

# **BANCO PRODUCTS (INDIA) LIMITED**



**58<sup>th</sup> ANNUAL REPORT  
2018-2019**



**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
		Samir K. Patel	Director
		Ramkisan Devidayal	Independent Director
		Mukesh D. Patel	Independent Director
		Devesh A. Pathak	Independent Director
		Udayan P. Patel	Independent Director
		Rajendra J. Anandpara	Managing Director
		Himali Patel	Whole time Director & CFO
<b>Company Secretary</b>	:	Dinesh Kavthekar	
<b>Bankers</b>	:	State Bank of India	
		Bank of Baroda	
		HDFC Bank Limited	
<b>Auditors</b>	:	Manubhai & Shah LLP,	
		Chartered Accountants,	
		Ahmedabad	
<b>Registered Office</b>	:	Bil, Near Bhaili Railway Station,	
		Padra Road, Dist. Vadodara-391 410	
<b>Works</b>	:	At Bil, Near Bhaili Railway Station,	
		Padra Road, Dist. 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.	

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## NOTICE

Notice is hereby given that the 58th Annual General Meeting of Banco Products (India) Limited will be held on Monday, the 23<sup>rd</sup> day of September, 2019, at 10:00 a.m. at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410, to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31.03.2019 including Balance Sheet as at 31.03.2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31.03.2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend on Equity Shares for the Financial Year ended 31.03.2019.
3. To appoint a Director in place of Mr. Mehul K Patel (DIN : 01772099), who retires by rotation and being eligible, offers himself for reappointment.
4. Appointment of Statutory Auditors

To consider and if thought fit to pass the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 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 thereof for the time being in force] ('the Act') and pursuant to the recommendations of Audit Committee and Board of Directors of the Company, M/s. Parikh Shah Chotalia & Associates, Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W), be and are hereby appointed as Statutory Auditors of the Company, who shall hold Office from conclusion of the ensuing 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting, in place of retiring Auditors M/s Manubhai & Shah LLP, Chartered Accountants, on such remuneration and terms and conditions as set out in the explanatory statement to this Notice."

### Special Business

5. **Re-appointment of Shri Ramkisan Devidayal (DIN: 00238853) as an Independent Director of the Company:**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Shri Ramkisan Devidayal (DIN: 00238853) whose term as an Independent Director of the Company expires on the conclusion of the 58<sup>th</sup> Annual General Meeting, and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible to be re-appointed as an Independent Director of the Company, and whose reappointment is recommended by the Nomination and Remuneration Committee be and is hereby re-appointed as Independent Director for a second consecutive term of five years with effect from 24.09.2019 upto conclusion of 63<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2024 who shall not be liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors, be and is, hereby authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company."

6. **Re-appointment of Shri Mukesh D Patel (DIN: 00009605) as an Independent Director of the Company:**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Shri Mukesh D Patel (DIN: 00009605) whose term as an Independent Director of the Company expires on the conclusion of the 58<sup>th</sup> Annual General Meeting, and who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, and who is eligible to be re-appointed as an Independent Director of the Company, and whose reappointment is recommended by the Nomination and Remuneration Committee be and is hereby re-appointed as Independent Director for a second consecutive term of five years with effect from 24.09.2019 upto conclusion of 63<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2024 who shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors, be and is, hereby authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

**7. Re-appointment of Shri Devesh A Pathak (DIN: 00017515) as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Shri Devesh A Pathak (DIN: 00017515) whose term as an Independent Director of the Company expires on 12.02.2020, who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, and whose reappointment is recommended by the Nomination and Remuneration Committee be and is hereby re-appointed as Independent Director for a second consecutive term of five years with effect from 13.02.2020 upto 12.02.2025 who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

**8. Re-appointment of Shri Udayan P Patel (DIN: 00598313) as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Shri Udayan P Patel (DIN: 00598313) whose term as an Independent Director of the Company expires on 12.02.2020, who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be re-appointed as an Independent Director of the Company, and whose reappointment is recommended by the Nomination and Remuneration Committee be and is hereby re-appointed as Independent Director for a second consecutive term of five years with effect from 13.02.2020 upto 12.02.2025 who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as in their absolute discretion they may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

**9. To consider revision in payment of commission to Non-Executive Independent Director Shri Ramkisan Devidayal within the overall ceiling limit of 1% of net profits of the Company for a period of five years with effect from 01.04.2019.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission not exceeding ₹ 4,00,000/- (Rupees Four

Lakhs only) per annum to Shri Ramkisan Devidayal the Non-Executive Independent Director of the Company (other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each financial year over a period of five (5) financial years with effect from 1st April 2019 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

10. **To consider revision in payment of commission to Non-Executive Independent Director Shri Mukesh Patel within the overall ceiling limit of 1% of net profits of the Company for a period of five years with effect from 01.04.2019.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission not exceeding ₹ 4,00,000/- (Rupees Four Lakhs only) per annum to Shri Mukesh Patel the Non-Executive Independent Director of the Company (other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each financial year over a period of five (5) financial years with effect from 1<sup>st</sup> April 2019 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

11. **To consider revision payment of commission to Non-Executive Independent Director Shri Devesh Pathak within the overall ceiling limit of 1% of net profits of the Company for a period of five years with effect from 01.04.2019.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission not exceeding ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) per annum to Shri Devesh Pathak the Non-Executive Independent Director of the Company (other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each financial year over a period of five (5) financial years with effect from 1<sup>st</sup> April 2019 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

12. **To consider revision in payment of commission to Non-Executive Independent Director Shri Udayan Patel within the overall ceiling limit of 1% of net profits of the Company for a period of five years with effect from 01.04.2019.**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission not exceeding ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) per annum to Shri Udayan Patel the Non-Executive Independent Director of the Company (other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each financial year over a period of five (5) financial years with effect from 1<sup>st</sup> April 2019 and distributed between

such Directors in such a manner as the Board of Directors may from time to time determine within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.”

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

### 13. Approval for 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, Baroda (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 2019-2020, amounting to ₹ 45000 /- (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.”

### NOTES :

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD BE LODGED WITH THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy, provided that such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement, pursuant to SEBI Listing Rules and/ or Section 102 of the Companies Act, 2013, relating to the Ordinary Business under Item No. 04 and Special Businesses enumerated under Item No 05 to 13 of the accompanying Notice are annexed hereto.
4. The profile of the Directors seeking reappointment of the accompanying Notice, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith
5. Members are requested to bring their attendance slip duly completed and signed mentioning the details of their DP ID and Client ID/Folio No. and also bring their valid ID proof at the time of the Meeting.
6. The Register of Members and Share Transfer Books of the Company was closed from 09.08.2019 to 26.08.2019 (both days inclusive).
7. The final dividend on Equity Shares, as recommended by the Board of Directors for the financial year ended 31.03.2019, if approved at the Annual General Meeting will be paid on or after 16.10.2019.
  - a. To all the beneficial owners in respect of shares held in electronic form, as per the date made available by the National Security Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 08.08.2019; and
  - b. To all the members in respect of shares held in physical form, after giving effect to valid transfer(s) in respect of transfer request(s) lodged with the Company on or before the close of business hours on 08.08.2019.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar/Company.

9. All the relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members of the Company at the Registered Office of the Company during normal business hours on any working day except Sundays and public holidays upto the date of the Annual General Meeting.
10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder the copy of the Annual Report including the Notice, Board's Report, Report on Corporate Governance, Financial Statements, etc are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to investor@bancoindia.com mentioning your Folio/DP ID & Client ID. Members may also note that the Annual Report for the financial year ended on 31.03.2019 will also be available on the Company's website www.bancoindia.com for their download.
11. Members are requested to bring their copies of the Annual Report to the meeting. Members desirous of obtaining any information with respect of the accounts of the Company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.
12. a. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to either the Company or Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited, B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
  - I. Name of the Sole/First Joint holder and the Folio Number; and
  - II. Particulars of Bank Account, viz.
    - i. Name of Bank;
    - ii. Name of Branch;
    - iii. Complete address of the Bank with Pin Code Number;
    - iv. Account type, whether Savings Account or Current Account; and
    - v. Bank Account Number.
- b. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
13. In terms of the applicable provisions of the Companies Act, Rules and Regulations in force, the unclaimed / unpaid dividend will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.  
Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22.09.2018 (date of the last Annual General Meeting) on the website of the Company (www.bancoindia.com).
14. Members are requested to send all communications relating to shares and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:  
LINK INTIME INDIA PVT. LTD  
(Unit : Banco Products (India) Limited)  
B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota, Vadodara 390020.  
Phone No. : 0265 – 2356573/2356794, Fax No. : 0265- 2356791  
Email : vadodara@linkintime.co.in
15. Voting through electronic means:  
Pursuant to Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the

Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 58<sup>th</sup> Annual General Meeting of the Company. The Company has provided e-voting facility to the members using the Central Depository Services Limited (CDSL) platform. Accordingly, the members may exercise her/his vote by electronic means through the electronic voting system.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 58<sup>th</sup> Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the Annual General Meeting.

