.10.2023 :

- To all the beneficial owners in respect of shares held in electronic form, as per the data made available by the National Security Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 07.09.2023;
- To all the members in respect of shares held in physical form, on or before the close of business hours on 07.09.2023.

**14. Listing of Equity Shares on Stock Exchanges:****a. BSE Limited**

1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai-400001.

**b. National Stock Exchange of India Limited**

“Exchange Plaza”, C/1 Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

The Company has paid the Annual Listing Fees to BSE Limited; and National Stock Exchange of India Limited

**c. Stock Code:**

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

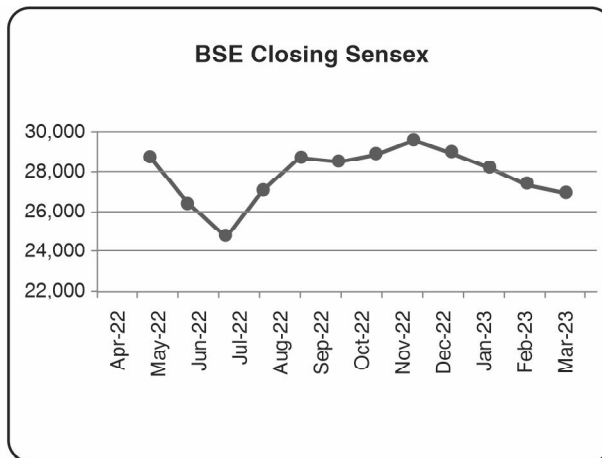
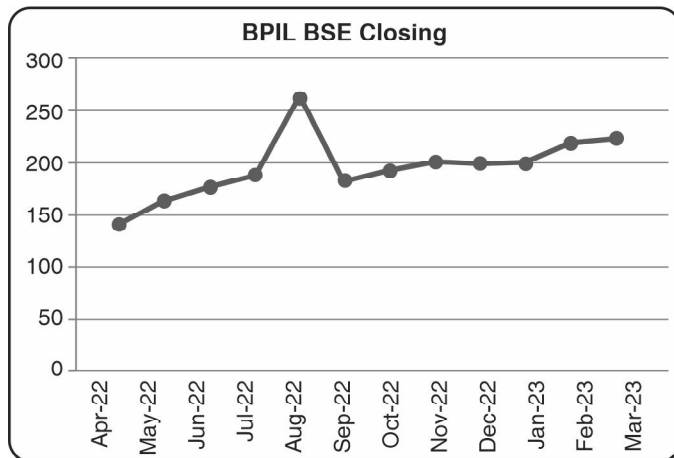
**d. Stock Market Data:**

The monthly high and low quotes based on the closing price and number of shares traded during the year under review on the BSE Limited and National Stock Exchange of India Limited were as under:

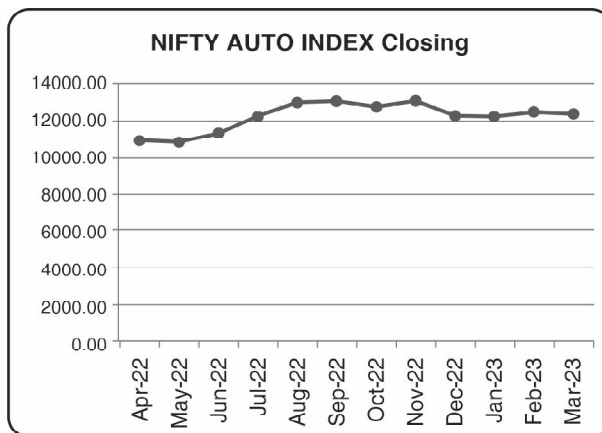
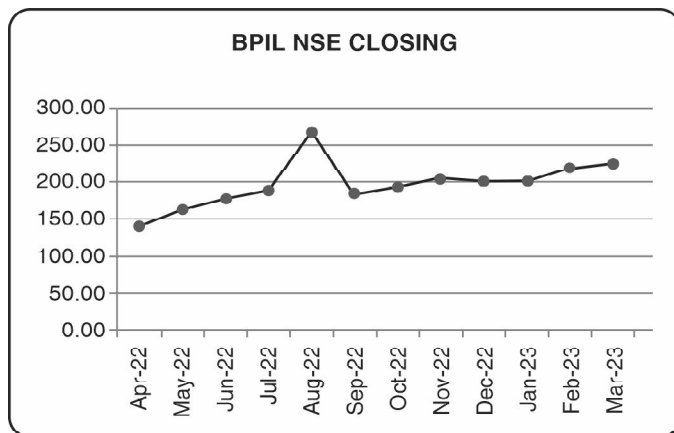
Month	BSE			NSE		
	High	Low	No. of Shares Traded	High	Low	No. of Shares Traded
April, 2022	151.95	133.20	46,208	151.95	137.45	34,890
May, 2022	180.00	118.45	8,56,973	174.00	118.10	82,059
June, 2022	188.95	151.05	3,78,878	188.00	151.754	83,159
July, 2022	192.15	170.65	9,63,146	192.15	172.25	1,10,432
August, 2022	269.75	187.10	22,13,309	269.95	180.00	2,26,416
September, 2022	266.50	176.55	16,28,430	259.95	177.00	1,57,969
October, 2022	197.60	177.65	5,21,986	188.25	177.00	88,427
November, 2022	213.70	189.45	39,1918	213.70	189.45	94,078
December, 2022	213.80	178.85	2,99,062	213.70	178.25	94,639
January, 2023	204.45	189.90	2,74,922	201.95	190.00	61,143
February, 2023	247.60	193.00	9,76,937	247.90	190.10	1,78,596
March, 2023	252.15	207.00	4,54,485	252.50	207.90	1,26,991



Share Performance of the Company on BSE in comparison to BSE Sensex



Share Performance of the Company on NSE in comparison to NIFTY AUTO Index



**Suspension of Securities from trading**

The securities of the Company have not been suspended during the financial year 2022-23.

**15. Disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the LODR:**

Regulation No.	Particulars	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46 (2)	Website as applicable	Yes

**16. Share Transfer System:**

As per the circular issued by the SEBI, now transfer can be in demat form only.

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 (India) Limited (CDSL) within 21 days.

**17. Distribution of Share as on 31.03.2023:**

No of Share Holding	No of Shareholders	No of Shares	% to Total Paid-up Capital
1 – 500	36,361	34,09,403	4.77
501 – 1000	2,461	20,18,601	2.82
1001 – 2000	1,241	19,50,634	2.73
2001 – 3000	521	13,98,140	1.95
3001 – 4000	234	8,45,930	1.18
4001 – 5000	174	8,19,498	1.15
5001 – 10000	272	19,84,880	2.78
10001 and above	222	5,90,91,564	82.62
<b>Total</b>	<b>41,486</b>	<b>7,15,18,650</b>	<b>100.00</b>

**18. Distribution of Shareholding Pattern as on 31.03.2023:**

Category	No of Shares	% of Total Paid-up Capital
Promoters and Promoters Group Holding (including NRI, Bodies Corporate)	4,85,49,992	67.88
Non-Promoters:		
Banks and Financial Institution	2,117	00.00*
Bodies Corporate	9,44,403	01.32
Non-Residents Indians	33,21,838	04.64
Mutual Funds	11,200	00.02
Public	1,86,89,100	26.14
<b>Total</b>	<b>7,15,18,650</b>	<b>100.00</b>

\* Negligible

**19. Dematerialization of Shares as on 31.03.2023:**

About (99%) of equity shares of the Company, have been dematerialized.

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

**20. Credit Rating**

Long Term - CRISIL AA/Stable

**21. Certificate from a Company secretary in practice**

The Company has obtained a certificate from a Company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

**22. Particulars of Senior Management and changes therein**

<b>Name</b>	Shailesh Thakker	Kirankumar Shetty	Sujith Nair	Sumit Tandon	Vikram Govind	Himali H Patel	Pooja Gurnani
<b>Designation</b>	President-Commercial	President-Operations	President-Marketing OEM	Vice President-Replacement-Sales and Marketing	Vice President - Operations	Chief Financial Officer	Company Secretary
<b>Qualification</b>	B.Com, P.G.D.B.M., I.C.W.A.	B. Tech.	M.B.A. Marketing BE - MECHANICAL	Diploma Mechanical, Diploma Marketing	Diploma in Mechanical, B.E.	Chartered Accountant, M.Com, B.Com	Company Secretary, LL.B., B.Com, ICWA (inter)
<b>Date of Joining</b>	15-May-06	19-Apr-07	18-Oct-21	01-May-14	26-Mar-21	06.12.2012	16.02.2021
<b>Experience in years</b>	32	30	23	25	25	17	05

During the year under review, there was no change in the Senior Management Personnel of the Company.

**23. Equity Shares in the Suspense Account:**

The details are as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number of Shareholders</b>	<b>Number of Equity Shares of Face Value of ₹ 2/- per Share</b>
a.	Aggregate Number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	18	15250
b.	Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year.	-	-
c.	Total Shares lying in Unclaimed Suspense Account at the end of the year	18	15250

The voting rights on the aforesaid shares outstanding in the Suspense Account as on 31.03.2023 shall remain frozen till the rightful owner of such shares claims the shares.

**24. Plant Locations:**

- a. At Bil, Dist. Vadodara b. At Jamshedpur c. At Rudrapur  
d. At Waghodia (SEZ Unit) e. At Zaheerabad

**25. Address for Correspondence:**

For transfer/dematerialisation of shares, transmission, etc	For payment of dividend and other queries of the Company
Registrar to an issue and share transfer agent: Link Intime India Pvt. Ltd. B – 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Phone : (0265) 6136000 Email : vadodara@linkintime.co.in	Secretarial Department: Banco Products (India) Limited Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda - 391 410 Phone : (0265) 2318226 Email : sec@bancoindia.com, investor@bancoindia.com



## DECLARATION

### **Declaration regarding Compliance with Code of Conduct for Board Members and Senior Management Personnel:**

This is to confirm that the Company has adopted a Code of Conduct for Board Members and Senior Management Personnel, which is also available on the Company's website.

I hereby confirm that the Company has, in respect of the financial year ended on 31.03.2023 received from the Board Members and Senior Management Personnel, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management means the Chief Financial Officer, Chief Executive Officer, Company Secretary, Managing Director and other prescribed employees as on 31.03.2023.

For Banco Products (India) Limited

Date : 07.08.2023  
Place: Bil

Mehul K. Patel  
Chairman  
DIN: 01772099

---

## Confirmation regarding Independent Directors

This is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

For Banco Products (India) Limited

Date : 07.08.2023  
Place: Bil

Mehul K. Patel  
Chairman  
DIN: 01772099



**COMPLIANCE CERTIFICATE**

To  
The Board of Directors  
Banco Products (India) Limited

We, the undersigned, in our respective capacity as Chairman and Chief Financial Officer of Banco Products (India) Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended on 31.03.2023 and that to the best of our knowledge and belief, We state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and had disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
- d. We had indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

For Banco Products (India) Limited

Date : 20.05.2023  
Place : Bil

Mehul K. Patel  
Chairman  
(DIN: 01772099)

Himali H. Patel  
Whole Time Director and CFO  
(DIN: 07081636)



## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Banco Products (India) Ltd.  
Bil, Near Bhaili Railway Station,  
Bhaili, Dist. Vadodara

We have examined the compliance of the conditions of Corporate Governance by Banco Products (India) Limited (hereinafter referred to as 'the Company'), for the financial year ended 31<sup>st</sup> March, 2023 as prescribed in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D, and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and the implementation process adopted by the Company for ensuring compliance of the conditions of Corporate Governance. This Certificate 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 and information given to us, and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**For J. J. Gandhi & Co.**  
**Practising Company Secretaries**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**  
**UDIN: F003519E000744820**

**Place: Vadodara**  
**Date: 07.08.2023**

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN)-L51100GJ1961PLC001039
2. Name of the Listed Entity-BANCO PRODUCTS (INDIA) LIMITED
3. Year of incorporation-16.03.1961
4. Registered office address-Bil, Near Bhaili Railway Station Padra Road Dist. Baroda GJ 391410 IN
5. Corporate address-Bil, Near Bhaili Railway Station Padra Road Dist. Baroda GJ 391410 IN
6. E-mail- [sec@bancoindia.com](mailto:sec@bancoindia.com)
7. Telephone- 0265-2318226
8. Website- [www.bancoindia.com](http://www.bancoindia.com)
9. Financial year for which reporting is being done- 2022-23
10. Name of the Stock Exchange(s) where shares are listed-BSE Limited  
National Stock Exchange of India Limited
11. Paid-up Capital- ₹ 14.30 Crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR - Mr. Sharan M. Patel  
0265- 2318226  
[sec@bancoindia.com](mailto:sec@bancoindia.com)
13. Reporting boundary - The disclosures under this report are made on a Standalone basis.

#### II. Products/services

14. Details of business activities (*accounting for 90% of the turnover*):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Electrical equipment, General Purpose and Special Purpose machinery & equipment, Transport equipment	100%

15. Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Radiator core and Radiator Assembly	29301	93.43%

#### I. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	4	9
International	0	0	0

17. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	36*
International (No. of Countries)	40

\*Including 8 Union Territories

- b. What is the contribution of exports as a percentage of the total turnover of the entity-  
The Contribution of exports as a percentage of total turnover of the Company is 28%.



## c. A brief on types of customers-

We serve various OEMs and Aftermarket services. The Company caters to automobile industries in various two/four wheeler and earth moving equipment, farm sectors and cooling towers in overseas and domestic markets.

II. Employees

## 18. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	391	379	96.93%	12	3.07%
2.	Other than Permanent (E)	7	7	100%	0	0.00%
3.	<b>Total employees (D + E)</b>	398	386	96.98%	12	3.02%
<b>WORKERS</b>						
4.	Permanent (F)	264	264	100%	0	0.00%
5.	Other than Permanent (G)	2584	2466	95.43%	118	4.57%
6.	<b>Total workers (F + G)</b>	2848	2730	95.86%	118	4.14%

## b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	0.00%	0	0.00%
2.	Other than Permanent (E)	1	1	100%	0	0.00%
3.	<b>Total differently abled employees (D + E)</b>	1	1	100%	0	0.00%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	NIL				
5.	Other than permanent (G)					
6.	<b>Total differently abled workers (F + G)</b>					

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	08	02	25.00%
Key Management Personnel	03	02	66.67%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	1.35%	0.04%	1.39%	1.26%	0.12%	1.39%	1.10%	0.00%	1.10%
<b>Permanent Workers</b>	0.30%	0.00%	0.30%	1.50%	0.00%	1.50%	0.40%	0.00%	0.40%

### III. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nederlandse Radiateuren Fabriek BV (NRF)	Subsidiary	100%	NO*
2	Banco Gaskets (India) Limited	Subsidiary	100%	NO*
3	Banco New Energy Cooling Systems Limited	Subsidiary	100%	NO*

\*Business Responsibility initiatives disclosed are pertaining to Banco Products (India) Limited on Standalone basis and does not include the information/initiatives undertaken, if any, by the Companies indicated in Column A.

### IV. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: YES

(ii) Turnover (in ₹) (FY 22-23) - 979.40 Crores

(iii) Net worth (in ₹) (FY 22-23) - 730.71 Crores

### V. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	YES; Contact details of designated officials for assisting and handling Investors grievances are placed on the website of the Company	01	0	-	0	0	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	-	-	-	-	-	-
Value Chain Partners	Yes	-	-	-	-	-	-
Other (please specify)	NA						

The Vigil Mechanism/Whistle-Blower Policy of the Company provides a robust framework for dealing with concerns and grievances. The same is available at [https://www.bancoindia.com/wp-content/uploads/2019/03/WHISTLE\\_BLOWER\\_POLICY\\_2019.pdf](https://www.bancoindia.com/wp-content/uploads/2019/03/WHISTLE_BLOWER_POLICY_2019.pdf)

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format-

The material issues in current context can be-

- Climate Change
- Issues based on sectoral guidelines.
- Stakeholder's engagement.
- Emission norms
- Issues identified during discussions with the management and internal workshops.

The Financial implications of the risk or opportunity are uncertainable.

### SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Principles	Policies
P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable	Code of conduct for Board and Senior Management, Related Party Transaction Policy, Determination of Material Subsidiary, Employee Code of Conduct
P2 Businesses should provide goods and services in a manner that is sustainable and safe	Company's Quality Manual Policy
P3 Businesses should respect and promote the well-being of all employees, including those in their value chains	Employee Code of Conduct, Quality Manual Policy, IT Policy
P4 Businesses should respect the interests of and be responsive towards all its stakeholders	Quality Manual Policy documents, health and safety policy
P5 Businesses should respect and promote human rights	Employee Code of Conduct
P6 Businesses should respect, protect and make efforts to restore the environment	Environment Policy
P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Employee Code of Conduct
P8 Businesses should promote inclusive growth and equitable development	CSR policy
P9 Businesses should engage with and provide value to their consumers in a responsible manner	Quality Manual Policy, IT Policy

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes, the Sustainability Policy, which is an overarching policy of the Company contains the guiding principles of the Company. The Sustainability Policy covers all the aforesaid 9 Principles and the policy for each principle is mentioned above.								
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Sustainability Policy has been approved by the Board of Directors.								
c. Web Link of the Policies, if available	Some of the policies are available at intranet of the Company and other policies as per mandatory requirements are available at- <a href="https://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833">https://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, to the extent applicable.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	1. IATF 16949:2016 2. ISO 9001:2015 3. ISO 14001:2015								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Specific commitments, goals and targets set by the entity are reviewed periodically on need basis.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of the entity against the specific commitments, goals and targets if the same are not met are reviewed by the Management for further corrective actions.								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements - Our vision is to be a World Class Component manufacturing Company based in India with Global Associates with a mission to Develop and Supply technically Sound Products at Competitive Prices, Integrating Innovative Manufacturing with Eco-Friendly Technologies									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN: 09151194 NAME: Sharan Patel DESIGNATION: Whole Time Director; under supervision and guidance of Board of Directors								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	YES; Sustainability Committee 1. Chairman - Mr. Mehul K Patel (Non-Executive Director) 2. Member - Mr. Sharan Patel (Whole Time Director) 3. Member - Mr. Devesh Pathak (Independent Director) 4. Member - Mr. Shailesh Thakker (President Commercial) 5. Member - Mr. Kiran Kumar Shetty (President Operations)								



10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The performance of the Company against the Sustainability Policy and other key policies are reviewed periodically or on a need basis by the Sustainability Committee of the Company.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable statutory requirements.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P1	P2	P3	P4	P5	P6	P7	P8	P9
										NO								
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors and Key Managerial Personnel	4 (as part of Board Meetings)	Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs.	100%
Employees other than BoD and KMPs	06	Soft skill training, 5S, Safety, Induction, Communication, Scada	100%
Workers	04	Safety, 5S, Housekeeping, Induction,	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

During FY 2022-23, there were no such reported cases on the Company.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.-

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.-

Yes, the Company has an Anti-Corruption and Anti-Bribery Policy, which provides safeguards to prevent the Company in the event of any activity related to bribery, corruption, facilitation payments or kickbacks. The policy is not available in public-domain, however, it is available internally through the Company's intranet portal.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Nil. No such disciplinary action was taken against any director, KMP, employees and worker by any law enforcement agency.

6. Details of complaints with regard to conflict of interest-

NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.-

Not Applicable

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company conducts regular training for its Employees and workers and the Company encourages the Business Partners to be responsible corporate citizens/stakeholders.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? **(Yes/No)** If Yes, provide details of the same.

Yes, the Code of Conduct of the Company has Code of conduct of Board of Directors and senior management personnel which provides the clear guidelines for avoiding and disclosing conflict of interest with the Company. The Policy is available at <http://www.bancoindia.com/investor-relations/#1497261700893-eb0e6e05-b833>, In addition, Board committees are adequately represented by independent members. All committees meet the regulatory requirements for size and independence. The Directors of the Company periodically disclose their interest, if any and they remain absent for the interested agenda item discussions. No material Related Party Transactions (RPTs) with entities associated with directors and senior executives were undertaken during the year.

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D- Recurring	-	-	During the year under review the Company has invested in water harvesting plan and Recharge Wells. The Sewage water after processing is also used in gardening.
R & D- Capex	-	-	
Other	₹ 6.20 Lakhs		

2.
  - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)- Yes
  - b. If yes, what percentage of inputs were sourced sustainably?  
100%, the Company is committed to handhold its value chain partners to implement relevant policies and processes to enhance their sustainability performance.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.-  
At BANCO the products are integrated into automobiles produced by their customers, making it impractical to separate or reclaim them individually. Therefore, the question does not apply to products.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
Yes, EPR is in line with the plan submitted to Pollution Control Board.

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
----------	--------------------------	---------------------------------	--	---	---

In FY 2022-23, the company has not conducted any life cycle assessment of its product.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Nylon Re-process material	0.13%	0.12%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	111.31 MT	-	0.44 MT	83.68 MT	-	1.31 MT
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	203.70 MT	-	-	172.68 MT	-	55.32 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	



**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	379	379	100%	379	100%	0	0%	0	0%	0	0%
Female	12	12	100%	12	100%	12	100%	0	0%	0	0%
<b>Total</b>	<b>391</b>	<b>391</b>	<b>100%</b>	<b>391</b>	<b>100%</b>	<b>12</b>	<b>3.07%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>											
Male	7	7	100%	7	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>7</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Workers</b>											
Male	264	264	100%	264	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>264</b>	<b>264</b>	<b>100%</b>	<b>264</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent Workers</b>											
Male	2466	2466	100%	2466	100%	0	0%	0	0%	0	0%
Female	118	118	100%	118	100%	0	0%	0	0%	118	100%
<b>Total</b>	<b>2584</b>	<b>2584</b>	<b>100%</b>	<b>2584</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>118</b>	<b>4.56%</b>

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	97%	100%	Y	99%	100%	Y
Gratuity	97.19%	100%	Y	96.7%	100%	Y
ESI	10.60%	86.40%	Y	12%	87%	Y
Others – please specify	NA	NA	NA	NA	NA	NA

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.-

Yes, all the policies related to the development, employment, and growth are equally applicable to the Person with Disabilities as applied to the general employees. The other infrastructural accessibility e.g., sitting place, canteen, washroom, transport facility for safe travel to the office are provided in the organisation, keeping in mind the special needs.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. - Yes, the policy is available on intronet of the Company.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes; ,the Company has well designed mechanism to address and resolve problems of all cadre workers in proper manner and defined timeline and to balance of positive work culture, grievances are tackled by efficient members team.
Other than Permanent Workers	Yes; ,the Company has well designed mechanism to address and resolve problems of all cadre workers in proper manner and defined timeline and to balance of positive work culture, grievances are tackled by efficient members team.
Permanent Employees	Yes; ,the Company has well designed mechanism to address and resolve problems of all cadre employees in proper manner and defined timeline and to balance of positive work culture, grievances are tackled by efficient members team.
Other than Permanent Employees	Yes; ,the Company has well designed mechanism to address and resolve problems of all cadre employees in proper manner and defined timeline and to balance of positive work culture, grievance are tackled by efficient members team.