The Board of Directors of the Company has appointed Shri Jagdish J. Gandhi, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions for members voting electronically are as under:

- (i) The voting period begins on 20.09.2019 (9:00 a.m.) and ends on 22.09.2019 (5:00 p.m.). During the period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off i.e. 16.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 05:00 p.m. on 22.09.2019.
- (ii) Members holding shares in physical or in demat form as on 16.09.2019 shall only be eligible for e- voting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID;
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user or any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. on 16.09.2019, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that their

password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- (xii) Click on the EVSN of the Company i.e. Banco Products (India) Ltd. to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Registered Office:**

**Banco Products (India) Limited**

Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara – 391410

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)

By Order of the Board,

Date : 22.08.2019

Place : Bil

Himali Patel - Director  
(DIN : 07081636)

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 / the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

Item 4. Appointment of M/s. Parikh Shah Chotalia & Associates , Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W ) as Statutory Auditors of the Company

M/s Manubhai & Shah LLP, Chartered Accountants, were appointed as Statutory Auditors by the Members of the Company at their 53rd Annual General Meeting held on 23.09.2014 to hold the Office upto conclusion of ensuing 58th Annual General Meeting . Accordingly, they will retire at this Annual General Meeting. The Statutory Auditors are not seeking their re-appointment, upon end of their Tenure in the forthcoming Annual General Meeting.

The Company has received a certificate from M/s. Parikh Shah Chotalia & Associates , Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W ) , that, if approved by the Members, they are eligible for Appointment for as Statutory Auditors for First Term of Five Years, in terms of applicable provisions of the Companies Act, 2013 and Rules made thereunder, under SEBI Rules and Regulations and other Rules and Regulations, as be applicable from time to time.

In accordance with the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, the Board of Directors of the Company, on the recommendations of Audit Committee, has recommended the appointment of M/s. Parikh Shah Chotalia & Associates , Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W ), as Statutory Auditors of the Company for a term of Five consecutive years at the ensuing 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting, in place of retiring Auditors M/s Manubhai & Shah LLP, Chartered Accountants. The Auditor's Report for financial year 2018-19 does not contain any qualification, reservation or adverse remark.

The details of remuneration to be paid during the proposed Tenure are as under :

Proposed Fees : Fixed Remuneration for Statutory Audit Rs.7.50 Lakhs plus applicable taxes, travelling and other out of- pocket expenses incurred by them in connection with the statutory audit of the Company ,for the Financial Year 2019-2020 and for such remuneration and expenses thereafter , during the tenure as may be mutually agreed between the Company and the said Statutory Auditors and as may be further approved by the Board from time to time, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions as may be stipulated by any other authority, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Auditors during their association with the Company. The proposed fees are also in line with the industry benchmarks.

The fees for services in the nature of statutory certifications and other professional work , if any , will be in addition to the audit fee as above and will be decided by the management in consultation with the Auditors.

**Profile of the Firm**

M/s. Parikh Shah Chotalia & Associates , Chartered Accountants (PSCA), Vadodara is one of the leading Firm of Chartered Accountants of Vadodara . The Firm is having 6 partners with wide and rich experience of more than 20 years in the field of Audit and Assurance of Statutory Audit, Internal Audit and various types of Audits, Taxation matters, Financial and Corporate Advisory Services and the Firm is Peer Reviewed.

It has adequate Strength of 100 plus members and offices at 5 locations in Gujarat.

The Board of Directors recommends the Special Resolution set out in Item No. 4 of the accompanying Notice for your approval.

Neither any of the Directors / Key Managerial Personnel of the Company nor their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**
**Item No. 5**

The Shareholders in the Annual General Meeting held on 23.09.2014 have approved the Appointment of Shri Ramkisan Devidayal (DIN: 00238853) as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto conclusion of the 58<sup>th</sup> Annual General Meeting.

Shri Ramkisan Devidayal has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended at its Meeting held on 30.5.2019 and the Board of Directors of the Company approved at their meetings held on 30.05.2019 and on 09.08.2019, re-appointment of Shri Ramkisan Devidayal as a Non-executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company.

Shri Ramkisan Devidayal, Non-Executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Ramkisan Devidayal fulfills the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and he is independent of the management.

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.

The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members at the Registered Office of the Company during its business hours on any working days.

The Board of Directors recommends the Special Resolution set out in Item No. 5 of the accompanying Notice for your approval.

Except Shri Ramkisan Devidayal, neither any of the Promoters, Directors, Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

#### **Item No. 6**

The Shareholders in the Annual General Meeting held on 23.09.2014 have approved the Appointment of Shri Mukesh D Patel (DIN: 00009605) as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto conclusion of the 58<sup>th</sup> Annual General Meeting.

Shri Mukesh D Patel has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended at its Meeting held on 30.5.2019 and the Board of Directors of the Company approved at their meetings held on 30.05.2019 and on 09.08.2019, re-appointment of Shri Mukesh D Patel as a Non-executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company.

Shri Mukesh D Patel, Non-Executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Mukesh D Patel fulfills the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and he is independent of the management.

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.

The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members at the Registered Office of the Company during its business hours on any working days.

The Board of Directors recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for your approval.

Except Shri Mukesh D Patel, neither any of the Promoters, Directors, Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

#### **Item No. 7**

Shri Devesh A Pathak (DIN: 00017515) was appointed as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto 12.02.2020.

Shri Devesh A Pathak has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended at its Meeting held on 30.5.2019 and the Board of Directors of the Company approved at their meetings held on 30.05.2019 and on 09.08.2019, re-appointment of Shri Devesh A Pathak as a Non-executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. 13.02.2020.

Shri Devesh A Pathak, Non-Executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Devesh A Pathak fulfills the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and he is independent of the management.

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.

The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members at the Registered Office of the Company during its business hours on any working days.

The Board of Directors recommends the Special Resolution set out in Item No. 7 of the accompanying Notice for your approval.

Except Shri Devesh A Pathak, neither any of the Promoters, Directors, Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

#### **Item No. 8**

Shri Udayan P Patel (DIN: 00598313) was appointed as Non-Executive Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto 12.02.2020.

Shri Udayan P Patel has the requisite qualification, skills, experience and expertise in specific functional areas, which is beneficial to the Company and based on the outcome of his performance evaluation, the Nomination and Remuneration Committee recommended at its Meeting held on 30.5.2019 and the Board of Directors of the Company approved at their meetings held on 30.05.2019 and on 09.08.2019, re-appointment of Shri Udayan P Patel as a Non-executive Independent Director for the second term of 5 (five) consecutive years on the Board of the Company w.e.f. 13.02.2020.

Shri Udayan P Patel, Non-Executive Director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Shri Udayan P Patel fulfills the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and he is independent of the management.

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.

The draft letter of appointment setting out terms and conditions of re-appointment of the said Director shall be open for inspection by the Members at the Registered Office of the Company during its business hours on any working days.

The Board of Directors recommends the Special Resolution set out in Item No. 8 of the accompanying Notice for your approval.

Except Shri Udayan P Patel, neither any of the Promoters, Directors, Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

#### **Item No. 9 to 12**

The Shareholder, in the Annual General Meeting held on 17.09.2016, have approved the payment of Commission to the Non-Executive Independent Directors. The Board of Directors, in its meeting held on 30.05.2019 and on 09.08.2019, and in terms of the recommendation of Nomination and Remuneration Committee Meeting held on 30.05.2019, have approved the revision in payment of Commission to Non-Executive Independent Directors subject to approval by Shareholders.

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 Managing Director and the Whole-time Directors be paid for each of the five financial years of the Company commencing from 1st April 2019, 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 all 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 a Special 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 Managing Director and Whole-time Directors, for a period of five years commencing from 1st April 2019 as set out in the Resolution at Item No.9 - 12 of the Notice.

The Board recommends the special resolution set out under Item No.9-12 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, in the resolution set out at Item No. 9-12 of the Notice 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 respective resolution set out at Item No.9-12 of the Notice to the extent of the remuneration that may be received by them.

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

Notice Item No.	Name	Proposed Amount of Commission not exceeding ₹ Per annum	Period	No of Shares held	Inter se-Relationship, If any.
9	Shri Ramkisan Devidayal	₹ 4,00,000/-	5 years	5,86,034 (0.82%)	No Inter-se relationship
10	Shri Mukesh Patel	₹ 4,00,000/-	5 years	--	No Inter-se relationship
11	Shri Devesh Pathak	₹ 1,50,000/-	5 years	--	No Inter-se relationship
12	Shri Udayan Patel	₹ 1,50,000/-	5 years	--	No Inter-se relationship

**Item No. 13**

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, Baroda, to conduct the audit of the cost records of the Company for the financial year 2019-2020.

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 set out in Item No.13 of the accompanying Notice for your approval.

Neither any of the Promoters, Directors, Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

None of the Directors, Key Managerial Personnel(s) and their relatives, have any concern or interest.

Brief Resume of Directors seeking Re-appointment in accordance with the Secretarial Standards ("SS-2") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

## ANNEXURE A

## Profile of Directors

Name	Shri Mehul K. Patel
Birth Date / Age	29.10.1964 / 54Yrs
Date of appointment on the Board	08.02.1990
Qualifications	M.Sc. (Engineering)
Nature of expertise & experience	Shri Mehul K. Patel is one of the Promoter Director of the Company. He is incharge of marketing activities of the company since more than 23 years. The Company has established itself in Domestic and Export under his able leadership and guidance. He has expertise in the working of various area of business management.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Brother
Terms and conditions of Appointment or Re- Appointment	Promoter Director liable to retire by rotation
Remuneration last drawn (commission and sitting fees)	Nil
No. of meetings of the Board attended for the period from April 2018 till date	4
Directorships held in other Companies	<ul style="list-style-type: none"> <li>- Banco Gaskets (India) Ltd.</li> <li>- Nederlandse Radiatoren Fabriek B.V</li> <li>- Lake Minerals (Mauritius) Ltd.</li> <li>- K K Patel Foundation</li> <li>- Banco Foundation</li> <li>- Kilimanjaro Biochem Limited.</li> </ul>
Chairmanship/Membership of Committees of other Board	NIL
No. of Shares held	50,19,052

Name	Shri Ramkisan Devidayal
Birth Date / Age	08.12.1950 / 68 Years
Date of appointment on the Board	30.07.2001
Qualifications	M.Com. (General Management)
Nature of expertise & experience	Shri Ramkisan Devidayal is M.Com (Business Management). He has held various Positions such as President, Vice President, Committee Member etc. in various industry bodies like Federation of Gujarat Industries, Forum of Industries, Chamber of Commerce, Gujarat Pesticide Formulators Associations, Ahmedabad. He is also associated with various NGOs, Social Institutions etc. such as Baroda Citizen Council, Navrachna Credit Co-Operative Society. He is also on the Board of many companies.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	None
Terms and conditions of Appointment or Re- Appointment	Terms of Re- Appointment As per the resolution at Item No. 5 of the Notice dated 30.05.2019 of Annual General Meeting read with respective Explanatory Statement.
Remuneration last drawn (commission and sitting fees)	Rs. 5,40,000 for the Financial Year ended on 31.03.2019
No. of meetings of the Board attended for the period from April 2018 till date	5

Directorships held in other Companies	<ul style="list-style-type: none"> <li>- Munjal Auto Industries Ltd.</li> <li>- 20 Microns Ltd.</li> <li>- 20 Microns Nano Minerals Ltd.</li> <li>- Gujarat Metal Cast Industries Ltd.</li> <li>- ACL Mobile Ltd</li> </ul>
Chairmanship/Membership of Committees of other Board	<ul style="list-style-type: none"> <li>- Chairman of Audit Committee of Munjal Auto Industries Ltd.</li> <li>- Member of Stakeholders' Relationship Committee of 20 Microns Ltd.</li> <li>- Chairman of Audit Committee of 20 Microns Nano Minerals Ltd</li> <li>- Member of Audit Committee of Munjal Auto Industries Ltd.</li> <li>- Member of Stakeholders' Relationship Committee of Munjal Auto Industries Ltd</li> </ul>
No. of Shares held	5,86,034

Name	Mukesh D Patel
Birth Date / Age	12.12.1949 / 69 Years
Date of appointment on the Board	27.03.2009
Qualifications	B.Sc (Chemistry)B.Sc (Chemical Engineering)
Nature of expertise & experience	Shri Mukesh Patel is One of reputed Industrialist of Vadodara. He was associated with various industry bodies such as Indian Chemicals Manufacturer's Association, CHEMXCIL, and Indian Association of Materials' Management. He has undergone training in all areas of business in leading Management Institutions like IIMA, ASCI etc. He is also on the Board of several other companies. He has expertise in the working of various areas of Management.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	None
Terms and conditions of Appointment or Re- Appointment	Terms of Re- Appointment As per the resolution at Item No. 6 of the Notice dated 30.05.2019 of Annual General Meeting read with respective Explanatory Statement.
Remuneration last drawn (commission and sitting fees)	Rs. 5,40,000 for the Financial Year ended on 31.03.2019
No. of meetings of the Board attended for the period from April 2018 till date	5
Directorships held in other Companies	<ul style="list-style-type: none"> <li>- Punjab Chemicals and Crop Protection Ltd.</li> <li>- Shilchar Technologies Ltd- Universal Esters Ltd.</li> </ul>
Chairmanship/Membership of Committees of other Board	<ul style="list-style-type: none"> <li>- Chairman of Audit Committee of Shilchar Technologies Ltd</li> <li>- Chairman of Stakeholders Relationship Committee of Shilchar Technologies Ltd</li> <li>- Chairman of Audit Committee of Punjab Chemicals and Crop Protection Ltd.</li> <li>- Chairman of Stakeholders Relationship Committee of Punjab Chemicals and Crop Protection Ltd.</li> <li>- Member of Nomination and Remuneration Committee of Punjab Chemicals and Crop Protection Ltd.</li> </ul>
No. of Shares held	NIL



Name	Devesh A Pathak
Birth Date / Age	03.12.1957 / 61 Yrs
Date of appointment on the Board	13.02.2015
Qualifications	B.Com. LLB, FCS
Nature of expertise & experience	Shri Devesh A. Pathak is the Fellow Member of ICSI and a Registered Trade Mark attorney. He is Registered Insolvency Professional. He is having expertise in Corporate Laws. He is providing professional services to reputed companies viz. GACL, GSFC, GIPCL, Munjal Auto Industries Ltd. He is having more than 35 years of experience including 24 years of experience as a Practicing Company Secretary in Corporate legal and allied field. He was Office bearer of Vadodara Chapter of WIRC of the Institute of Company Secretaries ( ICSI ) , from 1991 to 2003 and member of WIRC of ICSI from 2001 to 2003.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	None
Terms and conditions of Appointment or Re- Appointment	Terms of Re- Appointment As per the resolution at Item No. 7 of the Notice dated 30.05.2019 of Annual General Meeting read with respective Explanatory Statement.
Remuneration last drawn (commission and sitting fees)	Rs.3,40,000 for the Financial Year ended on 31.03.2019
No. of meetings of the Board attended for the period from April 2018 till date	5
Directorships held in other Companies	All Indian Origin Chemists and Distributors Ltd. P+W Silo System India Pvt Ltd. Devesh Pathak Professional Solutions Pvt Ltd. R+B Filter Manufacturing Enterprises Pvt Ltd. Ram Ratna Electricals Ltd.
Chairmanship/Membership of Committees of other Board	- Chairman of Audit Committee of All Indian Origin Chemists and Distributors - Member of Audit Committee of Ram Ratna Electricals Ltd. - Chairman of Nomination and Remuneration Committee of Ram Ratna Electricals Ltd.
No. of Shares held	NIL

Name	Udayan P Patel
Birth Date / Age	24.10.1964 / 54
Date of appointment on the Board	13.02.2015
Qualifications	B E (Civil), M E (Construction Management)
Nature of expertise & experience	Shri Udayan P. Patel is the Executive Director of Acura Solutions Pvt. Ltd. Shri Udayan P. Patel did his BE from the Faculty of Technology and Engineering, MSU. He did ME in Construction Management from Stevens Institute of Technology, NJ, USA. He is involved in the business of Real Estate and infrastructure development for past 20 years. Prior to starting his own business in India, Shri Udayan P. Patel worked in Washington DC, USA with Chubb Insurance Company for 3 years. He served as Board Member of CREDAI Vadodara during 2010 to 2013. He is also involved in many philanthropic activities.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	None
Terms and conditions of Appointment or Re- Appointment	Terms of Re- Appointment As per the resolution at Item No. 8 of the Notice dated 30.05.2019 of Annual General Meeting read with respective Explanatory Statement.
Remuneration last drawn (commission and sitting fees)	Rs. 2,90,000 For the Financial Year ended on 31.03.2019
No. of meetings of the Board attended for the period from April 2018 till date	4
Directorships held in other Companies	Acura Solutions Pvt Ltd.
Chairmanship/Membership of Committees of other Board	Nil
No. of Shares held	Nil

## BOARD'S REPORT

To,  
The Members of  
Banco Products (India) Limited

Your Directors have the pleasure in presenting the 58th Annual Report together with the Audited Financial Statements of Banco Products (India) Limited ("the Company") and its subsidiaries for the financial year ended on 31.03.2019.

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

Economic situation, both globally and in India presented a mixed picture during the last year. Despite somewhat muted growth of major economies in the second half of the year, global economy managed to grow by over 3% in the year 2018. World Bank expects somewhat weaker outlook for 2019, as the economy faces growing risks of trade barriers, high government debts and slower growth in major developed and emerging nations

In India, the economic development started with good momentum in the financial year 2018-19, but weakened in the later half. Some the sectors like Commercial Vehicle and Construction Machinery benefitted from Government's aggressive actions towards infrastructure improvement to post robust growth in FY 2018-19. However the other segments like passenger cars, agricultural tractors and two wheelers posted somewhat lower than expected growth during the last year. Still with a GDP growth of approx 7% in the year FY 2018-19, India was the fastest growing economy of the world.

For your Company, the year 2018-19 was yet another good year. Sales grew by 18.80% (consolidated 13.18%) while profit before tax expanded by 18.36% (consolidated -10 %) over the previous year.