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2022-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ Workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>391</b>	<b>0</b>	<b>0.00%</b>	<b>370</b>	<b>0</b>	<b>0.00%</b>
- Male	379	0	0.00%	358	0	0.00%
- Female	12	0	0.00%	12	0	0.00%
<b>Total Permanent Workers</b>	<b>264</b>	<b>28</b>	<b>10.60%</b>	<b>234</b>	<b>32</b>	<b>13.67%</b>
- Male	264	28	10.60%	234	32	13.67%
- Female	0	0	0.00%	0	0	0.00%

## 8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	379	42	11.08%	89	23.48%	358	35	9.78%	346	96.65%
Female	12	0	0	03	25.00%	12	4	33.33%	12	100%
<b>Total</b>	<b>391</b>	<b>42</b>	<b>10.74%</b>	<b>92</b>	<b>23.53%</b>	<b>370</b>	<b>39</b>	<b>10.54%</b>	<b>358</b>	<b>96.76%</b>
<b>Workers</b>										
Male	264	264	100%	44	16.67%	234	234	100%	48	20.51%
Female	0	0	0.00%	0	00.00%	0	0	0.00%	0	0.00%
<b>Total</b>	<b>264</b>	<b>264</b>	<b>100%</b>	<b>44</b>	<b>16.67%</b>	<b>234</b>	<b>234</b>	<b>100%</b>	<b>48</b>	<b>20.51%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)*	% (B / A)	Total (C)	No. (D)*	% (D / C)
<b>Employees</b>						
Male	379	312	82.32%	358	348	97.20%
Female	12	09	75.00%	12	11	91.66%
<b>Total</b>	<b>391</b>	<b>321</b>	<b>82.10%</b>	<b>370</b>	<b>359</b>	<b>97.02%</b>
<b>Workers</b>						
Male	264	177	67.05%	234	225	96.15%
Female	0	0	0.00%	0	0	00.00%
<b>Total</b>	<b>264</b>	<b>177</b>	<b>67.05%</b>	<b>234</b>	<b>225</b>	<b>96.15%</b>

\*All employees are covered, however as per Company's policy individual who have joined on or before 30th September are eligible for the review of that particular year under consideration.

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system-

Yes, In accordance with the Environment, Health and Safety Policy of the Company, Occupational Health and Safety Management System has been implemented at all inhouse manufacturing facilities. Our locations also comply with the applicable statutory requirement pertaining to health and safety.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity-

The Company has Environment, Health and Safety Policy. The health and safety guidelines are applicable to all operating locations of the Company and lay down required parameters to be followed at all locations. Some of the key processes for identifying work-related hazards and assessing risks on a routine and non- routine basis are given below:

- Hazard Identification and Risk Assessment (HIRA) is used for routine and non-routine activities.
- Chemical Risk Assessment is used for identifying health hazards during handling of chemicals.
- Fire Risk Assessment is done for handling fire related risks.
- Internal and external safety audit.
- Permit to work procedure follow for non routine work.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)-

Yes, Safety Committee is formed at the plant. A process of 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees interest is in place to report or remove themselves from situations they believe could cause injury. At non-manufacturing locations, the workers approach the location head to report any work-related hazards and to remove themselves from such risks.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)-

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place-  
All workers are trained for Environmental aspect, impact, Fire training, Mock drills. We have a onsite emergency plan as well as third party safety Audit. The basic safety training is provided by Internal Team and Government Approved External Team.
13. Number of Complaints on the following made by employees and workers:  
During the financial year, no complaints about working conditions or health and safety measures were received from employees or workers.

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions-

The Company regularly monitors and assess its health and safety practices and working conditions. Investigation is conducted in case any incident is reported using various methodology to identify the root cause. The investigation team presents corrective and preventive measures which is reviewed at various levels and such corrective actions then deployed across the locations.

#### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).  
Yes, the Company has Compensatory package in the event of accidental death of Employees and Workers.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.  
Business agreements, as applicable mandates the value chain partners to comply with all the statutory laws, Regulations and rules made thereunder.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<i>Employees</i>	Nil	Nil	Nil	Nil
<i>Workers</i>	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? **(Yes / No)- NO**

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Applicable
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

#### **PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

##### **Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity-  
We at BANCO aims to understand the requirement of our stakeholders and we attempt to respond to them. Our process involves identifying key internal and external stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Websites other)	Frequency of engagement (Annually/Half yearly/ Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Emails, Catalogues, technical seminars, meetings and customer visits	Ongoing basis	Customer feedback on product and services
Employees	No	Direct contact, intranet, internal events	Ongoing basis	Discussion strategy and welcome their prospective
Shareholders	No	Company Website, Stock Exchange Website, Email, Electronic Media, Newspaper Advertisement	Event Based	Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website contains a dedicated functional segment 'INVESTOR RELATIONS' where all the information meant for the shareholders is available, including information on directors, financial statements, annual reports, codes and policies, etc.
Vendors	No	Emails, site visits, virtual and one to one interactions	Ongoing basis	Discussions on customer expectations, sustainability
Government and Regulatory Bodies	No	Conference, Public Forums and platforms	Ongoing basis	Policy Strengthening and social economic benefits to stakeholders

#### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with various stakeholders usually happens through the management team. These consultations are part of regular interactions with these stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company consults its stakeholder while identifying its sustainability and CSR programmes.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The details of the Company's CSR initiatives, projects or programmes and activities are provided in Annexure of the Annual report

### PRINCIPLE 5 Businesses should respect and promote human rights

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of Employees / workers covered (B)	% (B / A)	Total (C)	No. of Employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	391	391	100%	370	370	100%
Other than permanent	7	7	100%	45	45	100%
<b>Total Employees</b>	<b>398</b>	<b>398</b>	<b>100%</b>	<b>415</b>	<b>415</b>	<b>100%</b>
<b>Workers</b>						
Permanent	264	264	100%	234	234	100%
Other than permanent	2584	2584	100%	2711	2711	100%
<b>Total Workers</b>	<b>2848</b>	<b>2848</b>	<b>100%</b>	<b>2945</b>	<b>2945</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	391	0	0.00%	391	100%	370	0	0.00%	370	100%
Male	379	0	0.00%	379	100%	358	0	0.00%	358	100%
Female	12	0	0.00%	12	100%	12	0	0.00%	12	100%
<b>Other than Permanent</b>	7	0	0.00%	7	100%	6	0	0.00%	6	100%
Male	7	0	0.00%	7	100%	6	0	0.00%	6	100%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
<b>Workers</b>										
<b>Permanent</b>	264	0	0.00%	264	100%	234	0	0.00%	234	100%
Male	264	0	0.00%	264	100%	234	0	0.00%	234	100%
Female	0	0	0.00%	0	0%	0	0	0.00%	0	0.00%
<b>Other than Permanent</b>	2584	819	31.70%	1765	68.30%	2711	1809	66.73%	902	33.27%
Male	2466	765	31.02%	1701	68.98%	2593	1731	66.76%	862	33.24%
Female	118	54	45.76%	64	54.24%	118	78	66.10%	40	33.90%



## 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in Lakhs)	Number	Median remuneration/ salary/wages of respective category (₹ in Lakhs)
Board of Directors (BoD)*/#	6	4.84	2	14.00
Key Managerial Personnel	1	115.76	2	16.04
Employees other than BoD and KMP	303	6.53	8	4.68
Workers	230	3.24	0	NA

Note: Resigned and joined Employees / Workers are not considered for calculation of Median.

\*Includes Mr. Sharan Patel, Whole Time Director and Mrs. Himali Patel, Whole Time Director and CFO

#Sitting fees and Commission paid to Independent Directors are considered

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has Committees at plant level which takes care of health and safety concerns of the employees. Further, the DGM- Industrial Relations oversees the human resource function in the Company.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

BANCO's Code of Conduct Board and Senior Management strongly deters wrongdoings and promote equal opportunities for all at workplace. The Code ensures there is no discrimination or harassment in the workplace and appropriate grievance mechanism is in place.

In addition to this, the company has policies such as:

- POSH Policy
- Code of Conduct for Employees
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Other Employees

## 6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related issues	0	0	-	0	0	-

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases-

An Internal Committee is formed for complaints related to Sexual harassment and the Company has a grievance handling mechanism for workers and employees. The Company's Whistle Blower policy is formulated to view and provide vigil mechanism for stakeholder, employees and workers.



8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)-  
YES

9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil; we are providing Equal and Above Minimum wages and adhering Equal Remuneration Act
Others – please specify	NA

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

**Leadership Indicators**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.-

During the year under review, no business process have been required to be modified / introduced for addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to protecting and respecting Human Rights and to take corrective actions in case any violation are identified; for example forced labour, child labour, freedom of association, right to collective bargaining, equal remuneration and discrimination etc. The Company thrives towards providing equal employment opportunity, ensuring distributive, procedural, fairness, creating a safe environment and respecting fundamental rights.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

NO

4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**  
**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	MGVCL- 49634.93 GJ D.G - 190.58 GJ G.G – 560.74 GJ	MGVCL- 46667.3 GJ D.G - 73.24 GJ G.G – 562.75 GJ
Total fuel consumption (B)	Diesel – 1215.32 GJ Gas – 80830.4 GJ	Diesel – 788.39 GJ Gas – 72719.8 GJ
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	132431.97 GJ	120811.48 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0000135 GJ /rupee	0.0000156 GJ / rupee
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	15972 KL	18736 KL
(ii) Groundwater	39975 KL	37756 KL
(iii) Third party water (RO)	16227 KL	12470 KL
(iv) Seawater / desalinated water	NA	NA
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	72174 KL	68962 KL
<b>Total volume of water consumption (in kilolitres)</b>	72174 KL	68962 KL
<b>Water intensity per rupee of turnover (Water consumed /turnover)</b>	0.00000736 KL /rupee	0.00000893 KL /rupee
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.-

Industrial waste water and sewage waste water in premises is utilized /reused in garden and cooling tower.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Kg.	1813.294	2080.967
SOx	Kg.	139.748	137.61
Particulate matter (PM)	Kg.	367.16	406.384
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: Not Applicable

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	NA	NA	NA
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	NA	NA	NA

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- Not Applicable

8. Provide details related to waste management by the entity, in the following format

<i>Parameter</i>	<i>FY 2022-23 (Current Financial Year)</i>	<i>FY 2021-22 (Previous Financial Year)</i>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	65.080 MT	66.555 MT
E-waste (B)	-	0.77 MT
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	NA	NA
Battery waste (E)	0.750 MT	-
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>65.83 MT</b>	<b>67.325 MT</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled(empty barrels and used oils)	28.09 MT	36.44 MT
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>28.09 MT</b>	<b>36.44 MT</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	4.93 MT	-
(ii) Landfilling	36.55 MT	34.49 MT
(iii) Other disposal operations	-	-
<b>Total</b>	<b>41.48 MT</b>	<b>34.49 MT</b>

Third party assessment was carried out for recycled (empty barrels and use oils) by Jawrawala Petroleum, Ahmedabad and for Incineration & Landfilling by Nandeseri Environment Control Limited (NECL).

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.-

Since the Company is Engineering Company this is Not Applicable.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

<b>S. No.</b>	<b>Location of operations/offices</b>	<b>Type of operations</b>	<b>Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.</b>
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is in compliance with all the environment related applicable legislations.

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	9969.48 GJ	10833.4 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	9969.48 GJ	10833.4 GJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	MGVCL- 49634.93 GJ D.G - 190.58 GJ G.G – 560.74 GJ	MGVCL- 46667.3 GJ D.G - 73.24 GJ G.G – 562.75 GJ
Total fuel consumption (E)	Diesel – 1215.32 GJ Gas – 80830.4 GJ	Diesel – 788.39 GJ Gas – 72719.8 GJ
Energy consumption through other sources (F)	-	-

2. Provide the following details related to water discharged: Not Applicable

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment*		
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	-	-

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	Not Applicable	
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.



5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. -

Since the Company is Engineering Company this is Not Applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative
Energy Conservation Projects have been implemented at all Plants and Offices of the Company in a planned and budgeted manner towards environment stewardship and to reduce the consumption of power, water etc.	

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. -

We are maintaining Business Continuity Plan & Fire Safety Management Procedure.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard-

There were no areas/materials in the value chain of the entity which have been identified as having significant adverse impact on the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

- a. Number of affiliations with trade and industry chambers/ associations.-  
The Company has affiliations with two trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association	National
2	Federation of Gujarat Industries (FGI)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

-There have been no instances of anti-competitive behavior undertaken by the Company and therefore there are no corrective actions taken or underway by the regulatory authorities against the Company.

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					



**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**
**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community-  
The Company interacts with local community at different levels to understand their concerns and act upon them.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs / small producers	4.95%	8.33%
Sourced directly from within the district and neighbouring districts	30.78%	30.05%

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
NIL			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)- No  
(b) From which marginalized /vulnerable groups do you procure?  
(c) What percentage of total procurement (by value) does it constitute?

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. - Not Applicable

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	National Employment Enhancement Mission (NEEM)	58	-
2	National Apprenticeship Promotion Scheme (NAPS)	182	-

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**  
**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.-  
 At Banco Customer Satisfaction is of top priority & the organization strives to meet customer expectations to the fullest. Customer Complaints are received through Emails and our Quality department gets back to the customer within 48 hours with an initial analysis of the Quality issue raised, subsequent to this based on the mutual understanding between customer and BANCO the suspected material is either bought back to the customer's location from various dealers network or directly shifted to Banco on case to case basis. If material can not be shifted based on the size of the Component then dedicated field staff visits the location where the product is installed for an initial failure mode analysis. Subsequent to this the root cause analysis reports are exchanged and the defects are finalized. The Company maintains multiple point of communication Email, whatsapp, sms etc. The contact details of respective associates are available at <https://www.bancoindia.com/contact-us/>
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%, absolutely safe in all parameters
Recycling and/or safe disposal	100%, disposed safely after life span

## 3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

## 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No).- Yes, the Company has IT policies and are available on the intranet of the Company.
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.  
Not Applicable

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)-  
Information on products and services of the entity can be accessed through website of the Company at [www.bancoindia.com](http://www.bancoindia.com)
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services-  
The fitment of the product and the Standard Operating process of the same are described in the drawings submitted to the customer which is mutually signed by both the parties.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
Not Applicable
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)  
We supply directly to OEMs and they decide the product information to be displayed on the packaging.
5. Provide the following information relating to data breaches:
- Number of instances of data breaches along-with impact- Nil
  - Percentage of data breaches involving personally identifiable information of customers- Not Applicable

By order of the Board

**Mehul K. Patel**

Chairman

(DIN: 01772099)

Date : 07.08.2023

Place : Bil

## INDEPENDENT AUDITORS' REPORT

To,  
**THE MEMBERS,**  
**BANCO PRODUCTS (INDIA) LIMITED**  
**VADODARA**

### Report on the audit of the standalone financial statements

#### Opinion

We have audited the accompanying standalone financial statements of **Banco Products (India) Limited** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at **March 31, 2023**, the Standalone Statement of Profit and Loss (including other comprehensive income) and Standalone Cash Flow Statement and Standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, other 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 Standalone 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditors' Response
<b>1. Revenue Recognition</b> The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.	Audit procedures included the following: <ul style="list-style-type: none"> <li>* Considered the adequacy of the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>* Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> <li>* Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the incoterms in accordance with Ind AS 115.</li> </ul>

<p>The risk is, therefore, that revenue is not recognized in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the Standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>* Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying supporting documents.</li> <li>* Assessed the relevant disclosures made in the Standalone Ind AS financial statements.</li> </ul>
<p><b>2. Investment in Subsidiaries</b></p>	
<p>As disclosed in Note 4 [Non-Current Investments] to the Standalone financial statements, the Company's equity investments in subsidiaries, amounted to Rs 15,534.54 lakhs as at March 31, 2023. Such investments are carried at cost as per Ind AS 27 - Separate Financial Statements.</p> <p>The carrying value of investments in subsidiaries was considered to be a key audit matter as these are material and significant to the net worth of the Company and is dependent on the future performance of the subsidiaries.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>* We obtained the audited financial statements of the subsidiaries, and evaluated the assessment carried out by the Company with regard to net worth of those respective subsidiaries with the carrying value of the investments made in those entities.</li> <li>* We also obtained the Management's documentation and tested its assessment on whether there were indicators for impairment if any, of the aforesaid investments, as required by Ind AS 36, Impairment of Assets.</li> </ul> <p>Based on above procedures performed, we found the management's assessment of carrying value of investments in subsidiaries, to be reasonable.</p>
<p><b>3. Valuation of Inventory</b></p>	
<p>As disclosed in Note 9 [Inventories] to the standalone financial statements, the Company holds Inventories of ₹ 24,870.79 lakhs which represent 29.45% of total assets of the Company as at the Balance sheet date. Considering the number of locations and the level of inventory held across its factories, as well as the physical verification of inventory at these locations on different dates, the potential risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance.</p> <p>Inventories are valued at the lower of cost and net realisable value. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory.</p>	<p>Our audit procedures to verify the existence of inventories consisted of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that are performed by the management at various point in time at their factories.</p> <p>As required under SA 501 "Audit Evidence - Additional Considerations for Specific Items", we have observed the physical verification of Inventory, conducted by management, in certain factories selected by us based on our professional judgment. Our procedures in this regard included:</p> <ul style="list-style-type: none"> <li>* observing compliance of stock count instructions by management personnel; observing steps taken by management to ascertain the existence of inventory on the date of the count (including identification of non-moving, obsolete / damaged inventory),</li> <li>* performing independent inventory counts on sample basis and reconciling the same to the management counts and reviewing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, and</li> </ul> <p>We tested sample of inventory purchases throughout the audit period with purchase invoice and other supporting documents to ensure if the inventory is valued as per the Company's accounting policy.</p> <p>We performed cut off testing for purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices, etc., for sample transactions.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's

Report including Annexure to Board's Report, Business Responsibility and Sustainability Report, Report on Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. **(A) 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 Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure- B" attached herewith. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (B)** 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:
  - a) The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement. Refer Note 31 of the Standalone Financial Statements;

- b) The Company did not have any long-term contracts including derivative contracts; for which there were any material foreseeable losses; and
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material mis-statement.
- e) As per standalone financial statements:
- a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - b. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
  - c. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- (C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act, as amended:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Reg. No. 118493W**

**CA. Sharadkumar G. Kothari**  
PARTNER  
Mem. No. 168227  
UDIN: 23168227BGVTZS3165

VADODARA, 20<sup>th</sup> May, 2023



**ANNEXURE – “A” TO THE INDEPENDENT AUDITORS’ REPORT****ON THE STANDALONE FINANCIAL STATEMENTS OF BANCO PRODUCTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH, 2023****(Referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements of the Independent Auditors’ Report of even date)**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- i. In respect of Company’s Property, Plant & Equipment
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment and relevant details of right-of-use assets.  
The Company has maintained proper records showing full particulars of Intangible assets.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment and right-of-use assets by which all assets are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment and right-of-use assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, registered sale deed / transfer deed / conveyance deed, we report that, the title in respect of self-constructed buildings and the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of Company’s Inventory
  - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are not having material difference with the books of accounts of the company, of the respective quarters and those differences are of explainable in nature. The average difference is not thus material and is less than 1% of amount of stock and debtors, which is on account of valuation, provisions etc.
- iii. In respect of Company’s investment, guarantee or security, loans and advances, Cost Records and Deposits
  - (a) According to information and explanation given to us, and based on the audit procedure, the Company has made investments in and granted unsecured loans to Subsidiaries, during the year, in respect of which, the details are as under:

(₹ in Lakhs)

Particulars	Investments	Loans
Aggregate amount granted/ provided during the year: - Subsidiaries	400.00	850.00
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	840.00	856.86

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

- (g) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (h) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (i) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules prescribe by the central government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.

iv. In respect of Statutory Dues

The Company does not have liability in respect of Sales Tax, Service Tax, Duty of excise and Value added tax during the year since effective 1st July 2017, these statutory dues have been subsumed into GST.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax/value added tax, Goods and Service tax, duty of customs, duty of Excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, Goods and Service tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, dues that have not been deposited by the company on account of disputes are as follows:

Name of the Statute	Nature of Dues	Amount in Lakhs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty, Service Tax and Custom Duty	954.68	F.Y. 2006-07 till F.Y. 2020-21	- 629.61 lakhs pending with CESTAT, Ahmedabad. - 5.94 lakhs pending CESTAT, Mumbai. - 23.62 lakhs pending with Asst Comm, Vadodara. - 0.21 lakhs pending with Superintendent, Central Excise and Custom (Appeal). - 35.25 lakhs pending with Dy. Commissioner JNCH & Vadodara. - 260.05 lakhs pending with High Court (Gujarat & Mumbai).
Sales Tax Act	VAT/CST	83.65	F.Y. 2008-09 till 2012-13	- 53.56 lakhs pending with Appellate Tribunal, Ahmedabad. - 29.35 lakhs pending with Commissioner (Appeal), Ranchi. - 0.74 lakhs pending with DC-Asst.
CGST Act, and SGST Act under UP GST Act.	CGST/SGST	1.79	F.Y. 2017-18	Pending GST Authority

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

v. In respect of working capital facilities and term loan

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of any loans or borrowings from any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis by the Company has been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

vi. In respect of money raised

- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

- vii. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- viii. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- ix. We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- x. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xi. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xii. In respect of Internal Audit
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xiii. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xiv. In respect of registration with RBI
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xv. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xvi. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xvii. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xviii. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Reg. No. 118493W**

**CA. Sharadkumar G. Kothari**  
**PARTNER**  
**Mem. No. 168227**  
**UDIN : 23168227BGVTZS3165**  
**VADODARA, 20<sup>th</sup> May, 2023**

## **Annexure B to Independent Auditor's Report**

### **Report on the Internal Financial Controls Over Financial Reporting 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 the financial reporting of Banco Products (India) Limited ("the Company"), as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial controls**

The Management and Board of Directors of the Company are 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 of the Company 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") issued by ICAI 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. Those Standards and the Guidance Notes 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 control systems 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 risk of material misstatement of the 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 of the Company.