R&D and Integrated Manufacturing approach are two strong pillars of our company's long term customer centered strategy. By constantly striving to deliver solutions that provide maximum technology and economic benefits to our customers; we want to become preferred partners of our customers.

Government regulations, customer expectation and growing competition are pushing manufacturers to design and implement technological improvements in their products with ever reducing, "time to market". With our bespoke engineering approach, we work in close cooperation with our customers to design innovative cooling systems and modules that deliver maximum efficiency under practical operating conditions. During the year under review, we initiated a number of development projects with our customers in focus sectors such as Commercial Vehicles, Agricultural tractors, Off Highway equipments, Utility Vehicles, Power generation and Railways.

Responding to the challenges posed by planned introduction of new emission norms for automotive and off highway vehicles in India, our R & D has developed so named "Smart Core Technology 'that addresses the growing challenges of high efficiency, space/ weight limitation and longer warranty period of our customers. These innovative solutions have received growing acceptance from our Indian/ global customers.

We believe that actual operating conditions for on and off highway vehicles in India differs substantially from the same in the western world. Banco's smart solutions that take care of the actual application and maintenance conditions in India and still deliver best in class field performance. Ability of our designers to "read beyond specifications" and leverage their vast practical experience to deliver bespoke innovation –provides us a unique differentiation in the competitive markets where we operate

We continue to expand our customer and product portfolio. During the year under review, your company accelerated product development initiatives and added new products for OEM, and Aftermarket. Flexibility in the designing approach, speed in prototyping and in-house testing competence, helps us to shorten time to market significantly.

A good solution is not just well designed. The aim of our integrated manufacturing approach is to offer high quality products within shortest possible lead time. Our Company follows a vertically integrated approach in manufacturing. All the critical components are manufactured at our modern manufacturing plants located at Bhaili and Waghodia. During the year under review, our company invested over ₹ 37/- crores in capital expenditure to expand our manufacturing capabilities. We invested in state of the art continuous brazing furnace which prepares us well for stringent quality expectations under BS 6 standards our other investments in brazing, core making and assembly equipments will help us stay abreast in terms of global trends in manufacturing technology.

In the export markets, we continue our initiatives in terms of product and business development. Our long term approach to expand global OEM business is making a steady progress.

Increase in global prices of metals and commodities together with continued depreciation of Indian Rupee put pressure on the raw material cost development during the year. Your company with its relentless focus on cost initiated a number of operational excellence initiatives to improve efficiency and productivity besides implementing prudent financial discipline.

These measures have helped your organization deliver satisfactory top line and bottom line performance during the year under review, despite the challenges mentioned above.

## 2. Financial Performance:

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

(₹ in Crores)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended on 31.03.2019	Year ended on 31.03.2018	Year ended on 31.03.2019	Year ended on 31.03.2018
<b>Total Turnover</b>	<b>715</b>	602	<b>1,537</b>	1,311
<b>Profit Before tax</b>	<b>174</b>	147	<b>152</b>	164
<b>Less: Tax Expenses</b>	<b>51</b>	27	<b>69</b>	50
<b>Profit After tax from continuing operations</b>	<b>123</b>	120	<b>83</b>	114
Profit/(Loss) After tax from discontinued operations	-	-	<b>(14)</b>	3
<b>Profit for the year</b>	<b>123</b>	120	<b>69</b>	117
Add: Total comprehensive Income				
Balance Brought forward from previous year	<b>456</b>	395	<b>533</b>	477
<b>Profit available for Appropriation</b>	<b>579</b>	515	<b>602</b>	594
Appropriations:				
Interim Dividend paid during the year	<b>(36)</b>	(30)	<b>(36)</b>	(30)
Tax paid on Interim Dividend	<b>(0.80)</b>	(0.15)	<b>(2)</b>	(2)
Final Dividend	<b>(41)</b>	(29)	<b>(41)</b>	(29)
<b>Balance carried to Balance Sheet</b>	<b>500</b>	456	<b>523</b>	533

## 3. Dividend:

Your Directors had declared and paid Interim Dividend during the year at 250% i.e. ₹ 5/- per equity share of ₹ 2/- each absorbing ₹ 36/- Crores as dividend and ₹ 80 Lakhs Tax on Dividend (as per applicable provision under Section 115BBD of Income Tax Act) and have recommended final dividend of 150% i.e. ₹ 3/- per equity share of ₹ 2/- each for the financial year ended on 31.03.2019 as compared to ₹ 10/- per equity share of ₹ 2.00 each (500%) during previous year.

The total dividend for the financial year ended 31st March, 2019 would accordingly be ₹ 8/- per equity share of ₹ 2/- each i.e. 400%.

## 4. Reserve:

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 will invest 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 00.70 % of turnover.

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

(₹ In Crores)

Particulars	Year ended on 31.03.2019	Year ended on 31.03.2018
Sales (Net)	<b>715</b>	602
Profit after Tax (PAT)	<b>123</b>	120

**Domestic Sales:**

During the period under review, the Company's Domestic sales stood at ₹ 557/- crores as against ₹ 451/- crores in the previous year representing a robust 23.50 % growth. We expanded our business both in OEM and Replacement market.

**Export Sales:**

During the period under review, the Company's Export sales recovered to reach ₹ 158/- crores as against ₹ 151/- crores in the previous year, despite growing global competition.

Overall sales mix was placed at Domestic 78 % (previous year 75%) and Export 22 % (previous year 25%).

**6. Managements Discussion and Analysis:**

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

**7. Corporate Social Responsibility:**

The Company believed that it is vital for surrounding communities and stakeholders to progress with the Company. In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility Committee. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report forming part of the Annual Report.

The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee is available on the website of the Company as per the web link provided in the report on Corporate Social Responsibility Activities as per Annexure "B" to this Report.

**8. 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.

**9. Directors' Responsibility Statement:**

In terms of Section 134(3) (c) of the Companies Act, 2013, your directors would like to state:

- i) that in the preparation of the annual financial statements for the year ended 31st March, 2019, 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 31st March, 2019 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.

**10. Directors and Key Managerial Personnel:**

The Tenure of Independent Directors Viz. Shri Ramkisan Devidayal and Shri Mukesh D Patel is up to the conclusion of the ensuing Annual General Meeting.

The Tenure of Independent Directors Viz. Shri Devesh Pathak and Shri Udayan Patel is up to 14.02.2020.

The aforesaid Independent Directors are eligible for Appointment for a Second Term of Five Years from the conclusion of their respective period.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ("the Act") and LODR.

The proposals for their respective Appointment, by way of Special Resolutions, for a Second Term of Five in terms of the recommendation of the Nomination and Remuneration Committee is included in the Notice of the ensuing Annual General Meeting.

In accordance with the provisions of the Act and rules made there under, Shri Mehul K Patel (DIN : 01772099), retires by rotation at the forth coming Annual General Meeting and being eligible offers himself for reappointment.

#### 10.1 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.

#### 10.2 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.

#### 10.3 Disclosure of Remuneration paid to Directors:

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

#### 11. Number of Board Meetings:

The details of 5 Board Meetings held during the financial year 2018 – 19 are provided in the Report on Corporate Governance and forms part of this report.

#### 12. 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.

#### 13. 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 of 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/wp-content/uploads/2017/06/Vigil\\_Mechanism.pdf](http://www.bancoindia.com/wp-content/uploads/2017/06/Vigil_Mechanism.pdf)

#### 14. Risk Management Policy:

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, interalia are aimed 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.

#### 15. Corporate Governance:

Pursuant to LODR the Report on Corporate Governance forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance. The Company has paid the requisite Annual Listing Fees to the Stock Exchanges.

**16. Extract of Annual Return:**

The extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is attached as Annexure "D".

**17. Auditors:****17.1 Statutory Auditors:**

M/s Manubhai & Shah LLP, Chartered Accountants, were appointed as Statutory Auditors by the Members of the Company at their 53rd Annual General Meeting held on 23.09.2014 to hold the Office upto conclusion of ensuing 58th Annual General Meeting. Accordingly, they will retire at this Annual General Meeting. The Statutory Auditors are not seeking their re-appointment, upon end of their Tenure in the forthcoming Annual General Meeting.

The Company has received a certificate from M/s. Parikh Shah Chotalia & Associates, Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W), that, if approved by the Members, they are eligible for Appointment for as Statutory Auditors for First Term of Five Years, in terms of applicable provisions of the Companies Act, 2013 and Rules made thereunder, under SEBI Rules and Regulations and other Rules and Regulations, as be applicable from time to time.

In accordance with the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, the Board of Directors of the Company, on the recommendations of Audit Committee, has recommended the appointment of M/s. Parikh Shah Chotalia & Associates, Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W), as Statutory Auditors of the Company for a term of Five consecutive years at the ensuing 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting, in place of retiring Auditors M/s Manubhai & Shah LLP, Chartered Accountants. The Auditor's Report for financial year 2018-19 does not contain any qualification, reservation or adverse remark.

**17.2 Internal Auditors:**

Your Company has appointed M/s. Sharp & Tannan, Chartered Accountants, Vadodara as the Internal Auditors to carry out the Internal Audit of various operational areas of the Company.

**17.3 Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act, and 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 31.03.2019 is annexed herewith as per Annexure "E" to this Report.

**17.4 Cost Auditors**

Your Company has appointed M/s. Y.S. Thakar & Co., Cost Accountants, Baroda (FRN : 000318) in terms of provisions of Section 148 of the Companies Act, 2013 applicable provisions of the Company Law and Rules made thereunder.

The proposals for approval of their remuneration, by way of Ordinary, to conduct the audit of the Cost Records of the Company for the financial year 2019-2020, in terms of the recommendation of the Audit Committee is included in the Notice of the ensuing Annual General Meeting.

**18. Subsidiary Companies:****18.1 Nederlandse Radiatoren Fabriek B.V - Netherlands:**

Nederlandse Radiatoren 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.

**18.2 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.

**18.3 Lake Mineral (Mauritius) Limited – Mauritius:**

During the current Financial Year, upon completion of transaction (subject to regulatory filings as applicable) for sale of shares in Lake Minerals (Mauritius) Limited, Lake Minerals (Mauritius) Limited, Mauritius and Kilimanjaro Biochem Limited (Indirect subsidiary) ceased to be subsidiary of the Company.

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 "F" to this Report.

The determination of Material Subsidiary is in compliance with LODR.

**19. 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 "H" to this Report.

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

**20. Related Party Transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended on 31.03.2019 were in the ordinary course of business and on basis of arms length pricing and do not attract the provisions of Section 188 of the Companies 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 they have 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 Note 37 of Annual Financial Statement for the Financial Year ended on 31.03.2019.

The Board has approved a Policy on Related Party Transactions which has been uploaded on the Company's website at [http://www.bancoindia.com/wp-content/uploads/2017/06/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.bancoindia.com/wp-content/uploads/2017/06/Policy_on_Related_Party_Transactions.pdf)

**21. Particulars of Loans given, Guarantees given and Investments made by the Company:**

The details pursuant to Section 186 of the Act, regarding investments made by the Company are given as per Annexure "G" to this Report.

**22. Share Capital:**

As on 31st March, 2019, 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.

**23. 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 2018 – 19 is as under:

- Number of Complaints Received : Nil
- Number of Complaints Disposed Off : Nil

**24. Deposits :**

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

**25. Insurance :**

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

**26. 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.

**27. 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.

**28. Details of Fraud Reporting, if any :**

Neither any Fraud has been reported by auditors under Section 143 (12) of the Companies Act, 2013 nor there was any fraud reportable to the Central Government.

**29. 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/wpcontent/uploads/2017/06/FamiliarizationProgrammsforIndependentDirectors.pdf>

**30. Human Resources :**

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

A significant effort has 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.

**31. 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.

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

The Company has continuously exercised 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 the same shall be duly taken care.

**33. Web Links**

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

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

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

**35. 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.

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

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

**37. 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.

**38. Acknowledgement:**

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

By the order of the Board,

Date : 22.08.2019  
Place : Bil

Ramkisan Devidayal - Director  
(DIN : 00238853)

Himali Patel - Director  
(DIN : 07081636)



## ANNEXURE “A”

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INTRODUCTION:

Banco Products (India) Ltd. is a leading supplier of engine cooling modules and systems both for automotive and industrial applications. We combine the power of innovation and commitment to quality to create high - performance solutions for our customers.

With over five decades of successful experience, Banco is a recognized brand amongst automotive and industrial equipment OEM manufacturers. We design, develop and manufacture Engine Cooling Modules such as Radiators, Charged Air Coolers, Fuel Coolers, Oil Coolers and Condensers. These products are considered very critical for efficient performance of Internal Combustion Engines with applications such as Commercial Vehicles, Agricultural Tractors, Power Generation Equipment, Traction Rail locomotives, Earth Moving and other similar applications.

Banco Products is built on a strong foundation of design and engineering excellence. We develop specially designed products thorough understanding of customer's application environment and by working together with them, co-create solutions that exceed their performance expectations. We believe that 'one shoe can't fit all'; so instead of over emphasizing on standardization, we develop bespoke solutions that are designed to deliver maximum efficiency under practical operating conditions.

Flexibility in the designing approach, speed in prototyping, in-house testing competence, and integrated manufacturing capabilities is what makes Banco a preferred development partner for our customers.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Trends in automotive industry have large influence on your company's business. Automotive industry is rapidly changing, in terms of its size and range. While trends in some of the sectors like commercial vehicles, agricultural tractors etc have been cyclic; we believe that markets will continue to show healthy growth. Demand of your company's products will correspondingly grow in the short and medium term.

At the same time, technology in automotive industry is rapidly changing; the efficiency of internal combustion engines continues to be an area of high focus for the automotive designers' world-over. Some of the key trends that our customers have been working on include:

- downsizing and weight reduction of engines,
- increasing use of complex turbocharged engines
- increasing thermal efficiency
- Control and reduction emissions
- Increasing trend towards hybridization and use of electric vehicles

At Banco, we have been proactively responding to these changes by working together with our OEM customers and developing newer engine cooling solutions that meet the performance objectives of downsizing, light weighting, heat transfer optimization with added ease in installation.

The Indian industry is preparing itself to leapfrog to the global level of emission norms by 2020 (BS VI for CV, BS IV for Construction machinery and BS VI for 2 Wheelers). Your company has developed the requisite technology to respond to these challenges and is already collaborating with its leading customers to develop new generation engine cooling modules suitable for the emerging emission standards.

With growing government spend on infrastructure, demand of your company's products in industrial sectors such as earthmoving and construction machinery, power generation equipment, Railways etc is also set to grow.

Your company will continue to invest to strengthen its research and design capabilities to be able to respond proactively to technological developments happening in user markets.

#### OPERATIONS:

Banco has been regularly investing in advanced manufacturing technologies. Our plants are equipped to manufacture all critical components in-house. This gives us a unique competitive advantage in the market as manufacturing setup can be adapted to market requirements. This also enables us to respond quickly to market dynamics and shorten delivery lead time to our customers. Controlled manufacturing processes and use of

advance quality management systems ensure that every Banco product is made to the highest standards of quality.

As pioneers in the country, your company will continue to invest in best in class technology and has lined up an accelerated investment plan to retain its technology leadership position.

**STRENGTHS:**

Our strengths include:

- Over five decade of successful entrepreneurial experience
- Strong brand acceptance
- Established and enlarging OEM customer relationships
- Well balanced customer portfolio with presence in OEM, Aftermarket and Exports
- Extensive product range
- Competent research, design and test capabilities
- Rapid prototyping and shorter time to market
- Integrated manufacturing approach
- Prudent financial management
- Experienced employees

Your company will build on above strengths and will leverage the same to succeed in its business

**WEAKNESS:**

Some of the concerns or areas of relatively less strength include:

- Complexities resulting from large product range
- Higher dependence on automotive market
- Low OEM presence in some of the sectors e.g. Passenger Car segment

Any downward trend in Industrial activity or Automotive Sector directly affects the performance.

While it may not be possible to address all the weakness in short term, the company continues its efforts to broad base its customer –product portfolio and focuses on development of superior products to strengthen its market position

**OPPORTUNITIES:**

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 excellent opportunity for your company to collaborate with our customers and co create efficient engine cooling solutions that take care of future energy efficiency and emission trends.

With Banco's proven expertise in offering bespoke engineering solutions, we strive to develop wide ranging cooling modules that meet quality and innovation expectations of our customers.

Banco enjoys good business with several global automotive and industrial MNCs for their business in India. We plan to leverage our capabilities to grow international business with our MNC clients and have initiated some projects in this direction.

Banco's strong brand image, comprehensive product program and extensive distribution network provides excellent foundation on which we plan to expand our aftermarket business both in India and in global markets.

With its characteristic entrepreneurial approach, Banco will continue to invest towards strengthening its market and operations capabilities in order to realize profitable growth in future.

**THREATS:**

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

- Growing competition both from domestic and global players
- Volatility in metal prices and fluctuations in Foreign Exchange

- Rising cost of utilities.
- Cyclic demand changes in some market sectors
- Technology disruption in customer's markets

Your company focuses on continual expansion of its products and customer base, while systematically strengthening its quality, innovation and cost competence in order to mitigate the potential impact of some of the above threats.

#### TECHNOLOGY:

Banco regularly invests to upgrade its technology and processes in order to stay abreast of emerging trends.

With bespoke engineering approach, we run many innovation programs that are aimed at development of advanced products for the future. We are tracking mega trends in technology and will initiate response measures towards these trends to ensure long sustainability of our organization.

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

In general Banco believes that developing economy like India will continue to offer opportunities for growth. At Banco, we continuously strive to strengthen our competitiveness and thus remain successful and sustainable,

#### 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 engaged the services of an independent Firm of Chartered Accountants for the services of Internal Audit of operations of the Company for better control and to ensure adequacy and efficacy of the Internal Audit function.