#### **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 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper managements 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 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, to the best of our information and according to the explanations given to us, 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 31st March 2023, 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 ICAI.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Reg. No. 118493W**

**CA. Sharadkumar G. Kothari**  
**PARTNER**  
**Mem. No. 168227**  
**UDIN: 23168227BGMTZS3165**

**VADODARA, 20<sup>th</sup> May, 2023**



# STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2023

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31st March, 2023	AS AT 31st March, 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	14,178.44	12,573.45
Capital work-in-progress	3	203.18	626.89
Right of use of assets	3	761.95	770.73
Other intangible assets	3	68.26	21.90
Financial assets			
Investments	4	15,534.54	15,134.54
Other financial assets	5	930.02	1,684.69
Loans	6	850.00	-
Income tax assets (net of provision)	7	493.89	84.73
Other non current assets	8	522.13	415.74
		<b>33,542.41</b>	<b>31,312.67</b>
<b>Current assets</b>			
Inventories	9	24,870.79	19,616.24
Financial assets			
Trade receivables	10	23,138.85	19,420.68
Cash and cash equivalents	11A	574.17	1,121.68
Balances with banks other than 11A above	11B	1,030.31	5,592.77
Other financial assets	12	51.81	219.65
Other current assets	13	1,149.20	1,170.05
		<b>50,815.13</b>	<b>47,141.07</b>
<b>Total Assets</b>		<b>84,357.54</b>	<b>78,453.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,430.37	1,430.37
Other equity	15	71,640.72	67,113.48
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Provisions	16	777.65	729.32
Deferred tax liabilities (net)	7	584.60	940.61
Other non-current liabilities	17	21.49	22.46
		<b>74,454.83</b>	<b>70,236.24</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	23.21	4.14
Trade payables	19		
Due to micro and small enterprise		298.86	276.32
Due to others		8,707.63	7,319.45
Other financial liabilities	20	357.59	347.20
Other current liabilities	21	384.44	164.11
Provisions	22	130.98	106.28
		<b>9,902.71</b>	<b>8,217.50</b>
<b>Total Equity and Liabilities</b>		<b>84,357.54</b>	<b>78,453.74</b>
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached  
For Parikh Shah Chotalia & Associates  
Chartered Accountants  
FRN 118493W

CA Sharad G Kothari  
Partner  
Membership No. 168227

Place : Vadodara  
Date : 20.05.2023

For and on behalf of the board

Mehul K. Patel  
Chairman  
DIN 01772099

Ramkisan A. Devidayal  
Director  
DIN 00238853

Ameeta V. Manohar  
Director  
DIN 00903232

Udayan P. Patel  
Director  
DIN 00598313

Mukesh D. Patel  
Director  
DIN 00009605

Sharan M. Patel  
Whole Time Director  
DIN 09151194

Devesh A. Pathak  
Director  
DIN 00017515

Himali H. Patel  
Whole Time Director  
and CFO  
DIN 07081636

Pooja Gurnani  
Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> March, 2023**

(₹ in Lakhs)

PARTICULARS	Note No.	2022-23	2021-22
Revenue from operations	23	1,00,379.39	79,521.42
Other income	24	13,243.66	2,920.55
<b>Total Income</b>		<b><u>1,13,623.05</u></b>	<b><u>82,441.97</u></b>
<b>Expenses</b>			
Cost of materials consumed	25	63,523.45	52,736.07
Changes in inventories of finished goods and work-in-progress	26	(1,385.15)	(2,229.16)
Employee benefits expenses	27	5,141.45	4,239.97
Finance costs	28	34.50	36.09
Depreciation/amortisation expenses	3	2,110.97	1,974.07
Other expenses	29	16,102.58	14,685.12
<b>Total expenses</b>		<b><u>85,527.80</u></b>	<b><u>71,442.16</u></b>
<b>Profit before exceptional items and tax</b>		<b>28,095.25</b>	<b>10,999.81</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>28,095.25</b>	<b>10,999.81</b>
<b>Tax expenses</b>	7		
Current tax		4,282.26	2,413.14
Income tax for prior years		(386.54)	-
Deferred tax		(355.23)	21.49
<b>Total tax expenses</b>		<b><u>3,540.49</u></b>	<b><u>2,434.63</u></b>
<b>Profit for the year</b>		<b><u>24,554.76</u></b>	<b><u>8,565.18</u></b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement benefit of defined benefit plans		(3.08)	(171.39)
Income tax expenses on remeasurement benefit of defined benefits plans		0.78	59.89
(ii) Net fair value (loss)/gain on investment in equity instruments through OCI		-	-
Income tax expenses on net fair value (loss)/gain on investment in equity instruments through OCI		-	-
<b>Total other comprehensive income</b>		<b><u>(2.30)</u></b>	<b><u>(111.50)</u></b>
<b>Total comprehensive income for the year</b>		<b><u>24,552.46</u></b>	<b><u>8,453.68</u></b>
<b>Earning per equity share of face value of ₹ 2 each</b>	30		
Basic in ₹		<b>34.33</b>	<b>11.98</b>
Diluted in ₹		<b>34.33</b>	<b>11.98</b>
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached  
**For Parikh Shah Chotalia & Associates**  
 Chartered Accountants  
 FRN 118493W

**CA Sharad G Kothari**  
 Partner  
 Membership No. 168227

Place : Vadodara  
 Date : 20.05.2023

For and on behalf of the board

**Mehul K. Patel**  
 Chairman  
 DIN 01772099

**Ameeta V. Manohar**  
 Director  
 DIN 00903232

**Ramkisan A. Devidayal**  
 Director  
 DIN 00238853

**Udayan P. Patel**  
 Director  
 DIN 00598313

**Mukesh D. Patel**  
 Director  
 DIN 00009605

**Sharan M. Patel**  
 Whole Time Director  
 DIN 09151194

**Devesh A. Pathak**  
 Director  
 DIN 00017515

**Himali H. Patel**  
 Whole Time Director  
 and CFO  
 DIN 07081636

**Pooja Gurnani**  
 Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> March, 2023**

(₹ in Lakhs)

PARTICULARS	2022-23		2021-22	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before tax</b>		28,095.25		10,999.82
Adjustments for non cash items/items required to be disclosed separately				
Depreciation	2,110.97		1,974.07	
Interest and finance charges	34.50		36.09	
(Profit)/loss on sale of PPE	(22.88)		(12.67)	
Interest income	(126.49)		(330.32)	
Unrealised foreign exchange (gain)/loss	156.63		58.06	
Sundry balance write back	(78.56)		(0.82)	
Sundry balance write off	2.17		36.10	
Expected credit loss	4.11		17.41	
Dividend received	(11,734.16)		(1,971.22)	
		(9,653.71)		(193.30)
<b>Operating profit before working capital changes</b>		<b>18,441.54</b>		<b>10,806.52</b>
<b>Adjustments for changes in working capital &amp; provisions</b>				
(Increase)/decrease in trade receivable	(3,842.62)		(2,637.83)	
(Increase)/decrease in inventories	(5,254.55)		(4,057.72)	
(Increase)/decrease in current financial assets	17.22		(33.07)	
(Increase)/decrease in other current assets	20.85		(153.55)	
(Increase)/decrease in financial assets (non current)	(10.33)		5.60	
(Increase)/decrease in other non current assets	3.72		75.94	
Increase/(decrease) in current liabilities	220.33		28.87	
Increase/(decrease) in other non-current liabilities	(0.97)		(0.98)	
Increase/(decrease) in financial liabilities (current)	(7.15)		(98.91)	
Increase/(decrease) in trade payables	1,450.82		(1,859.04)	
Increase/(decrease) in provisions	69.95		103.79	
		(7,332.73)		(8,626.90)
<b>Cash generated from operations</b>		<b>11,108.81</b>		<b>2,179.62</b>
Income tax paid (net of refunds)	(4,304.88)		(2,043.58)	
		(4,304.88)		(2,043.58)
<b>Net cash flow from operating activities</b>		<b>6,803.93</b>		<b>136.04</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE & capital advances	(3,440.10)		(3,223.67)	
Sale of PPE	23.04		14.64	
Purchase of financial assets (Banco New Energy Cooling Systems Limited Equity Share Capital)	(400.00)		(440.00)	
(Increase)/decrease in bank term deposit	5,345.00		(3,017.50)	
Loan to subsidiary	(850.00)		-	
Dividend received from subsidiaries	11,734.16		1,971.22	
Interest received	277.11		602.36	
		12,689.21		(4,092.95)
<b>Net cash flow from investing activities</b>		<b>19,493.14</b>		<b>(3,956.91)</b>

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2023

(₹ in Lakhs)

PARTICULARS	2022-23		2021-22	
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	(20,025.22)		(1,430.38)	
Interest and finance charges paid	(34.50)		(36.09)	
<b>Net cash flow from financing activities</b>		<b>(20,059.72)</b>		<b>(1,466.47)</b>
<b>Net cash inflow/(outflow) during the year</b>		<b>(566.58)</b>		<b>(5,423.38)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,117.54</b>		<b>6,540.92</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>550.96</b>		<b>1,117.54</b>

**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

(₹ in Lakhs)

PARTICULARS	AS AT 31st March, 2023	AS AT 31st March, 2022
(i) Balances with banks in current accounts	570.26	1,116.55
(ii) Cash on hand	3.91	5.13
(iii) Term deposit with original maturity less than 3 months	-	-
	<b>574.17</b>	<b>1,121.68</b>
Less:-Cash credit (refer note 18)	(23.21)	(4.14)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>550.96</b>	<b>1,117.54</b>

- (c) Changes in liability arising from financing activities.

PARTICULARS	1st April 2022	Cash flow	Non cash changes	31st March 2023
Borrowing - current (refer note 18)	4.14	19.07	-	23.21

As per our report of even date attached  
**For Parikh Shah Chotalia & Associates**  
 Chartered Accountants  
 FRN 118493W

**CA Sharad G Kothari**  
 Partner  
 Membership No. 168227

Place : Vadodara  
 Date : 20.05.2023

For and on behalf of the board

<p><b>Mehul K. Patel</b>          Chairman          DIN 01772099</p> <p><b>Ameeta V. Manohar</b>          Director          DIN 00903232</p>	<p><b>Ramkisan A. Devidayal</b>          Director          DIN 00238853</p> <p><b>Udayan P. Patel</b>          Director          DIN 00598313</p>
--	---

**Mukesh D. Patel**  
 Director  
 DIN 00009605

**Sharan M. Patel**  
 Whole Time Director  
 DIN 09151194

**Devesh A. Pathak**  
 Director  
 DIN 00017515

**Himali H. Patel**  
 Whole Time Director  
 and CFO  
 DIN 07081636

**Pooja Gurnani**  
 Company Secretary

### STATEMENT OF CHANGES IN EQUITY

#### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year 2022-23	Balance at the end of the reporting period i.e. 31st March, 2023
1430.37	-	-	-	1430.37

Balance at the beginning of the reporting period i.e. 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year 2021-22	Balance at the end of the reporting period i.e. 31st March, 2022
1430.37	-	-	-	1430.37

#### B. OTHER EQUITY

As on 31st March, 2023

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2022	1,200.31	0.77	54.14	12,217.69	53,769.10	(128.53)	67,113.48
Profit for the year	-	-	-	-	24,554.76	-	24,554.76
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>78,323.86</b>	<b>(128.53)</b>	<b>91,668.24</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(2.30)	(2.30)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-
Reclassification of profit on sale of unquoted investment measured at FVTOCI	-	-	-	-	-	-	-
Final dividend of FY 2021-22	-	-	-	-	(14,303.74)	-	(14,303.74)
Interim dividend of FY 2022-23	-	-	-	-	(5,721.48)	-	(5,721.48)
<b>Balance at the end of the reporting period i.e. 31st March, 2023</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>58,298.64</b>	<b>(130.83)</b>	<b>71,640.72</b>

As on 31st March, 2022

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
<b>Balance at the beginning of the reporting period i.e. 1st April, 2021</b>	1,200.31	0.77	54.14	12,217.69	46,634.29	(17.03)	<b>60,090.17</b>
Profit for the year	-	-	-	-	8,565.19	-	8,565.19
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>55,199.48</b>	<b>(17.03)</b>	<b>68,655.36</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(111.50)	(111.50)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-
Reclassification of profit on sale of unquoted investment measured at FVTOCI	-	-	-	-	-	-	-
Final dividend of FY 2020-21	-	-	-	-	(1,430.38)	-	(1,430.38)
<b>Balance at the end of the reporting period i.e. 31st March'2022</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>53,769.10</b>	<b>(128.53)</b>	<b>67,113.48</b>

As per our report of even date attached <b>For Parikh Shah Chotalia &amp; Associates</b> Chartered Accountants FRN 118493W	For and on behalf of the board			
<b>CA Sharad G Kothari</b> Partner Membership No. 168227	<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Ramkisan A. Devidayal</b> Director DIN 00238853	<b>Mukesh D. Patel</b> Director DIN 00009605	<b>Devesh A. Pathak</b> Director DIN 00017515
	<b>Ameeta V. Manohar</b> Director DIN 00903232	<b>Udayan P. Patel</b> Director DIN 00598313	<b>Sharan M. Patel</b> Whole Time Director DIN 09151194	<b>Himali H. Patel</b> Whole Time Director and CFO DIN 07081636
<b>Place : Vadodara</b> <b>Date : 20.05.2023</b>	<b>Place : Vadodara</b> <b>Date : 20.05.2023</b>		<b>Pooja Gurnani</b> Company Secretary	

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****1. CORPORATE INFORMATION**

Banco Products (India) Limited is a public limited company domiciled in India and incorporated under the Indian Companies Act, 1956. Equity shares of the company are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of Heat exchangers/Cooling systems. 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.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Statement of compliance**

Standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian accounting standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian accounting standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these standalone financial statements which comprise the balance sheet as at 31<sup>st</sup> March, 2023, the statement of profit and loss for the year ended 31<sup>st</sup> March 2023, the statement of cash flows for the year ended 31<sup>st</sup> March 2023 and the statement of changes in equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'Financial Statements').

These financial statements are approved for issue by the Board of Directors on 20<sup>th</sup> May, 2023.

**2.2 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Indian accounting standards (Ind-AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013, 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, 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 standalone financial statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

**2.3 Significant accounting judgments, estimates and assumptions**

In preparing these financial statements in conformity with Ind-AS, the Management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are

- Fair value of unlisted equity securities – Note 4
- Defined benefit obligation – Note 22 & 16
- Measurement of contingent liabilities – Note 31
- Current tax expense and current tax payable – Note 7
- Deferred tax assets – Note 7

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

the company. 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.

**2.4 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.

**2.5 Standards issued but not effective (based on exposure drafts available as on date)**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>th</sup> March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

**2.6 Property, plant and equipment**

Property, plant and equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the statement of profit and loss in the year in which the costs are incurred. It includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Items such as spare parts, standby equipment and service equipment 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**

Assets in the course of construction are capitalised in the Capital Work in Progress account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**2.7 Intangible assets**

Intangible assets with finite useful life that are 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.

**2.8 Depreciation/amortization**

Depreciation is calculated on a straight-line basis or written down value as per the specified life of the assets as provided in schedule II to the Companies Act, 2013. The useful life of item of PPE are mentioned below.

<b>Class of assets</b>	<b>Range of useful life (in years)</b>
Factory buildings	30
Plant and equipments	10-15
Furniture & fixtures	10
Vehicles	8-10
Office equipment	5
Computer hardware	3-6
Intangible assets - 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.

**2.9 Impairment of assets**

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.

**2.10 Leases**
**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The lease liability is already discharged and therefore no lease liability remains to be disclosed.

**Transition**

Effective 1<sup>st</sup> April, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019. Accordingly, the Company has re-classified leasehold land from property, plant & equipment to right-of-use asset. The leasehold land is already fully paid and hence already stated at its present value. The same is being amortized over the period of lease (including the period renewable at the option of the Company.)

All other lease contracts of the Company are for lease tenure below 12 months and the Company has accordingly applied the exemption not to recognize right-of-use assets for such leases.

**The Company as a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

**Arrangements in the nature of lease**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

**2.11 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with 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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

between the Company and the customer are satisfied and control of product has been transferred to the Customer. 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.

**Sale of services**

Revenues for services are recognised when the service rendered has been completed.

**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 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.

**2.13 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, which 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 in four categories:

**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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**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.

**Investment in subsidiaries**

Investment in subsidiaries is carried at cost in the financial statements.

**(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 or as those measured at amortised cost.

**(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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****(c) Fair value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- In the principal market for asset or liability or
- In the absence of principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**2.14 Foreign exchange transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

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

**2.15 Trade receivables**

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for Expected Credit Losses. Discounts due yet to be quantified at the customer level are netted off from Trade Receivables.

**2.16 Borrowing costs**

- 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.
- 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.

**2.17 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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

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 liabilities are 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.

**2.18 Taxes**

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.

**Minimum alternate tax (MAT)**

Deferred tax assets include Minimum alternate tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****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.

**2.19 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.

**2.20 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.

**2.21 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.

**2.22 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.

**2.23 Government grants**

Government grants (including export incentives, incentives on specified goods manufactured in the eligible unit) are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

Government grants relating to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate.

**2.24 Exceptional item**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**2.25 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.

The company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - operating segments.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 3. PROPERTY, PLANT &amp; EQUIPMENT FOR THE YEAR 2022-23

	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April 2022	Additions during the year	Deletion during the year	As at 31st March 2023	As at 1st April 2022	For the year	Deduction Others	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
<b>I</b>	<b>Tangible assets</b>									
a	Freehold land	215.46	-	-	215.46	-	-	-	215.46	215.46
b	Buildings	4,636.66	657.49	-	5,294.15	2,898.27	169.16	-	3,067.43	2,226.72
c	Plant and equipment	28,501.35	2,427.35	182.60	30,746.10	18,382.88	1,740.17	182.60	19,940.45	10,118.47
d	Furniture & fixtures	386.70	556.34	-	943.04	297.31	44.64	-	341.95	601.09
e	Vehicles	524.39	32.26	23.19	533.46	369.27	66.03	23.03	412.27	121.19
f	Office equipment	322.34	2.61	-	324.95	308.15	7.49	-	315.64	9.31
g	Scientific research									
1	Building	116.01	-	-	116.01	83.55	3.09	-	86.64	29.37
2	Plant and equipment	724.67	14.61	-	739.28	533.88	49.21	-	583.09	156.19
3	Software (intangible assets)	97.54	54.67	-	152.21	90.97	9.54	-	100.51	51.70
4	Office equipment	8.71	0.23	-	8.94	7.99	0.33	-	8.32	0.62
5	Furniture and fixture	36.40	-	-	36.40	31.18	1.69	-	32.87	3.53
h	Other assets	84.56	2.12	-	86.68	71.32	6.05	-	77.37	13.24
<b>II</b>	<b>Intangible assets</b>									
a	Software	288.96	6.03	0.16	294.83	273.63	4.80	0.16	278.27	16.56
		<b>35,943.75</b>	<b>3,753.71</b>	<b>205.95</b>	<b>39,491.51</b>	<b>23,348.40</b>	<b>2,102.20</b>	<b>205.79</b>	<b>25,244.81</b>	<b>12,595.34</b>

## Carrying value of right of use assets for the year 2022-23

	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
	As at 1st April 2022	Reclassified on account of Ind AS 116	Additions during the year	Deletion during the year	As at 31st March 2023	As at 1st April 2022	Reclassified on account of Ind AS 116	For the year	Deduction Others	As at 31st March 2023	As at 31st March 2022
a	Leasehold land	869.96	-	-	869.96	99.23	-	8.79	-	108.02	770.73
		<b>869.96</b>	<b>-</b>	<b>-</b>	<b>869.96</b>	<b>99.23</b>	<b>-</b>	<b>8.79</b>	<b>-</b>	<b>108.02</b>	<b>770.73</b>

## Capital work in progress (CWIP)/Intangible assets under development/Investment property under development

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	203.18	-	-	203.18
Projects temporarily suspended	-	-	-	-

Note: CWIP is related to FGS extension and canteen building.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(₹ in Lakhs)

	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK	
	As at 1st April 2021	Additions during the year	Deletion during the year	As at 31st March 2022	As at 1st April 2021	For the year	Deduction Others	As at 31st March 2022	As at 31st March 2021
<b>I Tangible assets</b>									
a Freehold land	215.46	-	-	215.46	-	-	-	215.46	215.46
b Buildings	4,525.38	111.28	-	4,636.66	2,725.70	172.57	-	2,898.27	1,738.39
c Plant and equipment	26,138.61	2,395.20	32.46	28,501.35	16,753.19	1,660.71	31.02	18,382.88	10,118.47
d Furniture & fixtures	323.47	63.23	-	386.70	276.46	20.85	-	297.31	89.39
e Vehicles	482.16	100.91	58.68	524.39	391.25	36.58	58.56	369.27	155.12
f Office equipment	309.98	12.36	-	322.34	297.60	10.55	-	308.15	14.19
g Scientific research									
1 Building	116.01	-	-	116.01	80.14	3.41	-	83.55	32.46
2 Plant and equipment	702.41	22.26	-	724.67	488.62	45.26	-	533.88	190.79
3 Software (intangible assets)	97.33	0.21	-	97.54	89.83	1.14	-	90.97	6.57
4 Office equipment	8.49	0.22	-	8.71	7.50	0.49	-	7.99	0.72
5 Furniture and fixture	32.92	3.48	-	36.40	28.87	2.31	-	31.18	5.22
h Other assets	81.30	3.26	-	84.56	63.74	7.58	-	71.32	13.24
<b>II Intangible assets</b>									
a Software	280.68	8.70	0.42	288.96	269.83	3.82	0.02	273.63	15.33
	<b>33,314.20</b>	<b>2,721.11</b>	<b>91.56</b>	<b>35,943.75</b>	<b>21,472.73</b>	<b>1,965.27</b>	<b>89.60</b>	<b>23,348.40</b>	<b>12,595.35</b>

Carrying value of right of use assets for the year 2021-22

(₹ in Lakhs)

	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK			
	As at 1st April 2021	Reclassified on account of Ind AS 116	Additions during the year	Deletion during the year	As at 31st March 2022	As at 1st April 2021	Reclassified on account of Ind AS 116	For the year	Deduction Others	As at 31st March 2022	As at 31st March 2021
a Leasehold land	869.96	-	-	-	869.96	90.44	-	8.79	-	99.23	779.52
	<b>869.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>869.96</b>	<b>90.44</b>	<b>-</b>	<b>8.79</b>	<b>-</b>	<b>99.23</b>	<b>779.52</b>

Capital work in progress (CWIP)/Intangible assets under development/Investment property under development

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	626.89	-	-	626.89
Projects temporarily suspended	-	-	-	-

Note: CWIP is related to Super Store Building and Plant &amp; Machinery

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

4. NON CURRENT INVESTMENTS	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>Unquoted fully paid equity shares in subsidiaries/indirect subsidiaries measured at cost</b>		
25,000 (P.Y.21-22 25,000) equity shares of 4.54 € each in Netherlands Radiator Fabriek B.V.	11,194.54	11,194.54
3,50,00,000 (P.Y.21-22 3,50,00,000) equity shares of ₹ 10 each in Banco Gaskets (India) Limited	3,500.00	3,500.00
84,00,000 (P.Y.21-22 44,00,000) equity shares of ₹ 10 each in Banco New Energy Cooling Systems Limited	840.00	440.00
	<b>15,534.54</b>	<b>15,134.54</b>

5. NON CURRENT OTHER FINANCIAL ASSETS	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>Unsecured, considered good</b>		
Security deposit	24.89	14.56
Government grants receivable	205.13	205.13
In deposit accounts*	700.00	1,465.00
	<b>930.02</b>	<b>1,684.69</b>

\*This represents deposits with original maturity of more than 12 months.