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

The Company has an Audit Committee, which reviews the Reports of Internal and External Auditors, 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

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

₹ Crores

Sales	2018-2019	2017-2018
Within India	557.00	450.00
Outside India	158.00	151.00

#### 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.

**Financials 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	2018 - 2019	2017 - 2018
Net Profit to Sales (PBT) (%)	24	24
Earnings Per Share (EPS) (₹)	17	17
Cash earnings per Share (₹)	20	19
Return on Net worth (PAT) (%)	19	19
Dividend Payout Ratio (Including Dividend Tax) (%)	63	49
Retained Earnings (₹ in crores)	500	456
Retained Earnings (%)	37	51
Debtors Turnover	5.2	5.3
Inventory Turnover	5.6	4.5
Interest Coverage Ratio	145	1001
Current Ratio	4.5	3.5
Debt Equity Ratio	0.004	0.004

**Human Resources:**

The industrial relations in all the units of the Company during the financial year 2018-19 were peaceful and harmonious. Experienced and motivated employees have been the backbone of the Company. There were 608 peoples employed in the Company as on 31.03.2019.

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 : 30.05.2019  
Place : Bil

## Annexure "B"

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR Policy is disclosed on the website of the Company.

The web link is [http://www.bancoindia.com/pdf/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.bancoindia.com/pdf/Corporate_Social_Responsibility_Policy.pdf)

2. **The Composition of the CSR Committee.**

- |    |                         |   |          |
|----|-------------------------|---|----------|
| a) | Shri Mehul K. Patel     | : | Chairman |
| b) | Shri Samir K. Patel     | : | Member   |
| c) | Shri Ramkisan Devidayal | : | Member   |
| d) | Shri Mukesh D. Patel    | : | Member   |
| e) | Shri Devesh A. Pathak   | : | Member   |
| f) | Shri Udayan P. Patel    | : | Member   |

3. **Average net profit of the company for last three financial years.**

The Company's Average Net Profit for the last three financial years comes to ₹ 8534.69 Lakh

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above).**

The Company is required to spend ₹ 170.69 Lakh for the financial year ended on 31.03.2019.

5. **Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year: ₹ 346.08 (₹ 175.38 Lakhs of F.Y. 2017-18 plus CSR Provision for F.Y. 2018-19 ₹ 170.69 Lakh)

- (b) Amount unspent: **113.02 Lakh.**

- (c) Manner in which the amount spent during the financial year is detailed below. – (₹ in Lakh)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing Agency *
01	Prashanti Medical Services & Research Foundation	Promotion of preventive and curative health care	Gujarat	161.00	161.00	161.00	Through Implementing Agency*
02	National Employment Enhancement Mission (NEEM) Neem Project	Promotion of Education Providing Skill development	Vadodara, SEZ	66.57	66.57	66.57	Direct
03	Banco Product Trust	Promotion of preventive and curative health care Banco Product Trust-Arogyam Clinic on wheel-SEZ, Ambulance	Pipaliya Village Gujarat	2.34	2.34	2.34	Through Implementing Agency**

04	Banco Product Trust	Promotion of Education SS Patel Saraswati School Promotion of Education Felicitation of bright students	Bil, . Dist. Vadodara	0.15	0.15	0.15	Through Implementing Agency**
05	Prof. Manikrao's Shri Jummadada Vyayam Mandir	Promotion of Health, To Nurture the physical & mental health of Youth	Vadodara	0.50	.050	0.50	Direct
06	Banco Product Trust	Construction of Toilet- S.S. Patels's SaraswatiSchool-	Bil, . Dist. Vadodara	2.50	2.50	2.50	Through Implementing Agency**

\* Sri Sathya Sai Heart Hospital

\*\*Implementation Agency is Banco Product Trust Registration Number E/7946/VADODARA, Mahavir

**6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.**

The Company is in process of identifying appropriate projects to meet its CSR obligations. The projects, being long-term in nature, would need more.

**7. The Chairman of the CSR Committee confirms on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

By the order of the Board,

Date : 30.05.2019  
Place : Bil

Mehul K. Patel  
Chairman  
(DIN : 01772099)

Rajendra J. Anandpara  
Managing Director  
(DIN : 02461259)

**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 :**

- (i) In line with the Company's commitment towards conservation of energy, the Company continued with their 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
- 1) LED Street lights, Tube lights and Flood lights installed across the plant to conserve energy
  - 2) Energy Saving Jackets on barrels of Injection Molding machine(11Nos) installed
  - 3) Bore-well Pumps replaced with with high efficiency pumps.
  - 4) New energy efficient Brazing Furnace commissioned during the year
  - 5) Energy saving Through Additional Nomination of MDP Gas
  - 6) The Capital Investment on energy conversation equipments during the financial year 18-19 is approx ₹ 3.2 Crs.

**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			

- (iv) The expenditure incurred on Research and Development are :

(₹ In Lakh)

Expenditure on R&D	2018-2019	2017-2018
1. Capital	49.30	51.55
2. Recurring	472.29	490.25
3. <b>Total</b>	<b>521.59</b>	<b>541.80</b>
4. Percentage of R&D Expenditure to Total Turnover	00.70%	0.93%

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

(₹ In Lakh)

	2018-2019	2017-2018
1. Foreign Exchange earned in terms of Actual Inflows	<b>27,935.00</b>	19,475.91
2. Foreign Exchange outgo in terms of Actual Outflows	<b>26,070.00</b>	20,433.42

By the order of the Board,

Date : 30.05.2019

Place: Bil

Mehul K. Patel – Chairman  
(DIN : 01772099)

**“Annexure - D”****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	L51100GJ1961PLC001039
ii	Registration Date	16.03.1961
iii	Name of the Company	Banco Products (India) Limited
iv	Category/Sub-category of the Company	Public Company
v	Address of the Registered office AND Contact details	Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda - 391 410 Gujarat Tel. : (0265) 2318226 Fax : (0265) 2680433 Email id : investor@bancoindia.com Website : www.bancoindia.com
vi	Whether listed company Yes /No	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, B - 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Baroda - 390 020 Gujarat Tel. : (0265) 2356573 Fax : (0265) 2356791 Email id : vadodara@linkintime.co.in

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Aluminum Radiator	374.8	85.28
2	Copper Brass Radiator	374.8	14.72

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nederlandse Radiatoren Fabriek B.V. Address: Langenboomseweg 64 NL - 5451 JM Mill - The Netherlands	--	Subsidiary	100	2(87)
2	Banco Gaskets (India) Limited Address: Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda 391 410	U25199GJ2011PLC066886	Subsidiary	100	2(87)



#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### (i) Category-wise Shareholding

Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Central Government/State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Any Other (Specify)									
Bodies Corporate	1788990	0	1788990	2.5014	1788990	0	1788990	2.5014	0.0000
Sub Total (A)(1)	1788990	0	1788990	2.5014	1788990	0	1788990	2.5014	0.0000
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	16283773	0	16283773	22.7686	16283773	0	16283773	22.7686	0.0000
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
Bodies Corporate	26909960	0	26909960	37.6265	26909960	0	26909960	37.6265	0.0000
Sub Total (A)(2)	46761002	0	46761002	65.3829	46761002	0	46761002	65.3829	0.0000
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	48549992	0	48549992	67.8844	48549992	0	48549992	67.8844	0.0000
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	3070087	0	3070087	4.2927	2778587	0	2778587	3.8851	-0.4076
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Foreign Portfolio Investor	534599	0	534599	0.7475	593017	0	593017	0.8292	0.0817
(f) Financial Institutions / Banks	27714	2000	29714	0.0415	24637	2000	26637	0.0372	-0.0043
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Any Other (Specify)									
Sub Total (B)(1)	3632400	2000	3634400	5.0818	3396241	2000	3398241	4.7515	-0.3303
[2] Central Government/ State Government(s)/ President of India									
Central Government/State Government(s)	465709	0	465709	0.6512	0	0	0	0.0000	-0.6512
Sub Total (B)(2)	465709	0	465709	0.6512	0	0	0	0.0000	-0.6512
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	9858065	684410	10542475	14.7409	10627983	574660	11202643	15.6639	0.9230
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1004591	63550	1068141	1.4935	920090	63550	983640	1.3754	-0.1181
(b) NBFCs registered with RBI	0	0	0	0.0000	2450	0	2450	0.0034	0.0034
(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
IEPF	0	0	0	0.0000	575388	0	575388	0.8045	0.8045
Trusts	140	0	140	0.0002	140	0	140	0.0002	0.0000
Foreign Nationals	3600	0	3600	0.0050	3600	0	3600	0.0050	0.0000

Category of Shareholders	No of share held at the beginning of the year				No of share held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Hindu Undivided Family	531552	0	531552	0.7432	588286	0	588286	0.8226	0.0794
Foreign Companies	131361	900000	1031361	1.4421	131361	0	131361	0.1837	-1.2584
Non Resident Indians (Non Repat)	924331	994480	1918811	2.6830	1958767	4480	1963247	2.7451	0.0621
Other Directors	586034	0	586034	0.8194	586034	0	586034	0.8194	0.0000
Non Resident Indians (Repat)	1012912	369850	1382762	1.9334	953723	365050	1318773	1.8440	-0.0894
Overseas Bodies Corporates	0	0	0	0.0000	900000	0	900000	1.2584	1.2584
Clearing Member	249683	0	249683	0.3491	145986	0	145986	0.2041	-0.1450
Bodies Corporate	1552390	1600	1553990	2.1728	1167269	1600	1168869	1.6344	-0.5384
Sub Total (B)(3)	15854659	3013890	18868549	26.3827	18561077	1009340	19570417	27.3641	0.9814
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	19952768	3015890	22968658	32.1156	21957318	1011340	22968658	32.1156	0.0000
Total (A)+(B)	68502760	3015890	71518650	100.0000	70507310	1011340	71518650	100.0000	0.0000
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total (A)+(B)+(C)	68502760	3015890	71518650	100.0000	70507310	1011340	71518650	100.0000	-

## (ii) Sharholding of Promoters includes Promoter Group

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	OVERSEAS PEARL LIMITED	26909960	37.6265	0.0000	26909960	37.6265	0.0000	0.0000
2	MEHUL KANUBHAI PATEL	5019052	7.0178	0.0000	5019052	7.0178	0.0000	0.0000
3	VIMAL KANUBHAI PATEL	4976506	6.9583	0.0000	4976506	6.9583	0.0000	0.0000
4	SAMIR KANUBHAI PATEL	4420667	6.1811	0.0000	4420667	6.1811	0.0000	0.0000
5	HASUMATI KANUBHAI PATEL	1867548	2.6113	0.0000	1867548	2.6113	0.0000	0.0000
6	BANCO ALUMINIUM LIMITED	1788990	2.5014	0.0000	1788990	2.5014	0.0000	0.0000
7	GAYATRI MEHUL PATEL	1202378	1.6812	0.0000	1202378	1.6812	0.0000	0.0000
8	MONAL SAMIRBHAI PATEL	1182806	1.6538	0.0000	1182806	1.6538	0.0000	0.0000
9	PRITTY VIMAL PATEL	1182085	1.6528	0.0000	1182085	1.6528	0.0000	0.0000
	<b>Total</b>	<b>48549992</b>	<b>67.8844</b>	<b>0.0000</b>	<b>48549992</b>	<b>67.8844</b>	<b>0.0000</b>	<b>0.0000</b>

## (iii) Change In Promoters' Shareholding (Specify If There Is No Change)

Sl. No		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	48,549,992	67.88	48,549,992	67.88
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	48,549,992	67.88	48,549,992	67.88

(iv-a) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDR & ADRs)**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the company
1	FRANKLIN INDIA SMALLER COMPANIES FUND	2218887	3.1025			2218887	3.1025
	Transfer			01 Jun 2018	(51596)	2167291	3.0304
	Transfer			10 Aug 2018	(48404)	2118887	2.9627
	Transfer			24 Aug 2018	(140706)	1978181	2.7660
	Transfer			07 Sep 2018	(59294)	1918887	2.6831
	AT THE END OF THE YEAR					1918887	2.6831
2	BHARTIBALA RAMESHCHANDRA PATEL	990000	0.0000			990000	0.0000
	Transfer			08 Mar 2019	990000	990000	1.3843
	AT THE END OF THE YEAR					990000	1.3843
3	PALATE STAR INVESTMENTS LIMITED	900000	0.0000			900000	0.0000
	Transfer			19 Oct 2018	900000	900000	1.2584
	AT THE END OF THE YEAR					900000	1.2584
4	HDFC SMALL CAP FUND	840000	1.1745			840000	1.1745
	Transfer			12 Oct 2018	5000	845000	1.1815
	Transfer			30 Nov 2018	3500	848500	1.1864
	AT THE END OF THE YEAR					848500	1.1864
5	RAMKISAN DEVIDAYAL	586034	0.8194			586034	0.8194
	AT THE END OF THE YEAR					586034	0.8194
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	465709	0.6512			465709	0.6512
	Transfer			09 Nov 2018	109679	575388	0.8045
	AT THE END OF THE YEAR					575388	0.8045
7	ASHIT CHANDUBHAI PATEL	418740	0.5855			418740	0.5855
	AT THE END OF THE YEAR					418740	0.5855
8	LALITABEN CHANDUBHAI PATEL	418740	0.5855			418740	0.5855
	AT THE END OF THE YEAR					418740	0.5855
9	SANJIV VINUBHAI PATEL	291913	0.4082			291913	0.4082
	AT THE END OF THE YEAR					291913	0.4082
10	GANPATH FINVEST SERVICES PVT LTD	181095	0.2532			181095	0.2532
	AT THE END OF THE YEAR					181095	0.2532
11	ANJANA PROJECTS PRIVATE LIMITED	195000	0.2727			195000	0.2727
	Transfer			27 Jul 2018	(11920)	183080	0.2560
	Transfer			03 Aug 2018	(38542)	144538	0.2021
	Transfer			10 Aug 2018	(73709)	70829	0.0990
	Transfer			31 Aug 2018	(20820)	50009	0.0699
	AT THE END OF THE YEAR					50009	0.0699

**Note:**

1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 71518650 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**(iv-b) Shareholding of Directors & Key Managerial Personnel:**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the company
1	MEHUL KANUBHAI PATEL	5615382	7.85			5615382	7.85
	Transfer			26 May 2017	(596330)	5019052	7.02
	AT THE END OF THE YEAR					5019052	7.02
2	SAMIR KANUBHAI PATEL	5016997	7.01			5016997	7.01
	Transfer			26 May 2017	(596330)	4420667	6.18
	AT THE END OF THE YEAR					4420667	6.18
3	RAJENDRA J. ANANDPARA	0	0			0	0
4	HIMALI H. PATEL	0	0			0	0
5	RAMKISAN A. DEVIDAYAL	586034	0.82			586034	0.82
6	MUKESH D. PATEL	0	0			0	0
7	DEVESH A. PATHAK	0	0			0	0
8	UDAYAN P. PATEL	0	0			0	0
9	DINESH D. KAVTHEKAR (W.E.F 16.12.2017)	0	0			0	0

**Note:**

1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 71518650 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**V. Indebtedness**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	232.72	-	-	232.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Additions	35.67			35.67
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	268.39	-	-	268.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

(₹ In Lakh)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total
		<b>Rajendra J. Anandpara</b> (Managing Director)	<b>Himali Patel –</b> (Whole time Director and CFO)	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	154.85	17.63	172.48
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	00.31	.017	00.48
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	5 Others, please specify	-	-	-
	<b>Total (A)</b>	155.16	17.80	172.96
	<b>Ceiling as per the Act</b>			439.70

**B. Remuneration to other directors:**

(₹ In Lakh)

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Ramkisan Devidayal	Mukesh Patel	Devesh Pathak	Udayan Patel	
	(a) Fee for attending board, committee meetings	2.40	2.40	2.40	1.90	9.10
	(b) Commission	3.00	3.00	1.00	1.00	8.00
	(c ) Others, please specify					
	<b>Total (1)</b>	5.40	5.40	3.40	2.90	17.10
2	Other Non- Executive Directors	-	-	-	-	-
	(a) Fee for attending board, committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total B = ( 1+2)</b>	5.40	5.40	3.40	2.90	17.10

## VI Remuneration to Key Managerial Personnel other than MD/WTG/manager

(₹ In Lakh)

Sl. No	Particulars of Remuneration	Dinesh Kavthekar Company Secretary
<b>1</b>	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	<b>8.94</b>
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	<b>00.16</b>
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
<b>2</b>	Stock option	-
<b>3</b>	Sweat Equity	-
<b>4</b>	Commission as % of profit	-
<b>5</b>	Others, please specify	-
	<b>Total</b>	<b>9.10</b>

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers in default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By the order of the Board,

Date : 30.05.2019  
Place : Bil

Mehul K. Patel – Chairman  
(DIN : 01772099)

**ANNEXURE “E”**  
**Secretarial Audit Report**  
**(For the Financial year ended on 31st March, 2019)**

[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.  
Opp. 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) Ltd.** (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, 2019**, 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, 2019**, 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 financial year under review.
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, 2009. - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issue nor listed any debt securities during the financial year under review.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;

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) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Govt.
- (ii) The Securities and Exchange Board of India (listing Obligations and Disclosure requirements) Regulations, 2015.

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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, 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 are of the opinion 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**

**Place : Vadodara**

**Date : 13<sup>TH</sup> May, 2019**

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.