6. FINANCIAL ASSETS - LOANS	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>Loan</b>		
Loan to subsidiary	850.00	-
	<b>850.00</b>	<b>-</b>

7. INCOME TAX	(₹ in Lakhs)			
	As at 31st March, 2022	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2023
<b>(A) Major components of deferred tax liabilities /(assets) arriving on account of timing difference are as follow</b>				
<b>As at 31st March, 2023</b>				
Fixed assets: Impact of difference between WDV as per income tax act and as per books of accounts	1,303.30	(419.32)	-	883.98
Fair value on unquoted investment	-	-	-	-
MAT credit entitlement	-	-	-	-
Expense allowable for tax on payment	(291.99)	64.09	(0.78)	(228.68)
Carry forward capital losses	(70.69)	-	-	(70.69)
	<b>940.61</b>	<b>(355.23)</b>	<b>(0.78)</b>	<b>584.60</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## As at 31st March, 2022

	As at 31st March, 2021	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2022
Fixed assets: Impact of difference between WDV as per income tax act and as per books of accounts	1,245.54	57.76	-	1,303.30
Fair value on unquoted investment	-	-	-	-
MAT credit entitlement	(0.01)	-	(0.01)	-
Expense allowable for tax on payment	(195.83)	(36.27)	(59.89)	(291.99)
Carry forward capital losses	(70.69)	-	-	(70.69)
	<b>979.01</b>	<b>21.49</b>	<b>(59.89)</b>	<b>940.61</b>

## (B) Income taxes

## Major component of tax expenses for the year are as under

## (i) Income tax recognised in the statement of profit and loss

	As at 31st March 2023	as at 31st March 2022
Current tax	4,282.26	2,413.14
Income tax for prior years	(386.54)	-
Deferred tax	(355.23)	21.49
	<b>3,540.49</b>	<b>2,434.63</b>

## (ii) Income tax recognised in OCI

Income tax expenses on remeasurement of defined employee benefits plans	(0.78)	(59.89)
Income tax expenses on remeasurement of financial instruments	-	-
	<b>(0.78)</b>	<b>(59.89)</b>
	<b>3,539.71</b>	<b>2,374.74</b>

## (C) Reconciliation of tax expenses and the accounting profit for the year is as under

	As at 31st March 2023	As at 31st March 2022
Profit before tax	28,095.25	10,999.82
Income tax expenses @ 25.17% (P.Y. @ 34.94%)	7,071.01	3,843.43
Tax effect on non deductible expenses	87.09	52.25
Effect of income which is tax at special rate	(5.76)	(4.43)
Effect of income exempted from tax	-	-
Tax effect for deduction u/s 80IC	-	-
Tax effect for deduction u/s 80G	-	(13.65)
Tax effect for deduction u/s 80M	(2,953.25)	(688.82)
Tax effect for deduction u/s 80JJAA	(3.08)	-
Tax effect for exemption u/s 10AA	-	(773.60)
Tax effect of research and development expenses	-	(9.15)
Interest	86.25	7.11
Income tax for prior years	(386.54)	-
Other	(355.23)	21.49
	<b>3,540.49</b>	<b>2,434.63</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

8. OTHER NON CURRENT ASSETS	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>(Unsecured, considered good unless otherwise stated)</b>		
(a) Capital advances	482.35	372.24
(b) Advances other than capital advances Balance with statutory authorities	39.78	43.50
	<b>522.13</b>	<b>415.74</b>

9. INVENTORIES	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>(At lower of cost and net realisable value)</b>		
(a) Raw materials	16,289.95	12,591.62
(b) Packing materials	254.84	283.73
(c) Work-in-progress	4,190.47	3,894.48
(d) Finished goods	2,735.91	1,646.75
(e) Stores and spares	1,333.18	1,140.57
(f) Loose tools	66.44	59.09
	<b>24,870.79</b>	<b>19,616.24</b>

The carrying amount of inventories are hypothecated as security for borrowings (refer note 18).

10. TRADE RECEIVABLES	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Trade receivables - unsecured		
(i) Considered good *	23,178.75	19,456.47
(ii) Considered doubtful	-	-
	<b>23,178.75</b>	<b>19,456.47</b>
Less: Expected credit loss	(39.90)	(35.79)
	<b>23,138.85</b>	<b>19,420.68</b>

\* Includes balances with related parties. (refer note 36)

\* The carrying amount of trade receivables are hypothecated as security for borrowings. (refer note 18)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## Trade Receivables as at 31st Mar 2023

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	16,827.43	6,021.37	209.47	-	-	-	23,058.28
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	-	27.82	19.54	7.07	15.41	69.84
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	10.74	10.74
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	<b>16,827.43</b>	<b>6,021.37</b>	<b>237.29</b>	<b>19.54</b>	<b>7.07</b>	<b>26.15</b>	<b>23,138.85</b>

## Trade Receivables as at 31st Mar 2022

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	15,235.29	3,970.37	92.47	-	-	2.84	19,300.97
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	-	60.11	25.71	13.57	9.58	108.97
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	10.74	10.74
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	<b>15,235.29</b>	<b>3,970.37</b>	<b>152.58</b>	<b>25.71</b>	<b>13.57</b>	<b>23.16</b>	<b>19,420.68</b>

## 11. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
<b>(A) Cash and cash equivalents</b>		
Balances with banks in current accounts	570.26	1,116.55
Cash on hand	3.91	5.13
In deposit accounts*	-	-
	<b>574.17</b>	<b>1,121.68</b>
<b>(B) Bank balances other than (A) above</b>		
<b>Other bank balance</b>		
In deposit accounts #	650.00	5,231.11
Term deposit held as margin money against bank guarantee	32.40	31.29
In unpaid dividend accounts (earmarked balances)##	347.91	330.37
	<b>1,030.31</b>	<b>5,592.77</b>

\* This represents deposits with original maturity of less than or equal to 3 months.

# This represents deposits with original maturity of more than 3 months but less than 12 months.

## These balances we can utilised only towards settlement of unclaimed dividend/dividend payable.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(₹ in Lakhs)		
	As at 31st March 2023	As at 31st March 2022
<b>12. OTHER CURRENT FINANCIAL ASSETS</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Interest accrued on deposit with banks	5.63	156.25
Security deposits	32.20	48.96
Advances to employees	13.98	14.44
	<b>51.81</b>	<b>219.65</b>
<b>13. OTHER CURRENT ASSETS</b>		
Prepaid expenses	69.77	53.46
Balances with statutory authorities	254.73	521.97
Advances to vendors	824.56	594.47
Others	0.14	0.15
	<b>1,149.20</b>	<b>1,170.05</b>
<b>14. EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
15,20,00,000 (P.Y. 15,20,00,000) equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up capital</b>		
7,15,18,650 (P.Y. 7,15,18,650) equity shares of ₹ 2 each fully paid	1,430.37	1,430.37
	<b>1,430.37</b>	<b>1,430.37</b>
<b>(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>		
	<b>Nos. of shares</b>	
	As at 31st March 2023	As at 31st March 2022
<b>Equity shares at the beginning of the year</b>	7,15,18,650	7,15,18,650
Add:- share issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>7,15,18,650</b>	<b>7,15,18,650</b>
<b>Share Capital</b>		
	<b>(₹ in Lakhs)</b>	
	As at 31st March 2023	As at 31st March 2022
<b>Balance at the beginning of the year</b>	1,430.37	1,430.37
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,430.37</b>	<b>1,430.37</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**(b) Terms/rights attached to each equity share**

- (i) The Company has only one class of share referred to as equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. Payment of dividend is also made in foreign currency to shareholders outside India. In the unlikely event of the liquidation of the Company the equity shareholders are eligible to receive the residual value of the assets of the Company if any after preferential amount are paid off, in the proportion of their shareholding in the Company.
- (ii) Over the period of five years immediately preceding 31st March, 2023 and 31st March, 2022, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

**(c) Share in the Company held by each shareholder holding more than 5% shares specifying the no. of shares**

Name of share holder	Nos. In Lakhs (Holding in %)	
	As at 31st March 2023	As at 31st March 2022
Mr. Samir K. Patel	50.17 (7.01%)	50.17 (7.01%)
Mr. Mehul K. Patel	386.84 (54.09%)	386.84 (54.09%)

**Shares held by promoters at the end of the year 31st Mar 2023**

Name of Promoters	No. of Shares	% of total shares	% change during the year 2022-23
Mrs. Hasumati Kanubhai Patel	14,79,387	2.07	-
Banco Aluminium Limited	5,96,330	0.83	-
Mr. Mehul Kanubhai Patel	3,86,83,933	54.09	-
Mr. Sharan Mehul Patel	2,00,000	0.28	0.28
Mr. Shivam Mehul Patel	65,000	0.09	0.09
Mr. Samir Kanubhai Patel	50,16,997	7.01	-
Mrs. Gayatri Mehul Patel	10,66,765	1.49	(0.37)
Mrs. Monal Samirbhai Patel	13,12,193	1.83	-
Mrs. Pritty Vimal Patel	1,29,387	0.18	-
	<b>4,85,49,992</b>	<b>67.87</b>	-

**Shares held by promoters at the end of the year 31st Mar 2022**

Name of Promoters	No. of Shares	% of total shares	% change during the year 2021-22
Mrs. Hasumati Kanubhai Patel	14,79,387	2.07	-
Banco Aluminium Limited	5,96,330	0.83	-
Mr. Mehul Kanubhai Patel	3,86,83,933	54.09	-
Mr. Samir Kanubhai Patel	50,16,997	7.01	-
Mrs. Gayatri Mehul Patel	13,31,765	1.86	-
Mrs. Monal Samirbhai Patel	13,12,193	1.83	-
Mrs. Pritty Vimal Patel	1,29,387	0.18	-
	<b>4,85,49,992</b>	<b>67.87</b>	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 15. OTHER EQUITY

As on 31st March 2023

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2022	1,200.31	0.77	54.14	12,217.69	53,769.10	(128.53)	67,113.48
Profit for the year	-	-	-	-	24,554.76	-	24,554.76
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>78,323.86</b>	<b>(128.53)</b>	<b>91,668.24</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(2.30)	(2.30)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-
Reclassification of profit on sale of unquoted investment measured at FVTOCI	-	-	-	-	-	-	-
Final dividend of FY 2021-22	-	-	-	-	(14,303.74)	-	(14,303.74)
Interim dividend of FY 2022-23	-	-	-	-	(5,721.48)	-	(5,721.48)
<b>Balance at the end of the reporting period i.e. 31st March, 2023</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>58,298.64</b>	<b>(130.83)</b>	<b>71,640.72</b>

As on 31st March 2022

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2021	1,200.31	0.77	54.14	12,217.69	46,634.29	(17.03)	60,090.17
Profit for the year	-	-	-	-	8,565.19	-	8,565.19
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>55,199.48</b>	<b>(17.03)</b>	<b>68,655.36</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(111.50)	(111.50)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-
Reclassification of profit on sale of unquoted investment measured at FVTOCI	-	-	-	-	-	-	-
Final dividend of FY 2020-21	-	-	-	-	(1,430.38)	-	(1,430.38)
<b>Balance at the end of the reporting period i.e. 31st March, 2022</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>53,769.10</b>	<b>(128.53)</b>	<b>67,113.48</b>

1 **Securities premium**

Securities premium reserve represents premium received on equity share issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

2 **Capital reserve**

Capital reserve represent reserve created pursuant to the business combinations upto year end.

3 **Revaluation reserve**

Revaluation reserve represents reserve created on revaluation of some of Property, Plant and Equipment (PPE) of the Company which can be transfer to General reserve only on disposal of those assets.

4 **General reserve**

General reserve is created from time to time by transferring profits from retain earning and can be utilised for purposes such as dividend pay out, bonus issued etc. and it is not an item of other comprehensive income.

5 **Other Comprehensive Income (OCI)**

OCI presents the cumulative gain and losses arising on the revaluation of equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI), under an irrevocable options, net of amount reclassified to retained earnings when such assets are disposed off.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**16. NON CURRENT PROVISIONS (₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 32)	380.23	371.14
Provision for leave encashment (refer note 32)	397.42	358.18
	<b>777.65</b>	<b>729.32</b>

**17. NON CURRENT LIABILITIES (₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Deferred income arising from government grants	21.49	22.46
	<b>21.49</b>	<b>22.46</b>

**18. CURRENT BORROWINGS (₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
<b>Loans repayable on demand- secured</b>		
Working Capital Facilities from banks *	23.21	4.14
	<b>23.21</b>	<b>4.14</b>

\* Working capital facilities are secured against first charges on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating banks.

\* Working capital facility carry interest @ 8.65% to 8.95% (P.Y. 7.30% to 8.00%)

**19. TRADE PAYABLES (₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Due to micro and small enterprises (refer note 34)	298.86	276.32
Due to others	8,707.63	7,319.45
	<b>9,006.49</b>	<b>7,595.77</b>

**Trade payables ageing schedule for the year ended as on 31st Mar 2023 (₹ in Lakhs)**

	Outstanding for the following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	298.86	-	-	-	298.86
(ii) Others	6771.66	1,882.32	25.56	4.55	23.54	8,707.63
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
	<b>6,771.66</b>	<b>2,181.18</b>	<b>25.56</b>	<b>4.55</b>	<b>23.54</b>	<b>9,006.49</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## Trade payables ageing schedule for the year ended as on 31st Mar 2022 (₹ in Lakhs)

	Outstanding for the following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	276.32	-	-	-	276.32
(ii) Others	5,495.04	1,792.30	17.95	14.16	-	7,319.45
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
	<b>5,495.04</b>	<b>2,068.62</b>	<b>17.95</b>	<b>14.16</b>	-	<b>7,595.77</b>

## 20. OTHER FINANCIAL LIABILITIES (₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Unclaimed/unpaid dividend	347.91	330.37
Advance received from customers	9.68	16.83
	<b>357.59</b>	<b>347.20</b>

## 21. OTHERS CURRENT LIABILITIES (₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
<b>Other payables</b>		
Statutory liabilities	383.46	163.13
Deferred income arising from government grants	0.98	0.98
	<b>384.44</b>	<b>164.11</b>

## 22. CURRENT PROVISIONS (₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 32)	70.43	64.26
Provision for leave encashment (refer note 32)	60.55	42.02
	<b>130.98</b>	<b>106.28</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

23. REVENUE FROM OPERATIONS		(₹ in Lakhs)	
		2022-23	2021-22
<b>(a) Sale of products</b>			
Finished goods (net of returns and discounts)		97,940.27	77,222.22
		<b>97,940.27</b>	<b>77,222.22</b>
<b>(b) Other operating revenue</b>			
Scrap sales		2,219.89	1,914.24
Export incentives		219.23	383.74
Grant income		-	1.22
		<b>1,00,379.39</b>	<b>79,521.42</b>
<b>Revenue from contracts with customers disaggregated based on geography</b>			
(a) Domestic		70,971.50	53,125.64
(b) Exports		26,968.77	24,096.58
	<b>Total revenue from operation</b>	<b>97,940.27</b>	<b>77,222.22</b>
<b>(c) Reconciliation of gross revenue from contracts with customers</b>			
Gross revenue		99,039.41	77,933.83
Less : Commission & discount		973.90	403.44
Less : Return/rejection/shortage/deduction		123.99	307.33
Less : Deduction for rework/rectification/price difference		1.25	0.84
	<b>Net revenue recognised from contracts with customers</b>	<b>97,940.27</b>	<b>77,222.22</b>
24. OTHER INCOME		(₹ in Lakhs)	
		2022-23	2021-22
<b>(a) Interest income</b>			
(i) On deposit with banks		110.64	261.35
(ii) Other		15.85	68.97
<b>(b) Dividend income</b>			
(i) From subsidiary companies		11,734.16	1,971.22
<b>(c) Other receipts</b>			
(i) Profit on sale of property, plant and equipment (net)		22.88	12.67
(ii) Insurance claim received		58.75	29.59
(iii) Lease rent		16.77	15.86
(iii) Others		77.96	1.71
<b>(d) Other gain and losses</b>			
(i) Net gain on foreign currency transaction		1,206.65	559.18
(ii) Net gain arising on financial assets measured at FVTPL		-	-
		<b>13,243.66</b>	<b>2,920.55</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

<b>25. COST OF MATERIALS CONSUMED</b>		<b>(₹ in Lakhs)</b>	
	2022-23	2021-22	
Opening stock	12,875.35	11,137.60	
Add: Purchases during the year	67,192.89	54,473.82	
	<b>80,068.24</b>	<b>65,611.42</b>	
Less: Closing stock	16,544.79	12,875.35	
	<b>63,523.45</b>	<b>52,736.07</b>	
<b>26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		<b>(₹ in Lakhs)</b>	
	2022-23	2021-22	
<b>Inventories at the end of the year</b>			
Work-in-progress	4,190.47	3,894.48	
Finished goods (Including goods in transit)	2,735.91	1,646.75	
	<b>6,926.38</b>	<b>5,541.23</b>	
<b>Inventories at the beginning of the year</b>			
Work-in-progress	3,894.48	2,232.74	
Finished goods (Including goods in transit)	1,646.75	1,079.33	
	<b>5,541.23</b>	<b>3,312.07</b>	
<b>Changes in inventories of finished goods and work in progress</b>	<b>(1,385.15)</b>	<b>(2,229.16)</b>	
<b>27. EMPLOYEE BENEFIT EXPENSES</b>		<b>(₹ in Lakhs)</b>	
	2022-23	2021-22	
Salaries and wages	4,507.54	3,692.65	
Contribution to provident and other funds	379.89	309.88	
Staff welfare expenses	254.02	237.44	
	<b>5,141.45</b>	<b>4,239.97</b>	
<b>28. FINANCE COST</b>		<b>(₹ in Lakhs)</b>	
	2022-23	2021-22	
Interest on financial liabilities carried at amortised cost	11.10	6.03	
Interest-others	2.65	7.94	
Bank charges	20.75	22.12	
	<b>34.50</b>	<b>36.09</b>	

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**29. OTHER EXPENSES**
**(₹ in Lakhs)**

	2022-23	2021-22
Consumption of stores, spares and loose tools	624.74	663.35
Power and fuel	2,728.60	2,000.75
Labour charges	6,032.73	5,325.60
Repair and maintenance		
Plant and machinery	509.28	475.38
Electric installation	111.45	91.46
Buildings	357.91	280.74
Sundry repairs	0.04	0.99
Factory general expenses	207.56	220.30
Insurance premium on assets	39.63	36.63
Audit fees	8.93	8.14
Rent rates and taxes	134.62	144.58
Postage and courier	11.12	33.21
Telephone expenses	15.88	17.48
Travelling and conveyance	236.09	131.56
Legal & professional expenses	267.77	235.28
Miscellaneous expenses	257.30	186.87
Director's sitting fees and commission	22.29	25.26
Expenditure towards corporate social responsibility activities (refer note 39)	440.79	505.69
Donation	3.00	1.76
Other selling expenses	186.89	158.30
Freight and transport (net)	3,905.96	4,141.79
	<b>16,102.58</b>	<b>14,685.12</b>

**30. EARNING PER SHARE (EPS)**

	2022-23	2021-22
Profit after tax available for equity shareholders (₹ in lakhs)	24,554.76	8,565.19
Weighted average number of equity shares (in Nos.)	7,15,18,650	7,15,18,650
Basic and diluted earnings per share (Face value per share ₹ 2/- each)	34.33	11.98

**31. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts net of advances remaining to be executed on capital accounts	1,603.01	1,035.81
Guarantees issued by bank to third party	640.91	363.02
Central excise/service tax & custom	954.68	1,111.18
Sales tax	85.44	85.44
Income tax	-	9.30

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**32. 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.

The Company has recognized an amount of ₹ 263.39 lakhs (P.Y. ₹ 229.23 lakhs) as expense under the defined contribution plan in the statement of profit and loss for the year.

**(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**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.35%	6.85%
Salary growth rate	6.00%	6.00%

**Demographic assumptions**

<b>Withdrawal rates (p.a.)</b>	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
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**

<b>Age (in years)</b>	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

**Amount recognized in statement of profit and loss account for the period****(₹ in Lakhs)**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Service cost</b>		
Current service cost	64.26	45.53
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	27.62	14.80
<b>Total charge to statement of profit and loss</b>	<b>91.88</b>	<b>60.33</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

<b>Amount recognized in other comprehensive income for the period</b>		<b>(₹ in Lakhs)</b>	
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>	
<b>Components of actuarial gain/losses on obligations</b>			
Due to change in financial assumptions	(24.91)	(21.55)	
Due to change in demographic assumption	-	-	
Due to experience adjustments	25.92	191.97	
Return on plan assets excluding amounts included in interest income	2.07	0.97	
<b>Amounts recognized in other comprehensive income</b>	<b>3.08</b>	<b>171.39</b>	
<b>Reconciliation of defined benefit obligation</b>		<b>(₹ in Lakhs)</b>	
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>	
Opening defined benefit obligation	721.33	527.39	
Transfer in/(out) obligation	-	-	
Current service cost	64.26	45.53	
Interest cost	47.13	32.09	
<b>Components of actuarial gain/losses on obligations</b>			
Due to change in financial assumptions	(24.91)	(21.55)	
Due to change in demographic assumption	-	-	
Due to experience adjustments	25.92	191.97	
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	(44.20)	(54.10)	
<b>Closing defined benefit obligation</b>	<b>789.53</b>	<b>721.33</b>	
<b>Reconciliation of defined plan assets</b>		<b>(₹ in Lakhs)</b>	
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>	
Opening value of plan assets	285.96	273.45	
Transfer in/(out) plan assets	-	-	
Expenses deducted from the fund	-	-	
Interest income	19.51	17.30	
Return on plan assets excluding amounts included in interest income	(2.07)	(0.97)	
Assets distributed on settlements	-	-	
Contributions by employer	79.69	50.28	
Assets acquired in an amalgamation in the nature of purchase	-	-	
Exchange differences on foreign plans	-	-	
Benefits paid	(44.20)	(54.10)	
Adjustment to the opening fund	-	-	
<b>Closing value of plan assets</b>	<b>338.89</b>	<b>285.96</b>	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**Reconciliation of net defined benefit liability**

(₹ in Lakhs)

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Net opening provision in books of accounts	435.40	253.96
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense	91.88	60.33
Amounts recognized in other comprehensive income	3.08	171.39
<b>Closing value of plan assets</b>	<b>530.36</b>	<b>485.68</b>
Benefits paid by the Company	-	-
Contributions to plan assets	(79.69)	(50.28)
<b>Closing provision in books of accounts</b>	<b>450.67</b>	<b>435.40</b>

**Composition of the plan assets**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Policy of insurance	100%	100%
	<b>100%</b>	<b>100%</b>

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.35%	6.85%
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, 2023 is ₹ 457.97 lakhs (P.Y. 31st March, 2022 is ₹ 400.20 lakhs).

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
(a) Discount rate	7.35%	6.85%
(b) Future salary increase*	6.00%	6.00%
(c) Retirement age (years)	58	58
(d) Mortality table	IALM(2012-14)	IALM(2012-14)
(e) Ages (withdrawal rate)		
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%

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**(d) The maturity profile of defined benefit obligation**

The weighted average duration (years) as at valuation date is 6.85 years.

Expected future cashflows (undiscounted)

	₹	%
Year 1 cash flow	1,05,30,699	7.5
Year 2 cash flow	78,40,565	5.9
Year 3 cash flow	93,23,706	7.0
Year 4 cash flow	1,19,63,855	8.9
Year 5 cash flow	78,98,076	5.9
Year 6 to 10 cash flow	3,51,90,231	26.3

**33. AS AT THE BALANCE SHEET DATE, UNHEDGED FOREIGN CURRENCY RECEIVABLE AND PAYABLE ARE AS BELOW**

Particular	Currency	31st March, 2023		31st March, 2022	
		FC in Lakhs	₹ in Lakhs	FC in Lakhs	₹ in Lakhs
Amount receivable (net) in foreign currency	USD	32.68	2,668.88	42.68	3,212.70
	EUR	44.97	3,977.51	28.44	2,373.67
	GBP	0.26	26.59	0.22	21.46
Amount payable (net) in foreign currency	USD	11.73	960.94	6.53	495.51
	EUR	-	-	0.06	5.20
	GBP	-	-	-	-

**34. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2022-23, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIER" REGARDING THEIR STATUS UNDER THE ACT.**

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Principal amount remaining unpaid	298.86	276.32
Interest due thereon remaining unpaid	-	-
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	-	-
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	-	-
Interest accrued and remaining unpaid	-	-
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	-	-

**Disclosure in case of non-provision of interest due to contractual terms with MSME Vendors can be as under**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said act, As per the intimation received from them on request made by the Company. There are no overdue principle amount/interest payable amounts for delayed payments to such vendors at the balance sheet date. The payment is made to vendors according to terms & conditions mutually agreed to both parties and accordingly there is no delay in payment to these vendors & no interest liability therefore.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**35. SEGMENT INFORMATION**

In accordance with para-4 of Ind AS-108 'Operating Segment', the Company has presented segment information only on the basis of consolidated financial statements (refer note 36 of consolidated financial statements)

**36. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24 - RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT)**

List of related parties with whom the Company has entered into transactions during the year.

**(a) Subsidiaries**
**Direct subsidiaries**

Banco Gaskets (India) Limited

Nederlands Radiateurs Fabrik B.V.

Banco New Energy Cooling Systems Limited (w.e.f. 17th May 2021)

**Indirect subsidiaries**
**(i) Subsidiary of the wholly owned subsidiary, Nederlandse Radiateurs Fabrik B.V., Netherlands**

NRF Thermal Engineering BV

NRF France SARL

NRF Deutschland GmbH

NRF España S.A.

NRF Poland sp.z.o.o.

NRF Italia S.r.l.

NRF Switzerland AG

NRF US Inc.

NRF Thermal Engineering Poland sp.z.o.o.

**(b) Directors**

Mr. Mehul K Patel

Non Executive Non Independent

Mr. Sharan M Patel

Whole Time Director and Non Independent (w.e.f. 22nd April 2021)

**(c) Independent directors**

Mr. Ramkisan A Devidayal

Non Executive Independent Director

Mr. Mukesh D Patel

Non Executive Independent Director

Mr. Devesh A Pathak

Non Executive Independent Director

Mr. Udayan P Patel

Non Executive Independent Director

Mrs. Ameeta V Manohar

Non Executive Independent Director

**(d) Key managerial personnel**
**Name of director/employee**
**Designation**

Mr. Sharan M Patel

Whole Time Director and Non Independent (w.e.f. 22nd April 2021)

Mrs. Himali H Patel

Whole Time Director and CFO Executive Non Independent

Mr. Dinesh Kavthekar

Company Secretary (upto 13th August, 2021)

Ms. Pooja Gurnani

Company Secretary (w.e.f. 14th August, 2021)

**(e) Enterprise in which relatives of Individual (having significant influence in Banco Products India Limited) have control-Identified as per Ind AS 24**

Banco Aluminium Limited

**(f) Trust controlled by relatives of directors**

Banco Products Trust Registration No-E/7946/VADODARA

**(g) Entity in which promoter/promoter group is having controlling interest**

Kilimanjaro Biochem Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

During the year, the following transactions were carried out with related parties and relative of key management personnel in the ordinary course of the business

Nature of Transaction	Subsidiaries		Key Management Personnel		Independent Directors		Enterprise in which relatives of individual (having significant influence in Banco Products India Limited) have control- Identified as per Ind AS 24		Trust Controlled by relatives of directors		Non Independent Directors		Relative of Directors		Entity in which promoter/ promoter group is having controlling interest		
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Purchase of goods	1,200.93	1,050.32	-	-	-	-	-	399.34	487.17	-	-	-	-	-	-	-	-
Purchase of assets	-	32.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of goods	12,391.98	11,196.85	-	-	-	-	-	188.31	561.77	-	-	-	-	-	112.68	63.06	-
Sale of Assets	-	3.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receiving of services	31.23	19.92	-	-	-	-	-	-	1.37	-	-	-	-	-	-	-	-
Rending of service	59.81	53.30	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
Investment in Equity Shares	400.00	440.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan	850.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	15.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key management personnel remuneration	-	-	147.83	90.62	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors sitting fees	-	-	-	-	9.79	12.76	-	-	-	-	-	-	-	-	-	-	-
Directors commission	-	-	-	-	12.50	12.50	-	-	-	-	-	-	-	-	-	-	-
Donation paid	-	-	-	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-
Dividend received	11,794.12	1,971.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	147.68	11.70	150.28	11.93	-	-	-	9,798.75	2,283.60	185.39	-	-	-
Payable at the end of the year (creditors)	32.17	60.52	-	-	-	-	19.43	32.47	-	-	-	-	-	-	-	-	-
Receivable at the end of the year (debtors)	3,780.61	2,153.37	-	-	-	-	25.72	168.05	-	-	-	-	-	-	105.69	41.38	-

\*Key Management Personnel who are under the employment of the Company are entitled to post employment benefits and other long term benefits recognized as per Ind AS-19 on employee benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## SIGNIFICANT RELATED PARTY TRANSACTION

(₹ in Lakhs)

	2022-23	2021-22
<b>Purchase of Goods</b>		
Banco Gaskets (India) Limited	1,199.44	928.54
Banco Aluminium Limited	399.34	487.17
Nederlandse Radiateuren Fabriek B.V.	-	116.35
Other indirect subsidiaries	1.49	5.43
	<b>1,600.27</b>	<b>1,537.49</b>
<b>Purchase of Assets</b>		
Banco Gaskets (India) Limited	-	-
Nederlandse Radiateuren Fabriek B.V.	-	32.67
	-	<b>32.67</b>
<b>Sale of Assets</b>		
Banco Gaskets (India) Limited	-	3.08
	-	<b>3.08</b>
<b>Shares Investment</b>		
Banco New Energy Cooling Systems Limited	400.00	440.00
	<b>400.00</b>	<b>440.00</b>
<b>Loan</b>		
Banco New Energy Cooling Systems Limited	850.00	-
	<b>850.00</b>	-
<b>Interest received</b>		
Banco New Energy Cooling Systems Limited	15.85	-
	<b>15.85</b>	-
<b>Sales of goods</b>		
Nederlandse Radiateuren Fabriek B.V.	3,582.12	2,937.68
NRF Poland Sp.z.o.o.	3,768.59	4,651.08
NRF España S.A.	3,164.92	2,073.61
Banco Aluminium Limited	188.31	561.77
Other indirect subsidiaries	1,876.35	1,534.48
Kilimanjaro Biochem Limited	112.68	63.06
	<b>12,692.97</b>	<b>11,821.68</b>
<b>Receiving of service</b>		
Banco Aluminium Limited	-	1.37
Banco Gaskets (India) Limited	31.23	19.92
	<b>31.23</b>	<b>21.29</b>
<b>Rendering of service</b>		
Banco Gaskets (India) Limited	50.13	46.64
Nederlandse Radiateuren Fabriek B.V.	9.68	6.66
Banco Aluminium Limited	0.01	-
	<b>59.82</b>	<b>53.30</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**Remuneration to key managerial person**

Mr. Sharan M Patel	115.76	61.62
Mrs.Himali H Patel	24.41	22.58
Mr. Dinesh Kavthekar	-	2.01
Ms. Pooja Gurnani	7.66	4.41
	<b>147.83</b>	<b>90.62</b>

**Director's sitting fees paid**

Mr. Devesh A Pathak	2.09	2.20
Mr. Mukesh D Patel	2.09	2.64
Mr. Ramkisan A Devidayal	2.09	2.64
Mr. Udayan P Patel	1.43	2.64
Mrs.Ameeta V Manohar	2.09	2.64
	<b>9.79</b>	<b>12.76</b>

**Commission to directors**

Mr. Devesh A Pathak	1.50	1.50
Mr. Mukesh D Patel	4.00	4.00
Mr. Ramkisan A Devidayal	4.00	4.00
Mr. Udayan P Patel	1.50	1.50
Mrs.Ameeta V Manohar	1.50	1.50
	<b>12.50</b>	<b>12.50</b>

**Dividend paid**

Mr. Mehul K Patel	9,748.35	773.68
Mr. Ramkisan A Devidayal	147.68	11.70
Banco Aluminium Limited	150.28	11.93
Mr. Samir K Patel	1,264.28	100.34
Mr. Sharan M Patel	50.40	-
Others	1,019.32	85.05
	<b>12,380.31</b>	<b>982.70</b>

**Dividend received**

Banco Gaskets (India) Limited	2,974.96	-
Nederlandse Radiateuren Fabriek B.V.	8,759.16	1,971.22
	<b>11,734.12</b>	<b>1,971.22</b>

**Donation Paid**

Banco Product Trust	0.50	-
	<b>0.50</b>	<b>-</b>

**37. AUDITORS FEES AND EXPENSES**
**(₹ in Lakhs)**

Payment to auditors	2022-23	2021-22
<b>As Auditor</b>		
Audit fees	5.00	5.00
<b>In other capacity</b>		
(i) Other services (certification fees)	3.68	2.89
(ii) Out of pocket expenses	0.25	0.25
	<b>8.93</b>	<b>8.14</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 38. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lakhs)

	2022-23	2021-22
<b>Capital expenditure</b>		
Building	-	-
Plant & machinery	14.61	22.26
Software	54.67	0.21
Office equipment	0.23	0.22
Furniture & fixture	-	3.48
<b>Total capital expenditure</b>	<b>69.51</b>	<b>26.17</b>
<b>Revenue expenditure</b>		
Salary and wages	284.54	216.36
Material consumption	89.77	86.92
Manufacturing & administration expense	35.78	34.59
Depreciation	63.85	52.75
Total revenue expenditure	473.94	390.62
<b>Total research and development expenses</b>	<b>543.45</b>	<b>416.79</b>

## 39. EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII THERE OF

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
a) Shortfall/(Excess) at the beginning of the year	(326.27)	-
b) Amount required to be spent by the company during the year	178.98	179.42
c) Amount of expenditure incurred	440.79	505.69
d) Shortfall/(Excess) at the end of the year	(588.08)	(326.27)
e) Total of previous year shortfalls	-	-
f) Reason for shortfall	-	-
g) Nature of CSR activities	Promotion of Education, Skill & Employment, Livelihood of People, Health & Hygiene	
h) Details of related party transactions (contribution to a trust controlled by the company)	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**40. RATIO ANALYSIS**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% Variance	Reason for variance
Current ratio	Current assets	Current liabilities	5.13	5.74	-10.55	
Debt equity ratio	Long term debt	Shareholders equity	-	-	-	
Debt service coverage ratio	Profit before depreciation, interest & tax	Interest charges	876.54	360.49	143.16	Reduction in borrowing
Return on equity ratio	Profit after tax	Average shareholders equity	34.68	13.17	163.30	Rise in other income
Inventory turnover ratio	Net sales	Average inventories	4.40	4.39	0.28	
Trade receivable turnover ratio	Net sales	Average account receivables	4.60	4.26	8.10	
Trade payable turnover ratio	Net purchases	Average trade payables	8.09	6.40	26.39	Effective working capital management
Capital turnover ratio	Net sales	Average working capital	2.45	2.11	16.16	
Net profit ratio	Profit after tax	Net sales	25.07	11.09	126.04	Rise in other income
Return on capital employed	Profit before interest & tax	Capital employed	38.18	15.88	140.40	Rise in other income
Return on investment	Dividend income	Average investment	76.52	13.22	478.97	Increase in dividend income

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 41(A) CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Financial assets measured at amortised cost</b>					
Unquoted equity shares subsidiaries / indirect subsidiaries measured at cost	4	15,534.54	15,134.54	-	-
Deposits and government grants	5 / 12	930.02	1,684.69	32.20	48.96
Loans	6	850.00	-	-	-
Trade receivables	10	-	-	23,138.85	19,420.68
Cash and cash equivalents	11	-	-	574.17	1,121.68
Other balances with bank	11	-	-	1,030.31	5,592.77
Interest accrued on deposit with banks	12	-	-	5.63	156.25
Other current financial assets	12	-	-	13.98	14.44
		<b>17,314.56</b>	<b>16,819.23</b>	<b>24,795.14</b>	<b>26,354.78</b>
<b>Financial liabilities measured at amortised cost</b>					
Cash credit from banks	18	-	-	23.21	4.14
Trade payables	19	-	-	9,006.49	7,595.77
Unclaimed/unpaid dividend	20	-	-	347.91	330.37
Advance received from customers	20	-	-	9.68	16.83
		-	-	<b>9,387.29</b>	<b>7,947.11</b>

## (B) FAIR VALUE MEASUREMENTS

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables.

## (C) CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31st March 2023, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

## (D) FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks are market risk, credit risk, liquidity risk. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the policy is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**(1) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks are interest rate risk, currency risk and other price risk.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

**(b) Foreign currency risk**

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas markets and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Particulars of unhedged foreign currency exposures as at the reporting date are given as part of note 33.

The below table demonstrates the sensitivity to a 5% increase or decrease in the foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

	(₹ in Lakhs)			
	2022-23		2021-22	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	85.40	(85.40)	135.86	(135.86)
EUR	198.88	(198.88)	118.42	(118.42)
GBP	1.33	(1.33)	1.07	(1.07)
Increase/(decrease) in profit and loss	285.60	(285.60)	255.36	(255.36)

**(2) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company's exposure are continuously monitored.

The Company's credit period generally ranges from 30-90 days.

The Movement in credit loss allowance on customer balance is as follows :

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Balance at the beginning	35.79	18.38
Impairment loss recognized/(reversed), net	4.11	17.41
Amounts written off	-	-
Translation differences	-	-
<b>Balance at the end</b>	<b>39.90</b>	<b>35.79</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**(3) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company consistently generates sufficient cash flow from operations to meet its financial obligations as and when they fall due.

The tables below provides detail regarding the contractual maturities of significant financial liabilities As at 31st March 2023 and 31st March, 2022.

	(₹ in Lakhs)		
	As at 31st March 2023		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	23.21	-	-
Trade payables	8,952.84	25.56	28.09
Other financial liabilities (current and non current)	357.59	-	-

	(₹ in Lakhs)		
	As at 31st March 2022		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	4.14	-	-
Trade payables	7,563.66	17.95	14.16
Other financial liabilities (current and non current)	347.20	-	-

\* The significant financial liabilities payable on demand is shown under less than 1 year.

**42. DIVIDEND INCOME FROM SUBSIDIARIES**

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Banco Gaskets (India) Limited	2,974.99	-
Nederlandse Radiateuren Fabriek B.V.	8,759.17	1,971.22
	<b>11,734.16</b>	<b>1,971.22</b>

**43. LEASES**

The company has applied Ind AS 116 using the modified retrospective approach.

**As Lessee****Amounts recognised in statement of profit and loss**

	(₹ in Lakhs)	
	2022-23	2021-22
Expenses relating to short-term leases (Included in other selling expenses - refer note 29)	<b>104.59</b>	<b>130.58</b>

**Amounts recognised in the statement of cash flows**

	(₹ in Lakhs)	
	2022-23	2021-22
<b>Total cash outflow for leases</b>	<b>104.59</b>	<b>130.58</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**As Lessor**

The Company has entered into operating leases on its buildings and plant & machinery. These leases have terms of between five and nine years. All leases include a clause to enable upward revision of the rental charge on an annual basis as per agreed terms. The total rents recognised as income during the year is ₹ 16.77 lakhs (P.Y. 31st March, 2022 ₹ 15.86 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows.

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Within one year (Monthly Rent) (Lease income is included in Sale of Services - Refer Note 24)	1.35	1.29

**44. GOVERNMENT GRANTS**

The Company has a unit in Telangana. The Company is eligible for government grants in accordance with the T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) Incentive Scheme 2014, the Company is eligible for following grants with reference to the unit established in Telangana.

- (a) 100% of reimbursement of stamp duty and transfer duty paid on purchase of land, 25% rebate in land cost in Industrial Parks and 15% investment subsidy subject to a maximum capital of ₹ 20 lakhs. Accordingly, the Company has recognized deferred grant of ₹ 29.30 lakhs, which is recognized as income on a straight line basis over the period of scheme of 30 years. An amount of ₹ 0.98 lakhs is recognized as income under Other Income in note 24. An amount of ₹ 22.47 lakhs remains unamortized As at 31st March 2023, which is reflected under note 17 non-current liabilities and note 21 other current liabilities.
- (b) Reimbursement of 100% of net VAT/CST/SGST for a period of 5 years from the date of commencement of commercial production. Accordingly, the Company has recognized an income of NIL (P.Y. ₹ NIL), being the amount of refund of net SGST paid by the Company to the Government of Telangana.

45. There is a no substantial difference in stock data provided to bankers vis-à-vis stock data as per financial statement.

46. Previous year's figures have been regrouped /reclassified wherever necessary.

## INDEPENDENT AUDITORS' REPORT

To,  
**THE MEMBERS,  
 BANCO PRODUCTS (INDIA) LIMITED  
 VADODARA**

### Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **BANCO PRODUCTS (INDIA) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated Profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated 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 together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matters

	Key Audit Matters	Auditors' Response
1	<b>Revenue Recognition</b>	
	The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.	Audit procedures included the following: <ul style="list-style-type: none"> <li>• Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the incoterms in accordance with Ind AS 115.</li> </ul>

<p>The risk is, therefore, that revenue is not recognized in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying supporting documents.</li> <li>Assessed the relevant disclosures made in the consolidated Ind AS financial statements.</li> </ul>
<p><b>2 Valuation of Inventory</b></p>	
<p>As disclosed in Note 9 [Inventories] to the Consolidated financial statements, the Group holds Inventories of ₹ 98,969.32 lakhs which represent 53.75% of total assets of the Group as at the Balance sheet date. Considering the number of locations and the level of inventory held across its factories, as well as the physical verification of inventory at these locations on different dates, the potential risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance.</p> <p>Inventories are valued at the lower of cost and net realisable value. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory.</p>	<p>Our audit procedures to verify the existence of inventories consisted of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that are performed by the management at various point in time at their factories of Holding Company.</p> <p>As required under SA 501 "Audit Evidence - Additional Considerations for Specific Items", we have observed the physical verification of Inventory, conducted by management, in certain factories selected by us based on our professional judgment. Our procedures in this regard included:</p> <ul style="list-style-type: none"> <li>observing compliance of stock count instructions by management personnel; observing steps taken by management to ascertain the existence of inventory on the date of the count,</li> <li>performing independent inventory counts on sample basis and reconciling the same to the management counts and reviewing the reconciliation of the differences in inventory quantity between the physical count and the books of accounts, and</li> </ul> <p>We tested sample of inventory purchases throughout the audit period with purchase invoice and other supporting documents to ensure if the inventory is valued as per the Company's accounting policy.</p> <p>We performed cut off testing for purchase and sales transactions made near the reporting date to assess whether transactions are recorded in the correct period by testing shipping records, sales / purchase invoices, etc., for sample transactions.</p>

#### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, Board's Report including Annexure to Board's Report, Business Responsibility and Sustainability Report, Report on Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, the Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Director's Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive

income, changes in equity and cash flows of the Group in accordance with the Indian Accounting Standards (“Ind AS”) and other accounting principles generally accepted in India. The Respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Director of each company included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each company.

#### **Auditors’ Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also,

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the

other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other companies included in the consolidated financial statements of which we are independent auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements/consolidated financial information of subsidiary Companies; whose financial statements/ consolidated financial information reflect total assets of ₹ 1,13,173.80 Lakhs as at 31st March, 2023, total revenues of ₹ 37,565.64 Lakhs and ₹ 1,46,485.61 Lakhs, total net profit after tax of ₹ 2,360.23 Lakhs and ₹ 12,851.89 Lakhs and other comprehensive income of ₹ 2.91 Lakhs and ₹ (3.70) Lakhs for the quarter ended 31<sup>st</sup> March, 2023 and for the year ended 31<sup>st</sup> March, 2023, respectively, and net cash inflow of ₹ (-) 46.05 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements/ Consolidated Financial Statements/consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and Other Financial Statements and other information certified by the management.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give the statement if applicable.
2. **A.** As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate Financial Statements of the Subsidiary Company incorporated in India, referred to in "Other Matters" above, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement including consolidated Other Comprehensive Income, consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding company as on March 31, 2023 taken on record by the Board of Directors of the Holding company and on the basis of written representation received by the management from the directors of its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**” which is based on the auditor’s reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- B.** 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:
- a) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the group.
- b) The Group did not have any long-term contracts including derivative contracts; for which any there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d)(i) and (d)(ii) contain any material mis-statement.
- e) As per standalone financial statements:
- (i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.



- (ii) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
  - (iii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
  - f) The Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- C. 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 Holding Company to its director during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. 118493W

**CA. Sharadkumar G. Kothari**  
Partner  
Mem. No. 168227  
UDIN: 23168227BGMTZT9783

**VADODARA, 20<sup>th</sup> May 2023**

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Banco Products (India) Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial controls

The respective Board of Directors of the Holding Company and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries which are incorporated in India, 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 internal financial controls over financial reporting of the Holding Company and its subsidiaries which are incorporated in India 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”) issued by ICAI 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. Those Standards and the Guidance Notes 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 control systems 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 risk of material misstatement of the 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 of the Company.

#### 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 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of inherent limitations of internal financial controls with reference to consolidated financial statements including the possibility of collusion or improper managements 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 with reference to consolidated financial statements 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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries which are incorporated in India 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 31st March 2023, 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 ICAI.

**For PARIKH SHAH CHOTALIA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 118493W**

**CA. Sharadkumar G. Kothari  
PARTNER  
Mem. No. 168227  
UDIN: 23168227BGVTZT9783**

**VADODARA, 20<sup>th</sup> May, 2023**



# CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> March, 2023**

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31st March, 2023	AS AT 31st March, 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	22,279.25	18,547.61
Capital work-in-progress		1,847.00	1,491.82
Right of use assets	3	12,774.24	10,099.31
Other intangible assets	3	851.93	1,003.71
Financial assets			
Investments	4	-	51.43
Other financial assets	5	1,381.22	2,238.41
Deferred tax assets	6	2,914.89	3,021.86
Income tax assets (net of provision)	7	49.68	-
Other non current assets	8	718.87	648.94
		<b>42,817.08</b>	<b>37,103.09</b>
<b>Current assets</b>			
Inventories	9	99,489.61	72,048.61
Financial assets			
Trade receivables	10	41,349.04	32,425.05
Cash and cash equivalents	11A	701.99	1,295.55
Balances with banks other than 11A above	11B	1,130.81	6,861.26
Other financial assets	12	54.71	246.75
Other current assets	13	2,825.90	3,203.60
		<b>1,45,552.06</b>	<b>1,16,080.82</b>
		<b>1,88,369.14</b>	<b>1,53,183.91</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,430.37	1,430.37
Other equity	15	98,719.73	96,741.98
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Financial liabilities			
Long term borrowing	16	3,830.91	529.35
Lease liabilities		10,876.13	7,833.08
Provisions	17	1,067.19	987.19
Deferred tax liabilities	6	7,399.38	7,826.46
Income tax liability (net of advance tax)	7	-	1,237.78
Other non current liabilities	18	26.97	27.94
		<b>1,23,350.68</b>	<b>1,16,614.15</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	25,325.66	1,453.99
Lease liabilities		1,724.15	1,704.65
Trade payables	20		
Due to micro and small enterprise		301.78	312.06
Due to others		34,600.91	30,011.51
Other financial liabilities	21	1,947.24	2,076.47
Other current liabilities	22	962.29	870.32
Provisions	23	156.43	140.76
		<b>65,018.46</b>	<b>36,569.76</b>
		<b>1,88,369.14</b>	<b>1,53,183.91</b>
<b>Total equity and liabilities</b>			
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached  
For Parikh Shah Chotalia & Associates

Chartered Accountants  
FRN 118493W

CA Sharad G Kothari  
Partner  
Membership No. 168227

Place : Vadodara  
Date : 20.05.2023

For and on behalf of the board

Mehul K. Patel  
Chairman  
DIN 01772099

Ameeta V. Manohar  
Director  
DIN 00903232

Ramkisan A. Devidayal  
Director  
DIN 00238853

Udayan P. Patel  
Director  
DIN 00598313

Mukesh D. Patel  
Director  
DIN 00009605

Sharan M. Patel  
Whole Time Director  
DIN 09151194

Devesh A. Pathak  
Director  
DIN 00017515

Himali H. Patel  
Whole Time Director and  
CFO  
DIN 07081636

Pooja Gurnani  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(₹ in Lakhs)

PARTICULARS	Note No.	2022-23	2021-22
Revenue from operations	24	2,33,182.32	1,95,784.67
Other income	25	1,567.96	515.05
<b>Total revenue</b>		<b>2,34,750.28</b>	<b>1,96,299.72</b>
<b>Expenses</b>			
Cost of materials consumed	26	1,55,866.48	1,30,108.98
Changes in inventories of finished goods & work-in-progress	27	(22,091.37)	(13,206.52)
Employee benefit expenses	28	22,928.11	19,610.42
Finance cost	29	1,258.11	525.55
Depreciation and amortisation expenses	30	5,634.78	4,786.84
Other expenses	31	40,071.47	32,098.16
<b>Total expenses</b>		<b>2,03,667.58</b>	<b>1,73,923.43</b>
<b>Profit before exceptional item and tax</b>		<b>31,082.70</b>	<b>22,376.29</b>
Exceptional item		-	-
<b>Profit before tax</b>		<b>31,082.70</b>	<b>22,376.29</b>
<b>Tax expenses</b>	7		
Current tax		8,140.26	6,124.37
Income tax for prior years		(401.32)	-
Deferred tax		(214.10)	1,009.92
<b>Total</b>		<b>7,524.84</b>	<b>7,134.29</b>
<b>Profit for the year</b>		<b>23,557.86</b>	<b>15,242.00</b>
Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of defined employee benefit plans		(8.03)	(215.43)
Income tax expenses on remeasurement of defined employee benefits plans		2.03	70.98
(ii) Net fair value (loss)/gain on investment in equity instruments through OCI		-	-
Income tax expenses on net fair value (loss)/gain on investment in equity instruments through OCI		-	-
Items that will be reclassified to profit or loss			
(i) Exchange difference arising on translation of foreign operations (For the year)		(1,548.86)	1,662.07
<b>Total other comprehensive income</b>		<b>(1,554.86)</b>	<b>1,517.62</b>
<b>Total comprehensive income</b>		<b>22,003.00</b>	<b>16,759.62</b>
<b>Earning per equity share of face value of ₹ 2 each</b>	32		
Basic and diluted earnings per shares (in ₹)		32.94	21.31
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached  
**For Parikh Shah Chotalia & Associates**  
Chartered Accountants  
FRN 118493W

**CA Sharad G Kothari**  
Partner  
Membership No. 168227

Place : Vadodara  
Date : 20.05.2023

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Ameeta V. Manohar**  
Director  
DIN 00903232

**Ramkisan A. Devidayal**  
Director  
DIN 00238853

**Udayan P. Patel**  
Director  
DIN 00598313

**Mukesh D. Patel**  
Director  
DIN 00009605

**Sharan M. Patel**  
Whole Time Director  
DIN 09151194

**Devesh A. Pathak**  
Director  
DIN 00017515

**Himali H. Patel**  
Whole Time Director and  
CFO  
DIN 07081636

**Pooja Gurnani**  
Company Secretary

Place : Vadodara  
Date : 20.05.2023

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> March, 2023**

(₹ in Lakhs)

PARTICULARS	2022-23		2021-22	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before tax</b>		31,082.70		22,376.29
Adjustments for non cash items/items required to be disclosed separately				
Depreciation	5,634.78		4,786.84	
Interest and finance charges paid	1,258.11		525.55	
(Profit)/loss on PPE	148.03		(70.63)	
Interest income	(191.49)		(374.27)	
Unrealised foreign exchange (gain)/loss	157.53		61.13	
Expected credit loss	(555.82)		167.52	
Sundry creditor write back/off	(92.71)		36.86	
Effect of exchange rate difference in translation	(1,652.84)		1,691.97	
		4,705.59		6,824.97
<b>Operating profit before working capital changes</b>		<b>35,788.29</b>		<b>29,201.26</b>
<b>Adjustments for changes in working capital &amp; provisions</b>				
(Increase)/decrease in trade receivable	(8,488.50)		(5,621.36)	
(Increase)/decrease in inventories	(27,441.00)		(15,657.36)	
(Increase)/decrease in other current assets	377.70		(987.70)	
(Increase)/decrease in non current assets	3.71		77.29	
(Increase)/decrease in financial assets	(26.37)		(32.46)	
Increase/(decrease) in current liabilities	91.97		306.84	
Increase/(decrease) in financial liabilities	(146.78)		1,408.74	
Increase/(decrease) in trade payables	4,634.62		1,830.86	
Increase/(decrease) in provisions and other non current liability	86.67		58.35	
		(30,907.97)		(18,616.80)
<b>Cash generated from operations</b>		<b>4,880.32</b>		<b>10,584.46</b>
Income tax paid (net of refunds)	(9,026.38)		(4,860.56)	
		(9,026.38)		(4,860.56)
<b>Net cash flow from operating activities</b>		<b>(4,146.06)</b>		<b>5,723.90</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE & capital advances	(12,545.00)		(7,500.06)	
Sale of PPE/investment property	3,192.56		242.07	
(Increase)/decrease in bank balance term deposit	6,648.78		(3,810.50)	
Interest received	366.31		640.08	
		(2,337.35)		(10,428.41)
<b>Net cash flow from investing activities</b>		<b>(6,483.41)</b>		<b>(4,704.51)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> March, 2023**

(₹ in Lakhs)

PARTICULARS	2022-23		2021-22	
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	(20,025.27)		(1,430.38)	
Short-term loan from banks (net)	23,852.60		892.76	
Interest and finance charges paid	(1,258.11)		(525.55)	
Long term borrowing (net)	3,301.56		(61.08)	
<b>Net cash flow from financing activities</b>		<b>5,870.78</b>		<b>(1,124.25)</b>
<b>Net cash inflow/(outflow) during the year</b>		<b>(612.63)</b>		<b>(5,828.76)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,291.41</b>		<b>7,120.17</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>678.78</b>		<b>1,291.41</b>

**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

(₹ in Lakhs)

PARTICULARS	AS AT	AS AT
	31st March, 2023	31st March, 2022
(i) Balances with banks in current accounts	695.56	1,274.63
(ii) Cash on hand	6.43	20.92
(iii) Term deposit with original maturity less than 3 months	-	-
	<b>701.99</b>	<b>1,295.55</b>
Less: Cash credit (refer note 19)	(23.21)	(4.14)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>678.78</b>	<b>1,291.41</b>

- (c) Changes in liability arising from financing activities.

PARTICULARS	1st April 2022	Cash Flow	Non Cash Changes	31st March 2023
Borrowing - non current (refer note 16)	529.35	3,301.56	-	3,830.91
Borrowing - current (refer note 19)	1,453.99	23,871.67	-	25,325.66

As per our report of even date attached  
**For Parikh Shah Chotalia & Associates**  
Chartered Accountants  
FRN 118493W

**CA Sharad G Kothari**  
Partner  
Membership No. 168227

Place : Vadodara  
Date : 20.05.2023

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Ameeta V. Manohar**  
Director  
DIN 00903232

Place : Vadodara  
Date : 20.05.2023

**Ramkisan A. Devidayal**  
Director  
DIN 00238853

**Udayan P. Patel**  
Director  
DIN 00598313

**Mukesh D. Patel**  
Director  
DIN 00009605

**Sharan M. Patel**  
Whole Time Director  
DIN 09151194

**Devesh A. Pathak**  
Director  
DIN 00017515

**Himali H. Patel**  
Whole Time Director and  
CFO  
DIN 07081636

**Pooja Gurnani**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year 2022-23	Balance at the end of the reporting period i.e. 31st March, 2023
1430.37	-	-	-	1430.37
Balance at the beginning of the reporting period i.e. 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year 2021-22	Balance at the end of the reporting period i.e. 31st March, 2022
1430.37	-	-	-	1430.37

### B. OTHER EQUITY

As on 31st March, 2023

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
<b>Balance at the beginning of the reporting period i.e. 1st April, 2022</b>	1,200.31	9,618.01	54.14	12,217.70	65,980.03	(165.35)	7,837.14	96,741.98
Profit for the year	-	-	-	-	23,557.86	-	(1,548.86)	22,009.00
Addition/(Deduction) during the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>89,537.89</b>	<b>(165.35)</b>	<b>6,288.28</b>	<b>1,18,750.98</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(6.00)	-	(6.00)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-	-
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	-	-	-	-
Final dividend of F.Y. 2021-22	-	-	-	-	(14,303.77)	-	-	(14,303.77)
Interim dividend of F.Y. 2022-23	-	-	-	-	(5,721.48)	-	-	(5,721.48)
<b>Balance at the end of the reporting period i.e. 31st Mar, 2023</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>69,512.64</b>	<b>(171.35)</b>	<b>6,288.28</b>	<b>98,719.73</b>

As on 31st March, 2022

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
<b>Balance at the beginning of the reporting period i.e. 1st April, 2021</b>	1,200.31	9,618.01	54.14	12,217.70	52,168.41	(20.90)	6,175.07	81,412.74
Profit for the year	-	-	-	-	15,242.00	-	1,662.07	16,904.07
Addition/(Deduction) during the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>67,410.41</b>	<b>(20.90)</b>	<b>7,837.14</b>	<b>98,316.80</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(144.45)	-	(144.45)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-	-
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	-	-	-	-
Final dividend of F.Y. 2020.21	-	-	-	-	(1,430.38)	-	-	(1,430.38)
<b>Balance at the end of the reporting period i.e. 31st Mar, 2022</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>65,980.03</b>	<b>(165.35)</b>	<b>7,837.14</b>	<b>96,741.98</b>

As per our report of even date attached For Parikh Shah Chotalia & Associates Chartered Accountants FRN 118493W	For and on behalf of the board			
CA Sharad G Kothari Partner Membership No. 168227	Mehul K. Patel Chairman DIN 01772099	Ramkisan A. Devidayal Director DIN 00238853	Mukesh D. Patel Director DIN 00009605	Devesh A. Pathak Director DIN 00017515
	Ameeta V. Manohar Director DIN 00903232	Udayan P. Patel Director DIN 00598313	Sharan M. Patel Whole Time Director DIN 09151194	Himali H. Patel Whole Time Director and CFO DIN 07081636
Place : Vadodara Date : 20.05.2023	Place : Vadodara Date : 20.05.2023			Pooja Gurnani Company Secretary

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**1. CORPORATE INFORMATION**

Banco Products (India) Limited is a public limited company domiciled in India and incorporated under the Indian Companies Act, 1956. Equity shares of the company are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of Heat exchangers/ Cooling systems. 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, District Vadodara, 391410.

The consolidated financial statements comprise financial statements of Banco Products (India) Limited and its subsidiaries (Collectively referred to as "The Group").

**2. SIGNIFICANT ACCOUNTING POLICIES**
**2.1 Statement of compliance**

The consolidated 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 for Indian Company.

Accordingly, the Company has prepared these consolidated financial statements which comprise the balance sheet as at 31<sup>st</sup> March, 2023, the statement of profit and loss for the year ended 31<sup>st</sup> March 2023, the statement of cash flows for the year ended 31<sup>st</sup> March 2023 and the statement of changes in equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'Financial Statements').

These financial statements are approved for issue by the Board of Directors on 20<sup>th</sup> May, 2023.

**2.2 Basis of preparation of financial statements**

These consolidated 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, 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 consolidated financial statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

**2.3 Principles of consolidation**

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

- (i) The audited financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the company i.e., 31<sup>st</sup> March, 2023.
- (ii) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions in accordance with IND AS 27 – "Consolidated and Separate Financial Statements" specified under section 133 of the Companies Act 2013 read with Companies (Accounts) Rules, 2015.
- (iii) The difference between the cost 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.
- (iv) The Consolidated Financial Statements have been prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

- (v) The 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.
- (vi) The following subsidiaries have been considered in the preparation of these consolidated financial statements

Sr. No.	Name of the subsidiary companies	Country of Incorporation	Proportion of ownership interest	Reporting date (date till accounts have been audited)
1	Nederlandse Radiateurs Fabriek BV	Netherlands	100%	31st March 2023
	1.1 NRF Thermal Engineering BV	Uden	100%	31st March 2023
	1.2 NRF France SARL	France	100%	31st March 2023
	1.3 NRF Deutschland GMBH	Germany	100%	31st March 2023
	1.4 NRF Espana S.A.	Spain	100%	31st March 2023
	1.5 NRF Poland Sp.z.o.o.	Poland	100%	31st March 2023
	1.6 NRF Italia Srl	Italy	100%	31st March 2023
	1.7 NRF Switzerland AG	Switzerland	100%	31st March 2023
	1.8 NRF USA	USA	100%	31st March 2023
	1.9 NRF Thermal Engineering Poland sp.z.o.o.	Poland	100%	31st March 2023
	Note: Sr. No. 1.1 to 1.9 are Subsidiaries of Nederlandse Radiateurs Fabriek BV.			
3	Banco Gaskets (India) Ltd.	India	100%	31st March 2023
4.	Banco New Energy Cooling Systems Ltd	India	100%	31st March 2023

**2.4 Significant accounting judgments, estimates and assumptions**

In preparing these Consolidated Financial Statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The areas involving critical estimates or judgments are:

- Defined benefit obligation – note 34
- Measurement of contingent liabilities– note 33
- Current tax expense and current tax payable – note 7
- Deferred tax assets– note 6

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Group. 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.

**2.5 Classification of current/non current assets and liabilities**

All assets and liabilities are presented as current or non current as per the Group'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 Group has

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets/liabilities.

**2.6 Standards issued but not effective** (based on Exposure drafts available as on date)

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31<sup>st</sup> March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

**2.7 Property, plant and equipment**

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**

Assets in the course of construction are capitalized in the Capital Work in Progress account. At the point when an asset is operating at management’s intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

**2.8 Intangible assets**

Intangible assets with finite useful life that are 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. Research & Development expenditure is capitalized only if certain recognition criteria are demonstrated. The same are amortized on a straight line basis over their estimated useful life.

**2.9 Depreciation/amortisation**

- (i) In respect of Banco Products (India) Limited, depreciation is calculated on a straight-line basis or written down value as per the specified life of the assets as provided in schedule II to the Companies Act, 2013. The useful life of item of PPE is mentioned below.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

<b>Class of Assets</b>	<b>Range of useful life (In Years)</b>
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.

(ii) In respect of Banco Gaskets (India) limited

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 as provided in schedule II to the Companies Act, 2013.

The useful life of Item of PPE is mentioned below.

<b>Class of Assets</b>	<b>Range of useful life (In Years)</b>
Factory buildings	30
Plant and equipments	10-15
Furniture & fixtures	10
Vehicles	8-10
Office equipment	5
Computer hardware	3-6
Software	3-6

(iii) In respect of Nederlandse Radiateuren Fabriek B.V.,

The annual depreciation rates are as follows:

Buildings	:	2.50%
Plant & machinery	:	10%-20%
Other operating fixed assets	:	20%-33.1/3%

## 2.10 Impairment of assets

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.

## 2.11 Leases

### The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Transition**

Effective 1<sup>st</sup> April, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019. Accordingly, the Company has re-classified Leasehold Land from Property, Plant & Equipment to Right of Use Asset. The leasehold land is already fully paid and hence already stated at its present value. The same is being amortized over the period of lease (including the period renewable at the option of the Company.)

All other lease contracts of the Company are for lease tenure below 12 months and the Company has accordingly applied the exemption not to recognize right of use assets for such leases.

**The company as a lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

**Arrangements in the nature of lease**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

**2.12 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer.

**Sale of goods**

The principal activity from which the Group 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 Group 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 Group typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

**Sale of services**

Revenues for services are recognised when the service rendered has been completed.

**Royalties and profit-sharing arrangements**

Revenues are recognized when performance obligations between the Group 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.

**2.13 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.

**2.14 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 Group 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



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

loss, are added to the fair value on initial recognition. Regular way trade of financial assets is accounted for at trade date.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

**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 Group 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 Group's Balance Sheet) when any of the following occurs:

- (i) The contractual rights to cash flows from the financial asset expire;
- (ii) The Group 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 Group 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 Group 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 Group'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 or as those measured at amortised cost.

**(ii) Subsequent measurement**

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****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 Group 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.

**(c) Fair value**

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability or
- In the absence of principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**2.15 Foreign exchange transactions**

Transactions in foreign currencies are initially recorded by the Group 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

**2.16 Trade receivable**

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for expected credit losses. Discounts due yet to be quantified at the customer level are netted of from trade receivables.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****2.17 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 expenses in the period they occur.

**2.18 Provisions, contingent liabilities and contingent assets****(a) Provisions**

Provisions are recognised when the Group 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.

**2.19 Taxes**

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 applicable tax laws.

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 the applicable tax laws.

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

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.

**Minimum alternate tax (MAT)**

Deferred tax assets in case of the Holding Company and subsidiaries incorporated in India include Minimum alternative tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

**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 Group 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 Group 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 Group.

**2.20 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 asset, 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.

**2.21 Employees benefits**

- (i) In case of the Holding Company and subsidiary company incorporated in India, 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) In case of the Holding Company and subsidiary company incorporated in India, 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) In case of the Holding Company and subsidiary company incorporated in India, The Group 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.
- (iv) The companies NRF UK and NRF B.V., have a pension plan in place that qualifies as a defined contribution plan. The company's sole obligation is payment of the accrual contribution to the insurance

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

company of branch pension fund(PME). The coverage ratio at the end of March 2023 amounts to 99%. The company does not form a provision for any future increase in the contribution.

**2.22 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.

**2.23 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.

**2.24 Government grants**

Government grants (including export incentives, incentives on specified goods manufactured in the eligible unit) are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate.

**2.25 Exceptional item**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

**2.26 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

3. PROPERTY, PLANT & EQUIPMENT FOR THE YEAR 2022-23

	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
	As at 1st April 2022	Additions during the year	Translation Difference	Deletion during the year	As at 31st March 2023	As at 1st April 2022	For the year	Translation Difference	Deduction Others	As at 31st March 2023	As at 31st March 2022
<b>I</b>											
<b>Tangible assets</b>											
a Freehold land	689.75	-	7.66	89.96	607.45	-	-	-	-	607.45	689.75
b Buildings	13,581.42	3,606.95	649.77	712.18	17,125.96	9,916.36	320.18	378.30	409.02	6,920.14	3,665.06
c Plant and equipment	42,635.52	4,456.92	582.38	2,758.25	44,916.57	29,704.11	2,018.94	542.17	254.51	32,010.71	12,905.86
d Furniture & fixtures	3,823.99	1,004.97	210.78	297.78	4,741.96	3,254.10	203.67	174.01	134.37	3,497.41	569.89
e Vehicles	729.53	328.86	16.42	257.93	816.88	450.70	121.50	8.22	29.04	551.38	278.83
f Office equipment	322.35	2.61	-	-	324.96	308.15	7.50	-	-	315.65	9.31
g Other assets	131.41	5.39	-	-	136.80	112.93	8.97	-	-	121.90	18.48
h Scientific research											
1 Building	174.05	-	-	-	174.05	100.46	4.88	-	-	105.34	73.59
2 Plant and equipment	1,067.45	17.66	-	-	1,085.11	768.64	78.83	-	-	847.47	298.81
3 Software (intangible assets)	97.54	54.67	-	-	152.21	90.96	9.54	-	-	100.50	6.58
4 Office equipment	8.71	0.23	-	-	8.94	7.99	0.33	-	-	8.32	0.72
5 Furniture and fixture	42.92	-	-	-	42.92	36.04	2.26	-	-	38.30	6.88
<b>Intangible assets</b>											
a. Software	2,752.08	348.37	160.52	95.35	3,165.62	1,777.64	587.19	120.10	95.35	2,389.58	974.44
b. Technical know how	502.87	59.18	24.00	110.66	475.39	480.20	59.03	22.65	110.66	451.22	24.17
	66,559.59	9,885.81	1,651.53	4,322.11	73,774.82	47,008.28	3,422.82	1,245.45	1,032.95	50,643.60	19,551.31

Carrying value of right of use assets for the year 2022-23

	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK				
	As at 1st April 2022	Reclassified on account of Ind AS 116	Additions during the year	Translation Difference	Deletion during the year	As at 31st March 2023	As at 1st April 2022	Reclassified on account of Ind AS 116	For the year	Translation Difference	Deduction Others	As at 31st March 2023	As at 31st March 2022
a. Leasehold land	869.96	-	-	-	-	869.96	99.22	-	8.79	-	-	108.01	770.74
b. Right of use of assets	10,883.33	-	4,886.58	-	-	15,769.91	1,554.75	-	2,202.85	-	-	3,757.60	9,328.58
	11,753.29	-	4,886.58	-	-	16,639.87	1,653.97	-	2,211.64	-	-	3,865.61	10,099.32

Capital work in progress (CWIP)/Intangible assets under development/Investment property under development

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	1,847.00	-	-	1,847.00
Projects temporarily suspended	-	-	-	-

Note:-

- The Company has acquired leasehold land on 16th December 2010 on lease for 99 years. The amortization per year on the same is ₹ 8.79 lakhs (P.Y. ₹ 8.79 lakhs)
- Other assets include weighing machine, Air conditioners and other equipment's.
- The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value i.e. Deemed cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 3. PROPERTY, PLANT &amp; EQUIPMENT FOR THE YEAR 2021-22

	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	As at 1st April 2021	Additions during the year	Translation Difference	Deletion during the year	As at 31st March 2022	As at 1st April 2021	For the year	Translation Difference	Deduction Others	As at 31st March 2022	As at 31st March 2021	
<b>I</b>												
<b>Tangible assets</b>												
a	693.88	-	(4.13)	-	689.75	-	-	-	-	689.75	693.88	
b	13,538.94	190.94	(148.46)	-	13,581.42	9,715.94	320.09	(119.66)	-	9,916.36	3,823.00	
c	48,415.26	3,893.48	(130.81)	9,542.40	42,635.52	36,998.22	2,209.55	(102.52)	9,401.14	29,704.11	11,417.04	
d	3,572.90	312.56	(61.46)	-	3,823.99	3,161.67	145.66	(52.24)	0.98	3,254.10	569.89	
e	610.97	193.00	(4.15)	70.29	729.53	460.72	61.78	(1.53)	70.27	450.70	278.83	
f	309.99	12.36	-	-	322.35	297.60	10.55	-	-	308.15	14.20	
g	125.04	6.38	-	-	131.41	101.69	11.24	-	-	112.93	23.35	
<b>Scientific research</b>												
1	174.05	-	-	-	174.05	95.26	5.20	-	-	100.46	73.59	
2	1,035.54	31.97	-	0.06	1,067.45	693.57	75.11	-	0.04	768.64	298.81	
3	97.33	0.21	-	-	97.54	89.83	1.14	-	-	90.96	6.57	
4	8.49	0.22	-	-	8.71	7.50	0.49	-	-	7.99	0.99	
5	39.43	3.48	-	-	42.92	33.14	2.91	-	-	36.04	6.30	
<b>Intangible assets</b>												
a.	2,640.51	159.12	(43.77)	3.76	2,752.09	1,435.91	371.96	(28.23)	2.03	1,777.62	974.47	
b.	507.82	3.28	(8.24)	-	502.86	480.44	7.62	(7.86)	-	480.20	22.66	
	71,770.13	4,807.00	(401.02)	9,616.52	66,559.59	53,571.47	3,223.30	(312.04)	9,474.45	47,008.28	18,198.66	

## Carrying value of right of use assets for the year 2021-22

	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK		
	As at 1st April 2021	Reclassified on account of Ind AS 116	Additions during the year	Translation Difference	Deletion during the year	As at 31st March 2022	As at 1st April 2021	Reclassified on account of Ind AS 116	For the year	Translation Difference	Deduction Others	As at 31st March 2022	As at 31st March 2021
a.	869.96	-	-	-	-	869.95	90.44	-	8.79	-	-	770.73	779.52
b.	-	-	10,883.33	-	-	10,883.33	-	-	1,554.75	-	-	1,554.75	-
	869.96	-	10,883.33	-	-	11,753.28	90.44	-	1,563.54	-	-	1,653.98	779.52

## Capital work in progress (CWIP)/Intangible assets under development/Investment property under development

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	1,491.82	-	-	1,491.82
Projects temporarily suspended	-	-	-	-

## Note:-

- The Company has acquired leasehold land on 16th December 2010 on lease for 99 years. The amortization per year on the same is ₹ 8.79 lakhs (P.Y. ₹ 8.79 lakhs)
- Other assets include weighing machine. Air conditioners and other equipment's.
- The Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value i.e. Deemed cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

4. NON CURRENT INVESTMENTS	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>Other investment</b>		
Investment in building (Spain)	-	51.43
	<b>-</b>	<b>51.43</b>

5. NON CURRENT OTHER FINANCIAL ASSETS	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Security deposit	66.87	23.28
Government grants receivable	205.13	205.13
In deposit accounts*	1,109.22	2,010.00
	<b>1,381.22</b>	<b>2,238.41</b>

\*This represents deposits with original maturity of more than 12 months.

## 6. DEFERRED TAX ASSETS &amp; LIABILITIES

Major components of deferred tax liabilities/(assets) arriving on account of timing difference are as follow  
As at 31st March, 2023

	As at 31st March, 2022	Recognised in P & L	Recognised in OCI	As at 31st March, 2023
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	2,060.02	(765.91)	-	1,294.11
Undistributed profit of subsidiary	5,766.44	338.83	-	6,105.27
<b>Total deferred tax liabilities</b>	<b>7,826.46</b>	<b>(427.08)</b>	<b>-</b>	<b>7,399.38</b>
Expense allowable for tax on payment	(2,686.77)	162.60	(2.03)	(2,526.20)
Carry forward capital loss	(70.68)	-	-	(70.68)
Unrealised gain on stock	(264.41)	(53.60)	-	(318.01)
<b>Total deferred tax assets</b>	<b>(3,021.86)</b>	<b>109.00</b>	<b>(2.03)</b>	<b>(2,914.89)</b>
<b>Net deferred tax</b>	<b>4,804.60</b>	<b>(318.08)</b>	<b>(2.03)</b>	<b>4,484.49</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

<b>As at 31st March, 2022</b>	<b>(₹ in Lakhs)</b>			
	<b>As at 31st March, 2021</b>	<b>Recognised in P &amp; L</b>	<b>Recognised in OCI</b>	<b>As at 31st March, 2022</b>
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	2,097.04	(37.02)	-	2,060.02
Undistributed profit of subsidiary	4,591.96	1,174.48	-	5,766.44
<b>Total deferred tax liabilities</b>	<b>6,689.00</b>	<b>1,137.46</b>	<b>-</b>	<b>7,826.46</b>
Expense allowable for tax on payment	(2,425.64)	(190.16)	(70.97)	(2,686.77)
Carry forward capital loss	(70.68)	-	-	(70.68)
Unrealised gain on stock	(356.92)	92.51	-	(264.41)
<b>Total deferred tax assets</b>	<b>(2,853.24)</b>	<b>(97.65)</b>	<b>(70.97)</b>	<b>(3,021.86)</b>
<b>Net deferred tax</b>	<b>3,835.76</b>	<b>1,039.81</b>	<b>(70.97)</b>	<b>4,804.60</b>

<b>7. INCOME TAX</b>	<b>(₹ in Lakhs)</b>	
	<b>As at 31st March 2023</b>	<b>As at 31st March 2022</b>
<b>(A) Major component of tax expenses for the year are as under</b>		
<b>(i) Income tax recognised in the statement of profit and loss from continuing operation</b>		
Current tax	8,140.26	6,124.37
Income tax for prior years	(401.32)	-
Deferred tax	(214.10)	1,009.92
	<b>7,524.84</b>	<b>7,134.29</b>
<b>(ii) Income tax recognised in OCI</b>		
Income tax expenses on remeasurement of defined employee benefits plans	(2.03)	(70.98)
	<b>(2.03)</b>	<b>(70.98)</b>
	<b>7,522.81</b>	<b>7,063.31</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**(B) Reconciliation of tax expenses and the accounting profit for the year is as under**

<b>Total profit before tax for the year from continuing and discontinued operation</b>	<b>31,082.70</b>	<b>22,376.29</b>
Income tax expenses @ 34.94% (P.Y. 34.94%)	12,871.48	8,727.88
Tax effect on non deductible expenses	122.24	93.35
Effect of income which is tax at special rate	(5.76)	(4.89)
Effect of income exempted from tax	-	-
Tax effect for deduction u/s 80IC	-	-
Tax effect for deduction u/s 80G	-	(14.80)
Tax effect for deduction u/s 80M	(2,953.25)	(688.82)
Tax effect for deduction u/s 80JJA	(3.46)	-
Tax effect for exemption u/s 10AA	-	(773.60)
Tax effect of research & development expenses	-	(9.15)
Tax effect for difference in tax rate in subsidiary and translation	(1,977.24)	(1,212.35)
Interest On Tax	86.25	-
Tax effect of undistributed/unrealised profit	285.23	1,266.98
Income tax for prior years	(401.31)	-
Others	(499.34)	(250.31)
	<b>7,524.84</b>	<b>7,134.29</b>

**8. OTHER NON CURRENT ASSETS**

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Capital advances	675.03	601.39
Balance with statutory authority	43.84	47.55
	<b>718.87</b>	<b>648.94</b>

**9. INVENTORIES**

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Raw materials	23,435.94	18,233.48
Work-in-progress	4,918.30	4,652.15
Finished goods	69,124.91	47,299.68
Stores and spares	1,539.77	1,321.29
Loose tools	122.91	144.80
Packing materials	347.78	397.21
	<b>99,489.61</b>	<b>72,048.61</b>

The carrying amount of inventories are hypothecated as security for borrowings (refer note 16)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**10. TRADE RECEIVABLES**

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Trade receivables - unsecured		
(i) Considered good *	41,748.40	33,380.23
(ii) Considered doubtful	-	-
	<b>41,748.40</b>	<b>33,380.23</b>
Less: Allowance for unsecured doubtful debts/expected credit loss	399.36	955.18
	<b>41,349.04</b>	<b>32,425.05</b>

\* Includes balances with related parties (refer note 35)

\*The carrying amount of trade receivables are hypothecated as security for borrowings. (refer note 16)

**Trade Receivables as at 31st Mar 2023**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	34,306.21	6,409.54	209.47	-	-	-	40,925.22
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	-	75.27	65.64	191.37	80.80	413.08
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	10.74	10.74
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	<b>34,306.21</b>	<b>6,409.54</b>	<b>284.74</b>	<b>65.64</b>	<b>191.37</b>	<b>91.54</b>	<b>41,349.04</b>

**Trade Receivables as at 31st Mar 2022**

(₹ in Lakhs)

	Outstanding for the following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables-considered good	27,085.80	4,932.40	92.47	-	-	2.84	32,113.51
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	26.42	70.70	48.22	119.99	35.46	300.80
(v) Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	10.74	10.74
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	<b>27,085.80</b>	<b>4,958.82</b>	<b>163.17</b>	<b>48.22</b>	<b>119.99</b>	<b>49.04</b>	<b>32,425.05</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 11. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
<b>(A) Cash and cash equivalents</b>		
(i) Cash on hand	6.43	20.92
(ii) Balances with banks in current accounts	695.56	1,274.63
(iii) In deposit accounts*	-	-
	<b>701.99</b>	<b>1,295.55</b>
<b>(B) Bank balances other than (A) above</b>		
Deposit with original maturity for more than 3 months but less than 12 months#	750.00	6,499.11
Unpaid dividend (earmarked balances)##	347.92	330.37
Term deposit held as margin money against bank guarantee	32.89	31.78
	<b>1,130.81</b>	<b>6,861.26</b>
	<b>1,832.80</b>	<b>8,156.81</b>

\* This represents deposits with original maturity of less than or equal to 3 months.

# This represents deposits with original maturity of more than 3 months but less than 12 months.

## The Company can utilise these balances only towards settlement of unclaimed dividend.

## 12. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Interest accrued on deposit with banks	8.26	183.08
Security deposit	32.47	49.23
Advances to employees	13.98	14.44
	<b>54.71</b>	<b>246.75</b>

## 13. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
Prepaid expenses	1,427.61	1,993.01
Balance with statutory authorities	429.11	560.83
Advance to vendors (trade)	966.59	649.35
Other advances	2.59	0.41
	<b>2,825.90</b>	<b>3,203.60</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
<b>Authorised</b>		
15,20,00,000 (P.Y. 15,20,00,000) equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up capital</b>		
7,15,18,650 (P.Y. 7,15,18,650) equity shares of ₹ 2 each fully paid	1,430.37	1,430.37
	<b>1,430.37</b>	<b>1,430.37</b>

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

	Nos. of shares	
	As at 31st March 2023	As at 31st March 2022
<b>Equity shares at the beginning of the year</b>	7,15,18,650	7,15,18,650
Add:- Share issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>7,15,18,650</b>	<b>7,15,18,650</b>

## Share Capital

(₹ in Lakhs)

	As at 31st March 2023	As at 31st March 2022
<b>Balance at the beginning of the year</b>	1,430.37	1,430.37
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,430.37</b>	<b>1,430.37</b>

## (b) Terms/rights attached to each equity share

- (i) The Company has only one class of share referred to as equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. Payment of dividend is also made in foreign currency to shareholders outside India. In the unlikely event of the liquidation of the Company the equity shareholders are eligible to receive the residual value of the assets of the Company if any after preferential amount are paid off, in the proportion of their shareholding in the Company.
- (ii) Over the period of five years immediately preceding March 31, 2023 and March 31, 2022, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

- (c) Share in the company held by each shareholder holding more than 5% shares specifying the number of shares

Name of share holder	Nos. In Lakhs (Holding in %)	
	As at 31st March 2023	As at 31st March 2022
Mr. Samir K.Patel	50.17 (7.01%)	50.17 (7.01%)
Mr. Mehul K.Patel	386.84 (54.09%)	386.84 (54.09%)

## Shares held by promoters at the end of the year 31st Mar 2023

Name of Promoters	No. of Shares	% of total shares	% change during the year 2022-23
Mrs. Hasumati Kanubhai Patel	14,79,387	2.07	-
Banco Aluminium Limited	5,96,330	0.83	-
Mr. Mehul Kanubhai Patel	3,86,83,933	54.09	-
Mr. Sharan Mehul Patel	2,00,000	0.28	0.28
Mr. Shivam Mehul Patel	65,000	0.09	0.09
Mr. Samir Kanubhai Patel	50,16,997	7.01	-
Mrs. Gayatri Mehul Patel	10,66,765	1.49	(0.37)
Mrs. Monal Samirbhai Patel	13,12,193	1.83	-
Mrs. Pritty Vimal Patel	1,29,387	0.18	-
	<b>4,85,49,992</b>	<b>67.87</b>	-

## Shares held by promoters at the end of the year 31st Mar 2022

Name of Promoters	No. of Shares	% of total shares	% change during the year 2021-22
Mrs. Hasumati Kanubhai Patel	14,79,387	2.07	-
Banco Aluminium Limited	5,96,330	0.83	-
Mr. Mehul Kanubhai Patel	3,86,83,933	54.09	-
Mr. Samir Kanubhai Patel	50,16,997	7.01	-
Mrs. Gayatri Mehul Patel	13,31,765	1.86	-
Mrs. Monal Samirbhai Patel	13,12,193	1.83	-
Mrs. Pritty Vimal Patel	1,29,387	0.18	-
	<b>4,85,49,992</b>	<b>67.87</b>	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 15 OTHER EQUITY

As on 31st March, 2023

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
<b>Balance at the beginning of the reporting period i.e. 1st April, 2022</b>	1,200.31	9,618.01	54.14	12,217.70	65,980.03	(165.35)	7,837.14	96,741.98
Profit for the year	-	-	-	-	23,557.86	-	(1,548.86)	22,009.00
Addition/(Deduction) during the year	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>89,537.89</b>	<b>(165.35)</b>	<b>6,288.28</b>	<b>1,18,750.98</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(6.00)	-	(6.00)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-	-
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	-	-	-	-
Final dividend of F.Y. 2021-22	-	-	-	-	(14,303.77)	-	-	(14,303.77)
Interim dividend of F.Y. 2022-23	-	-	-	-	(5,721.48)	-	-	(5,721.48)
<b>Balance at the end of the reporting period i.e. 31st Mar, 2023</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>69,512.64</b>	<b>(171.35)</b>	<b>6,288.28</b>	<b>98,719.73</b>

As on 31st March, 2022

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
<b>Balance at the beginning of the reporting period i.e. 1st April, 2021</b>	1,200.31	9,618.01	54.14	12,217.70	52,168.41	(20.90)	6,175.07	81,412.74
Profit for the year	-	-	-	-	15,242.00	-	1,662.07	16,904.07
Addition/(Deduction) during the year	-	-	-	-	-	-	-	(0.00)
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>67,410.41</b>	<b>(20.90)</b>	<b>7,837.14</b>	<b>98,316.80</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(144.45)	-	(144.45)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	-	-	-
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	-	-	-	-
Final dividend of F.Y. 2020.21	-	-	-	-	(1,430.38)	-	-	(1,430.38)
<b>Balance at the end of the reporting period i.e. 31st Mar, 2022</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.70</b>	<b>65,980.03</b>	<b>(165.35)</b>	<b>7,837.14</b>	<b>96,741.98</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**1. Securities premium**

Securities premium reserve represents premium received on equity share issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 ("the act") for specified purposes.

**2. Capital reserve**

Capital reserve represent reserve created pursuant to the business combinations upto year end.

**3. Revaluation reserve**

Revaluation reserve represents reserve created on revaluation of some of property, plant and equipment (PPE) of the company which can be transfer to general reserve only on disposal of those assets.

**4. General reserve**

General reserve is created from time to time by transferring profits from retain earning and can be utilised for purposes such as dividend pay out, bonus issued etc. and it is not an item of other comprehensive income.

**5. Other comprehensive income (OCI)**

OCI presents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income (FVTOCI), under an irrevocable options, net of amount reclassified to retained earnings when such assets are disposed off.

**6. Foreign currency translation reserve**

Exchange difference relating to the result and net assets of the groups foreign subsidiary from their functional currencies to the presentation currency (i.e. Rupees) are recognition in the other comprehensive income and accumulated in translation adjustment reserve.

**16. NON CURRENT BORROWING**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Term loan from bank at amortised cost	4,129.77	580.15
Less:-Current maturities of long term loan	(298.86)	(50.80)
	<b>3,830.91</b>	<b>529.35</b>

Term loan from bank for construction of a new warehouse in France. The loan is interest bearing and repayable within 15 years with mortgage against company building.

Subsidiary Company has availed long term loan facility maturing after three years to ten years. The loan bears interest of Euribor + 1.70%/1.90% p.a.

**17. NON CURRENT PROVISIONS**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 34)	608.55	580.26
Provision for leave encashment (refer note 34)	458.64	406.93
	<b>1,067.19</b>	<b>987.19</b>

**18. OTHER NON CURRENT LIABILITIES**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Deferred income arising from government grants	21.49	22.46
Deposit Payable	5.48	5.48
	<b>26.97</b>	<b>27.94</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**19. CURRENT BORROWINGS**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
<b>Secured</b>		
Cash credit and overdraft from banks	23.21	4.14
Current maturities of long term loan	298.86	50.80
Short-term loan from banks	25,003.59	1,399.05
	<b>25,325.66</b>	<b>1,453.99</b>

- (i) Working capital facilities are secured against first charges on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating banks.
- (ii) Working capital facility carry interest @ 8.65% to 8.95% (P.Y. 7.5% to 8.00%)
- (iii) ING Bank has given working capital facility to a subsidiary Company towards Receivables. It is at interest of Euribor + 1.00% p.a.

**20. TRADE PAYABLES**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Due to micro and small enterprises	301.78	312.06
Due to others	34,600.91	30,011.51
	<b>34,902.69</b>	<b>30,323.57</b>

**Trade payables ageing schedule for the year ended as on 31st Mar 2023**
**(₹ in Lakhs)**

	Outstanding for the following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	301.78	-	-	-	301.78
(ii) Others	32,120.70	2,406.55	26.44	4.70	25.71	34,584.10
(iii) Disputed dues-MSME	-	-	-	-	16.81	16.81
(iv) Disputed dues-Others	-	-	-	-	-	-
	<b>32,120.70</b>	<b>2,708.33</b>	<b>26.44</b>	<b>4.70</b>	<b>42.52</b>	<b>34,902.69</b>

**Trade payables ageing schedule for the year ended as on 31st Mar 2022**
**(₹ in Lakhs)**

	Outstanding for the following periods from the due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	312.06	-	-	-	312.06
(ii) Others	22,932.80	7,027.37	19.63	13.76	2.09	29,995.65
(iii) Disputed dues-MSME	-	-	-	-	15.86	15.86
(iv) Disputed dues-Others	-	-	-	-	-	-
	<b>22,932.80</b>	<b>7,339.43</b>	<b>19.63</b>	<b>13.76</b>	<b>17.95</b>	<b>30,323.57</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

<b>21. OTHER FINANCIAL LIABILITIES</b>		(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022	
Unclaimed/unpaid dividend *	347.92	330.37	
Interest accrued but not due on borrowings	29.82	28.34	
Payable to employees	1,559.52	1,700.81	
Advance received from customers	9.98	16.95	
	<b>1,947.24</b>	<b>2,076.47</b>	
* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.			
<b>22. OTHER CURRENT LIABILITIES</b>		(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022	
<b>Other payables</b>			
Statutory liabilities	961.31	869.34	
Deferred income arising from government grants	0.98	0.98	
	<b>962.29</b>	<b>870.32</b>	
<b>23. SHORT TERM PROVISIONS</b>		(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022	
<b>Provision for employee benefits</b>			
Provision for gratuity	88.86	83.23	
Provision for leave encashment	67.57	57.53	
	<b>156.43</b>	<b>140.76</b>	
<b>24. REVENUE FROM OPERATIONS</b>		(₹ in Lakhs)	
	2022-23	2021-22	
<b>(a) Sale of products</b>			
Finished goods (net of returns and discounts)	2,30,054.38	1,92,690.89	
	<b>2,30,054.38</b>	<b>1,92,690.89</b>	
<b>(b) Other operating income</b>			
Scrap sales	2,837.82	2,618.69	
Export incentives	290.12	473.87	
Grant income	-	1.22	
	<b>3,127.94</b>	<b>3,093.78</b>	
	<b>2,33,182.32</b>	<b>1,95,784.67</b>	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

<b>25. OTHER INCOME</b>	<b>(₹ in Lakhs)</b>	
	<b>2022-23</b>	<b>2021-22</b>
<b>(a) Interest income</b>		
On deposit with banks	191.49	374.27
<b>(b) Other receipt</b>		
Profit on sale of property, plant and equipment - net	-	77.89
Insurance claim received	58.75	29.59
Others	1,112.51	33.30
<b>(c) Other gain and losses</b>		
Net gain on foreign currency transaction	205.21	-
	<b>1,567.96</b>	<b>515.05</b>
<b>26. COST OF MATERIAL CONSUMED</b>	<b>(₹ in Lakhs)</b>	
	<b>2022-23</b>	<b>2021-22</b>
Opening stock	18,630.69	16,271.56
Add : Purchases during the year	1,61,019.51	1,32,468.11
	<b>1,79,650.20</b>	<b>1,48,739.67</b>
Less : Closing stock	23,783.72	18,630.69
	<b>1,55,866.48</b>	<b>1,30,108.98</b>
<b>27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>	<b>(₹ in Lakhs)</b>	
	<b>2022-23</b>	<b>2021-22</b>
<b>Inventories at the end of the year</b>		
Work in progress	4,918.30	4,652.16
Finished goods (including goods in transit)	69,124.91	47,299.68
	<b>74,043.21</b>	<b>51,951.84</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	4,652.16	2,922.62
Finished goods (including goods in transit)	47,299.68	35,822.70
	<b>51,951.84</b>	<b>38,745.32</b>
	<b>(22,091.37)</b>	<b>(13,206.52)</b>
<b>28. EMPLOYEE BENEFIT EXPENSES</b>	<b>(₹ in Lakhs)</b>	
	<b>2022-23</b>	<b>2021-22</b>
Salaries wages and bonus	21,300.87	18,088.06
Contribution to provident and other funds	1,247.34	1,158.91
Staff welfare expenses	379.90	363.45
	<b>22,928.11</b>	<b>19,610.42</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

29. FINANCE COST	(₹ in Lakhs)	
	2022-23	2021-22
Interest on financial liabilities carried at amortised cost	919.71	92.23
Interest-others	2.65	225.79
Bank and other financial charges	335.75	207.53
	<b>1,258.11</b>	<b>525.55</b>
30. DEPRECIATION AND AMORTIZATION EXPENSES	(₹ in Lakhs)	
	2022-23	2021-22
Depreciation		
On tangible assets	4,979.02	4,406.12
On intangible assets	655.76	380.72
	<b>5,634.78</b>	<b>4,786.83</b>
31. OTHER EXPENSES	(₹ in Lakhs)	
	2022-23	2021-22
Consumption of stores and spares	1,025.08	992.50
Power and fuel	4,858.00	3,296.91
Labour charges	11,112.59	10,151.72
Repair and maintenance		
Plant and machinery	1,494.09	1,560.42
Electric installation	147.32	149.83
Buildings	444.25	358.87
Sundry repairs	0.04	1.10
Factory general expenses	550.46	563.50
Insurance premium on assets	84.89	74.92
Payment to auditors	192.91	159.61
Rent rates and taxes	333.48	622.17
Postage and courier	11.12	43.64
Telephone expenses	126.05	129.16
Travelling and conveyance	3,289.68	736.42
Director's sitting fees and commission	22.29	25.26
Miscellaneous expenses	1,592.93	1,450.60
Loss on sale of assets	148.03	7.26
Donation	3.00	1.76
Expenditure towards corporate social responsibility activities	577.52	662.95
Net loss on foreign currency transactions	-	25.95
Other selling expenses	3,915.19	2,463.55
Freight and transport (net)	10,142.55	8,620.06
	<b>40,071.47</b>	<b>32,098.16</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**32. EARNING PER SHARE (EPS)**

	2022-23	2021-22
Profit after tax attributable to equity shareholders (₹ in lakhs)	23,557.86	15,242.00
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share (face value per share ₹ 2/- each)	32.94	21.31

**33. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES**
**(₹ in Lakhs)**

	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts net of advances remaining to be executed on capital accounts	1,903.63	1,746.56
Guarantees issued by bank to third party	769.68	466.71
Excise duty	983.80	1,140.30
Sales tax	87.98	91.36
Income tax	-	9.30

**34. EMPLOYEE BENEFITS**
**(a) Defined contribution plan**

The parent and indian subsidiary 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.

The parent and indian subsidiary Company has recognized an amount of ₹ 322.25 lakhs, (P.Y. 31st March, 2022 ₹ 289.44 lakhs) as expense under the defined contribution plan in the statement of profit and loss for the year.

**(b) Defined benefit plan**

The parent and indian subsidiary 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**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.35%	6.40% to 6.85%
Salary growth rate	6.00%	6.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**Demographic assumptions**

<b>Withdrawal rates (p.a.)</b>	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
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**

<b>Age (in years)</b>	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
20	0.09%	0.09%
30	0.10%	0.10%
40	0.17%	0.17%
50	0.44%	0.44%
60	1.12%	1.12%

**Amount recognized in statement of profit and loss account for the period** (₹ in Lakhs)

	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
<b>Service cost</b>		
Current service cost	83.22	59.64
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	41.61	24.82
<b>Total charge to statement of profit and loss</b>	<b>124.83</b>	<b>84.46</b>

**Amount recognized in other comprehensive income for the period** (₹ in Lakhs)

	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	(39.58)	(27.76)
Due to change in demographic assumption	-	-
Due to experience adjustments	45.11	242.47
Return on plan assets excluding amounts included in interest income	2.49	0.73
<b>Amounts recognized in Other Comprehensive Income</b>	<b>8.02</b>	<b>215.44</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

	(₹ in Lakhs)	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Reconciliation of defined benefit obligation</b>		
Opening defined benefit obligation	983.85	739.73
Transfer in/(out) obligation	-	-
Current service cost	83.22	59.64
Interest cost	62.96	43.60
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	(39.58)	(27.76)
Due to change in demographic assumption	-	-
Due to experience adjustments	45.11	242.47
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	(64.89)	(73.83)
<b>Closing defined benefit obligation</b>	<b>1,070.67</b>	<b>983.85</b>
<b>Reconciliation of defined plan assets</b>		
	(₹ in Lakhs)	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Opening value of plan assets	320.35	311.63
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest Income	21.35	18.79
Return on plan assets excluding amounts included in interest income	(2.49)	(0.73)
Assets distributed on settlements	-	-
Contributions by employer	98.92	64.49
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(64.89)	(73.83)
Adjustment to the opening fund	-	-
<b>Closing value of plan assets</b>	<b>373.24</b>	<b>320.35</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**Reconciliation of net defined benefit liability**

(₹ in Lakhs)

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Net opening provision in books of accounts	663.49	428.09
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expenses	124.83	84.46
Amounts recognized in other comprehensive income	8.02	215.43
<b>Closing value of plan assets</b>	<b>796.34</b>	<b>727.98</b>
Benefits paid by the Company	-	-
Contributions to plan assets	(98.92)	(64.49)
<b>Closing provision in books of accounts</b>	<b>697.42</b>	<b>663.49</b>

**Composition of the plan assets**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Policy of insurance	100%	100%
	<b>100%</b>	<b>100%</b>

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.35%	6.40% to 6.85%
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, 2023 is ₹ 526.22 lakhs (P.Y. 31st March, 2022 ₹ 464.46 lakhs).

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
(a) Discount rate	7.35%	6.40% to 6.85%
(b) Future salary increase*	6.00%	6.00%
(c) Retirement age (years)	58&60	55,58&60
(d) Mortality table	IALM(2012-14)	IALM(2012-14)
(e) Ages (withdrawal rate %)		
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%

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**35. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24 - RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT)**
**(a) Directors**

Mr. Mehul K Patel	Non Executive Non Independent
Mr. Sharan M Patel	Whole Time Director and Non Independent (w.e.f. 22nd April 2021)

**(b) Independent directors**

Mr. Ramkisan A Devidayal	Non-Executive Independent Director
Mr. Mukesh D Patel	Non-Executive Independent Director
Mr. Devesh A Pathak	Non-Executive Independent Director
Mr. Udayan P Patel	Non-Executive Independent Director
Mrs. Ameeta V Manohar	Non-Executive Independent Director

**(c) Key managerial personnel**

<b>Name of director/employee</b>	<b>Designation</b>
Mr. Sharan M Patel	Whole Time Director and Non Independent (w.e.f. 22nd April 2021)
Mrs. Himali H Patel	Whole Time Director and CFO Executive Non Independent
Mr. Dinesh Kavthekar	Company Secretary (upto 13th August, 2021)
Ms. Pooja Gurnani	Company Secretary (w.e.f. 14th August, 2021)

**(d) Enterprise in which relatives of Individual (having significant influence in Banco Products India Limited) have control-Identified as per Ind AS 24.**

Banco Aluminium Limited

**(e) Trust controlled by relatives of directors**

Banco Products Trust Registration No-E/7946/VADODARA

**(f) Entity in which promoter/promoter group is having controlling interest**

Kilimanjaro Biochem Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

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

Nature of Transaction	Key Management Personnel		Independent Directors		Enterprise in which relatives of Individual (having significant influence in Banco Products India Limited) have control-identified as per Ind AS 24		Trust Controlled by relatives of directors		Non Independent Directors		Relative of Directors		Entity in which promoter/promoter group is having controlling interest	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	
Purchase of goods	-	-	-	-	399.34	487.17	-	-	-	-	-	-	-	
Purchase of licence	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of goods	-	-	-	-	188.31	561.77	-	-	-	-	-	112.68	63.06	
Sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rendering of services	-	-	-	-	0.01	-	-	-	-	-	-	-	-	
Receiving of services	-	-	-	-	-	1.37	-	-	-	-	-	-	-	
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	
Key management personnel remuneration	147.83	90.62	-	-	-	-	-	-	-	-	-	-	-	
Director sitting fees	-	-	9.79	12.76	-	-	-	-	-	-	-	-	-	
Directors commission	-	-	12.50	12.50	-	-	-	-	-	-	-	-	-	
Donation paid	-	-	-	-	-	-	0.50	-	-	-	-	-	-	
Dividend paid	-	-	147.68	11.70	150.28	11.93	-	-	9,798.75	773.68	2,283.60	185.39	-	
Payable at the end of the year (creditors)	-	-	-	-	19.43	32.47	-	-	-	-	-	-	-	
Receivable at the end of the year (debtors)	-	-	-	-	25.72	168.05	-	-	-	-	-	105.69	41.38	

\*Key management personnel who are under the employment of the Company are entitled to post employment benefits and other long term benefits recognized as per Ind AS-19 on employee benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## SIGNIFICANT RELATED PARTY TRANSACTION

(₹ in Lakhs)

	2022-23	2021-22
<b>Remuneration to key managerial person</b>		
Mr. Sharan M Patel	115.76	61.62
Mrs.Himali H. Patel	24.41	22.58
Mr. Dinesh Kavthekar	-	2.01
Ms. Pooja Gurnani	7.66	4.41
	<b>147.83</b>	<b>90.62</b>
<b>Director's sitting fees paid (directors of Banco Products (India) Limited)</b>		
Mr. Devesh A Pathak	2.09	2.20
Mr. Mukesh D Patel	2.09	2.64
Mr. Ramkisan A Devidayal	2.09	2.64
Mr. Udayan P Patel	1.43	2.64
Mrs.Ameeta Vikas Manohar	2.09	2.64
	<b>9.79</b>	<b>12.76</b>
<b>Commission to directors (directors of Banco Products (India) Limited)</b>		
Mr. Devesh A Pathak	1.50	1.50
Mr. Mukesh D Patel	4.00	4.00
Mr. Ramkisan A Devidayal	4.00	4.00
Mr. Udayan P Patel	1.50	1.50
Mrs.Ameeta Vikas Manohar	1.50	1.50
	<b>12.50</b>	<b>12.50</b>
<b>Dividend paid</b>		
Mr. Mehul K Patel	9,748.35	773.68
Mr. Ramkisan A Devidayal	147.68	11.70
Banco Aluminium Limited	150.28	11.93
Mr. Samir K Patel	1,264.28	100.34
Mr. Sharan M Patel	50.40	-
Others	1,019.32	85.05
	<b>12,380.31</b>	<b>982.70</b>
<b>Purchase of goods</b>		
Banco Aluminium Limited	399.34	487.17
	<b>399.34</b>	<b>487.17</b>
<b>Sale of goods</b>		
Banco Aluminium Limited	188.31	561.77
Kilimanjaro Biochem Limited	112.68	63.06
	<b>300.99</b>	<b>624.83</b>
<b>Receiving of services</b>		
Banco Aluminium Limited	-	1.37
	-	<b>1.37</b>
<b>Rendering of services</b>		
Banco Aluminium Limited	0.01	-
	<b>0.01</b>	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

	(₹ in Lakhs)	
	2022-23	2021-22
<b>Donation paid</b>		
Banco Product Trust	0.50	-
	<b>0.50</b>	<b>-</b>

**36. SEGMENT REPORTING****Operating segment: Business segment**

The Company is engaged in manufacturing of automobile components. For the purpose of disclosure of segment information, the Company considers this activity as a single business segment.

	(₹ in Lakhs)	
	2022-23	2021-22
<b>Revenue from continuing operation</b>		
A. Domestic	85,997.00	64,978.43
B. Exports	16,364.49	16,624.12
C. International operation	1,27,693.03	1,11,088.33
<b>Total revenue</b>	<b>2,30,054.52</b>	<b>1,92,690.88</b>
<b>Consolidated revenue exceeding 10% from each single external customer</b>	<b>-</b>	<b>-</b>

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

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
a) Shortfall/(Excess) at the beginning of the year	(449.89)	-
b) Amount required to be spent by the company during the year	210.32	213.06
c) Amount of expenditure incurred	577.52	662.95
d) Shortfall/(Excess) at the end of the years	(817.09)	(449.89)
e) Total of previous year shortfalls	-	-
f) Reason for shortfall	-	-
g) Nature of CSR activities	Promotion of Education, Skill & Employment, Livelihood of People, Health & Hygiene, COVID 19 relief	
h) Details of related party transactions (contribution to a trust controlled by the company)	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**38. (A) CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS**

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>Financial assets measured at amortised cost</b>					
Unquoted equity shares subsidiaries/ indirect subsidiaries measured at cost	4	-	51.43	-	-
Security deposit and government grants	5	1,381.22	2,238.41	-	-
Trade receivables	10	-	-	41,349.04	32,425.05
Cash and cash equivalents	11A	-	-	701.99	1,295.55
Other balances with bank	11B	-	-	1,130.81	6,861.26
Interest accrued on deposit with banks	12	-	-	8.26	183.08
Others	12	-	-	13.98	14.44
Security deposit	12	-	-	32.47	49.23
		<b>1,381.22</b>	<b>2,289.84</b>	<b>43,236.55</b>	<b>40,828.61</b>
<b>Financial liabilities measured at amortised cost</b>					
Long term borrowing	16	3,830.91	529.35	-	-
Cash credit from banks	19	-	-	25,325.66	1,453.99
Trade payables	20	-	-	34,902.69	30,323.57
Unclaimed/unpaid dividend	21	-	-	347.92	330.37
Payable to employees	21	-	-	1,559.52	1,700.81
Interest accrued but not due on borrowings	21	-	-	29.82	28.34
Advance received from customers	21	-	-	9.98	16.95
		<b>3,830.91</b>	<b>529.35</b>	<b>62,175.59</b>	<b>33,854.03</b>

Investment in equity instruments measured through OCI were not held for trading. The Company had chosen to measure this investment at FVTOCI irrevocably and the management believed that presenting fair value gain and losses relating to this investment in the statement of profit and loss may not have been indicative of the performance of the Company. All the investments were sold during the year.

**(B) FAIR VALUE MEASUREMENTS**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables.

**(C) CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

As at 31st March, 2023, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

**(D) FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Group's activities expose it to a variety of financial risks are market risk, credit risk, liquidity risk. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the policy is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the group.

**(1) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks are interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and loans.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended 31st March, 2023 would decrease/increase by ₹ 147.28 lakhs (P.Y. 31st March, 2022 ₹ 10.17 lakhs).

**(b) Foreign currency risk**

The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

**(2) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The exposure are continuously monitored.

The Company's credit period generally ranges from 30-90 days.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

The Movement in credit loss allowance on customer balance is as follows : (₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balance at the beginning	955.18	18.38
Impairment loss recognized/(reversed), net	(555.82)	936.80
Amount written off	-	-
Translation differences	-	-
<b>Balance at the end</b>	<b>399.36</b>	<b>955.18</b>

**(3) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company consistently generates sufficient cash flow from operations to meet its financial obligations as and when they fall due.

The tables below provides detail regarding the contractual maturities of significant financial liabilities as at 31st March, 2023 and 31st March, 2022.

	(₹ in Lakhs)		
	As at 31st March, 2023		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	25,325.66	-	3,830.91
Trade payables	34,829.03	26.44	47.22
Other financial liabilities (current and non current)	1,947.24	-	-

	(₹ in Lakhs)		
	As at 31st March, 2022		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	1,453.99	-	529.35
Trade payables	30,272.24	19.63	31.70
Other financial liabilities (current and non current)	2,076.47	-	-

\* The significant financial liabilities payable on demand is shown under less than 1 year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**39. RATIO ANALYSIS**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% Variance	Reason for variance
Current ratio	Current assets	Current liabilities	2.24	3.17	(29.47)	
Debt equity ratio	Long term debt	Shareholders equity	0.04	0.01	609.41	
Debt service coverage ratio	Profit before depreciation, interest & tax	Interest charges	30.18	52.69	(42.71)	
Return on equity ratio	Profit after tax	Average shareholders equity	23.76	16.84	41.07	
Inventory turnover ratio	Net sales	Average inventories	2.68	3.00	(10.61)	
Trade receivable turnover ratio	Net sales	Average account receivables	6.24	6.48	(3.78)	
Trade payable turnover ratio	Net purchases	Average trade payables	4.94	4.51	9.53	
Capital turnover ratio	Net sales	Average working capital	2.87	2.62	9.81	
Net profit ratio	Profit after tax	Net sales	10.24	7.91	29.46	
Return on capital employed	Profit before interest & tax	Capital employed	24.17	21.82	10.78	
Return on investment	Dividend income	Average investment	NA	NA	NA	



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**
**40. ADDITIONAL INFORMATIONS AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT TO SCHEDULE III TO THE COMPANIES ACT, 2013**

Name of the Enterprises	Net Assets i.e. total assets minus total liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated share in profit	Amount (₹ in Lakhs)	As % of share in other comprehensive income	Amount (₹ in Lakhs)	As % of share in total comprehensive income	Amount (₹ in Lakhs)
<b>Parent</b>								
Banco Products (India) Limited	59.44%	73,071.08	66.31%	24,554.76	38.33%	(2.30)	66.32%	24,552.46
<b>Subsidiaries (Indian)</b>								
Banco Gaskets India Limited	6.29%	7,730.71	4.97%	1,838.96	61.67%	(3.70)	4.96%	1,835.26
<b>Subsidiaries (Indian)</b>								
Banco New Energy Cooling Systems Limited	0.63%	773.37	(0.13%)	(48.31)	-	-	-	(48.31)
<b>Subsidiaries (Foreign)</b>								
Nederlandse Radiateuren Fabriek B.V.	33.64%	41,348.38	28.85%	10,682.43	-	-	28.85%	10,682.43
<b>Total Consolidated Figure</b>	<b>100.00%</b>	<b>1,22,923.54</b>	<b>100.00%</b>	<b>37,027.84</b>	<b>100.00%</b>	<b>(6.00)</b>	<b>100.00%</b>	<b>37,021.84</b>
<b>Adjustment arising out of consolidation</b>	-	(22,773.44)	-	(13,469.96)	-	(1,548.86)	-	(15,018.82)
<b>Minority Interest in all subsidiaries</b>	-	-	-	-	-	-	-	-
<b>Associates (investment as per the equity method)</b>								
Indian	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
<b>Joint Ventures (As per proportionate consolidation / investment as per equity method)</b>								
Indian	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
<b>Consolidated net assets/net profit after tax/OCI</b>	-	<b>1,00,150.10</b>	-	<b>23,557.88</b>	-	<b>(1,554.86)</b>	-	<b>22,003.02</b>

Note: Information in respect of subsidiaries are as per its consolidated financial statement

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## 41. LEASE

## As Lessee

## Amounts recognised in the statement of profit and loss

	(₹ in Lakhs)	
	2022-23	2021-22
Expenses relating to short-term leases (*included in other expenses in Note 31)	2,210.97	1,656.78

## Amounts recognised in the statement of cash flows

	(₹ in Lakhs)	
	2022-23	2021-22
<b>Total cash outflow for leases</b>	<b>2,210.97</b>	<b>1,656.78</b>

The movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 is as follows :

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
<b>Balance at the beginning</b>	9,537.77	-
Additions	4,886.58	10,883.33
Additions through business combination	-	-
Finance cost accrued during the period	282.35	217.67
Deletions	-	-
Payment of lease liabilities	2,106.42	1,563.23
Translation difference	-	-
<b>Balance at the end</b>	<b>12,600.28</b>	<b>9,537.77</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Less than one year*	1,724.15	1,704.65
One to five years	8,736.96	6,223.65
More than five years	2,139.17	1,609.43
	<b>12,600.28</b>	<b>9,537.73</b>

## As Lessor

The Group has entered into operating leases on its buildings and plant & machinery. These leases have terms of between five and nine years. All leases include a clause to enable upward revision of the rental charge on an annual basis as per agreed terms. The total rents recognised as income during the year is ₹ 16.77 lakhs (P.Y. 31st March, 2022 ₹ 15.86 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Within one year	1.35	1.29

**42. GOVERNMENT GRANTS**

The Group has a unit in Telangana. The Group is eligible for government grants in accordance with the T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) Incentive Scheme 2014, the Group is eligible for following grants with reference to the unit established in Telangana.

- (a) 100% of reimbursement of stamp duty and transfer duty paid on purchase of land, 25% rebate in land cost in Industrial Parks and 15% investment subsidy subject to a maximum capital of ₹ 20 lakhs. Accordingly, the Group has recognized deferred grant of ₹ 29.30 lakhs, which is recognized as income on a straight line basis over the period of scheme of 30 years. An amount of ₹ 0.98 lakhs is recognized as income under other income in note 25. An amount of ₹ 22.47 lakhs remains unamortized as at 31st March, 2023, which is reflected under note 18 non-current liabilities and note 22 other current liabilities.
- (b) Reimbursement of 100% of net VAT/CST/SGST for a period of 5 years from the date of commencement of commercial production. Accordingly, the Group has recognized an income of ₹ NIL (P.Y. ₹ NIL), being the amount of refund of net SGST paid by the Group to the Government of Telangana.

The Group also receives government assistance from the Governments of Spain, Italy, Poland, France, Germany and The Netherlands. The Group complies with the terms and conditions of the said assistance.

43. Previous year's figures have been regrouped/reclassified wherever necessary.

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.**





## **Cautionary Statement**

The report contains certain forward-looking statements, including words like ‘plans’, ‘expects’, ‘anticipates’, ‘believes’, ‘intends’, ‘estimates’ or other words indicating similar meaning. All such statements that address expectations or projections about the future, including but not limited to statements about the Company’s strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. As such, forward looking statements are based on certain assumptions and expectations of future events, and hence the Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results or performance could thus differ materially from those projected, if any, in any such forward looking-statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Printed Matter

If undelivered, please return to :

**BANCO PRODUCTS (INDIA) LIMITED**

Bil, Near Bhaili Railway Station,

Padra Road, Vadodara – 391410, Gujarat, India.

CIN : L51100GJ1961PLC001039

Tel Nos.: (0265) 2318226, Fax No. (0265) 2680433

Website : [www.bancoindia.com](http://www.bancoindia.com)

Email : [investor@bancoindia.com](mailto:investor@bancoindia.com), [sec@bancoindia.com](mailto:sec@bancoindia.com)