Date:13<sup>TH</sup> May, 2019

To,  
The Members  
Banco Products (India) Ltd.,  
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.
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**





**PART "B" : ASSOCIATES AND JOINT VENTURES**

**Statement of pursuant to Section 129 (3) of Companies Act, 2013  
related to Associates Companies and Joint Venture**

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

**For and on behalf of the Board,**

Date : 30.05.2019  
Place : Bil

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

**ANNEXURE - F**  
**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**

(₹ in Lakhs)														
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 Radiatauren Fabriek BV (NRF)	31st March 2019	87	28,867	38,652	9,698	-	44,440	1,770	-376	1,394	-	100%	23.02.2010
1.1	NRF Thermal Engineering BV (Skopimex BV)	31st March 2019	12	265	1,797	1,520	-	7,203	-2	1	-2	-	100%	-
1.2	NRF France SARL	31st March 2019	142	592	5,721	4,987	-	10,072	-338	26	-312	-	100%	-
1.3	NRF United Kingdom Limited	31st March 2019	1,371	-467	961	56	-	643	-30	-	-30	-	100%	-
1.4	NRF Deutschland GMBH	31st March 2019	78	-40	167	129	-	-	-158	12	-146	-	100%	-
1.5	NRF Espana S.A.	31st March 2019	2,568	1,755	5,610	1,287	-	11,994	1,029	-252	777	-	100%	-
1.6	NRF Poland Sp.z.o.o.	31st March 2019	14	4,969	15,279	10,296	-	26,233	3,516	-669	2,847	-	100%	-
1.7	NRF Italia Srl	31st March 2019	8	1,124	2,805	1,673	-	4,750	195	-63	132	-	100%	-
1.8	NRF Switzerland AG	31st March 2019	46	105	334	183	-	913	53	-11	42	-	100%	-
1.9	NRF USA	31st March 2019	939	-921	331	313	-	1,473	-509	-	-509	-	100%	-
2.	Lake Mineral ( Mauritius) Limited	31st December 2018	1,997	578	2,581	7	-	-	1,384	-	1,384	-	100%	11.04.2011
2.1	Kilimanjaro Biochem Limited	31st December 2018	1,381	505	5,143	3,257	-	4,747	609	159	451	-	95%	-
3.	Banco Gaskets (India) Limited	31st March 2019	3,500	4,498	10,367	2,369	-	15,478	2,627	741	1,886	-	100%	26.08.2011

**Note:**

- Sr. 1.1 to 1.9 are subsidiaries of NRF.
  - Names of Subsidiaries which have been liquidated or sold during the year- (1) Direct Subsidiary - Lake Mineral ( Mauritius) Limited (2) Sub Subsidiary - Kilimanjaro Biochem Limited
  - Exchange rate used for conversion of figures in Euro (1 to 1.9 of NRF group) ₹ 76.30 Per Euro (31st March 2018, ₹ 81.48 Per Euro)
  - Exchange rate used for conversion of figures in Tshs (Kilimanjaro Biochem limited) ₹ 0.03056 Per Tshs (31st March 2018, ₹ 0.0283 Per Tshs)
  - Exchange rate used for conversion of figures in US\$ (Lake Mineral ( Mauritius) Limited) ₹ 69.45 per US\$ (31st March 2018, ₹ 65.30 Per US\$)
  - Kilimanjaro Biochem Limited is subsidiary of Lake Mineral ( Mauritius) Limited
  - Banco Gaskets (India) Limited is an Indian Subsidiary using Indian Rupees as functional currency
  - Names of Subsidiaries which are yet to commence Operations- Not Applicable
- Indicating the highlights of Subsidiary Companies.

## ANNEXURE - G

## Particulars of Investment made by the Company

Nature of Transaction	Date	Name of the person whoes securities have been acquired	Address of the person whoes securities have been acquired	₹ In Lakhs	Purpose of Investment
Investment in Mutual Fund	28.03.2019	AXIS Liquid Fund - Monthly Dividend - Direct Plan	Axis House, 1 <sup>st</sup> Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025.	500	For temporary deployment of surplus funds
	29.03.2019	AXIS Liquid Fund - Monthly Dividend - Direct Plan		500	
	28.03.2019	SBI Liquid Fund - Weekly Dividend - Direct Plan	9 <sup>th</sup> Floor, Crescenzo, C-38 and 39, G Block, Bandra-Kurla Complex, Mumbai - 400051.	500	
	28.03.2019	HDFC Liquid Fund - Monthly Dividend-Direct Plan	"HUL House", 2nd Floor, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400020.	500	
	29.03.2019	HDFC Liquid Fund - Monthly Dividend-Direct Plan		500	
	28.03.2019	ABSL Liquid Fund - Weekly Dividend-Direct Plan	One India Bulls Centre, Tower 1, 17th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013.	500	
	29.03.2019	ABSL Liquid Fund - Weekly Dividend-Direct Plan		500	
	28.03.2019	Kotak Liquid Fund - Weekly Dividend-Direct Plan	27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	500	
	29.03.2019	Kotak Liquid Fund - Weekly Dividend-Direct Plan		500	
	28.03.2019	ICICI Prudential Liquid Fund - Monthly Dividend - Direct Plan	One BKC, A- Wing 13 <sup>th</sup> Floor, Bandra Kurla Complex, Bandra (East), Mumbai-400051.	500	
	31.03.2019	Reliance Mutual Fund – R Shares Liquid Bees	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400710	0	

**ANNEXURE “H”****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 Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial year 2018-19. The ratio of the remuneration of each Director/ KMP to the median remuneration of the employee of the company for the Financial year 2017-18 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 of the Director / KMP	Designation	Remuneration for the Financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Directors/ KMP to median remuneration of Employees
01	Rajendra J. Anandpara	Managing Director	155.16	15.72	44.58
02	Himali Patel	Whole-time Director & CFO	17.80	9.87	5.11
03	* Dinesh Kavthekar	Company Secretary	9.10	*	2.61

# Resigned and Joined employees have not been considered in the calculation of median.

\* Part of the Previous Year

- (2) The median remuneration of employees of the company during the Financial year was ₹ 3.48 Lakh PA.  
 (3) In the Financial year, there was an increase of 15.37 % in the median remuneration of the employees.  
 (4) There was 608 Nos of Employees was on roll of the company as on 31.03.2019.  
 (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 12.25 %.  
 (6) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and Behalf of the Board,

Date : 30.05.2019  
 Place: Bil

Mehul K. Patel – Chairman  
 (DIN : 01772099)

## 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 31.03.2019.

### 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 31st March, 2019, the Board of Directors comprises of 8 (Eight) Directors. There are 4 (Four) Non- Executive Independent Directors, 2 (Two) Executive Non-Independent Directors and 2 (Two) Non-Executive Promoter Non-Independent Directors. A brief resume of the directors being appointed / re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board is annexed to the Notice.

The Composition of the Board is in conformity with 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 31.03.2019 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 5 (Five) times on 30.05.2018, 06.08.2018, 25.10.2018, 12.02.2019 and 06.03.2019. 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 held / attended during 2018-2019	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 Shri Samir K. Patel)	5/4	Yes	1	NIL	1	2
Shri Samir K. Patel DIN 00161448	Non-Executive & Promoter (Relative of Shri Mehul K. Patel)	5/4	No	1	NIL	-	2
Shri Ramkisan Devidayal DIN 00238853	Non-Executive Independent	5/5	Yes	3	1. Munjal Auto Industries Ltd. 2. 20 Microns Ltd.	3	4
Shri Mukesh D. Patel DIN 00009605	Non-Executive Independent	5/5	Yes	3	1. Punjab Chemicals and Crop Protection Ltd. 2. Shilchar Technologies Ltd	5	3
Shri Devesh Pathak DIN 00017515	Non-Executive Independent	5/5	No	1	NIL	1	2
Shri Udayan Patel DIN 00598313	Non-Executive Independent	5/4	Yes	-	NIL	-	2
Mr. Rajendra J. Anandpara DIN 02461259	Managing Director	5/5	Yes	-	NIL	-	-
Ms. Himali Patel DIN 07081636	Whole time Director and CFO	5/4	Yes	-	NIL	-	-

@ The Committee includes Committees of Banco Products (India) Limited

Shareholding of Directors	No. of Shares held as on 31.03.2019
Shri Mehul K. Patel	50,19,052 (7.02%)
Shri Samir K. Patel	44,20,667 (6.18%)
Shri Ramkisan Devidayal	5,86,034 (0.82%)

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

1. Appropriate size and Mix of Executive and Non- Executive Director.
2. Productive discussions and interactions.
3. Discharge of workload effectively.
4. Succession Plan for plans are in place for orderly succession for appointment to the board of directors key managerial personnel and senior management
5. Appropriate Mix of Board of Directors such as –
  - Skill
  - Experience
  - Background
  - Knowledge: Understand the Company's business and culture(including its mission, vision, values, goals, current strategies , plan, governance structure, major risks and potential opportunity(s) and knowledge of the industry in which the Company operates.
  - Behavioural Skills: attributes and competencies to use their knowledge and skills for function well as team members and to interact with key stakeholders.

- Strategic thinking and decision making.
  - Functional Skills.
  - Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.
6. Assessment of Skill
  7. Consideration of changes to come in Short to medium terms.

**Code of Conduct:**

The Board of Directors has laid down Code of Conduct for Business and Ethical (the Code) for all the Board Members and senior managers of the Company. The Code covers amongst other things the Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc.

All the Board Members and senior management personnel have confirmed compliance with the Code. A declaration to that effect signed by the CEO & Managing Director and CFO is attached and forms part of the Annual Report of the Company.

**Prevention of Insider Trading Code:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and in force, the Company had adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees and insiders with access to the unpublished price sensitive information of the Company are governed by this Code.

**4. Audit Committee :**

The Board of Directors has constituted an Audit Committee, comprising of four Non-Executive Independent Directors and one Non-Executive Promoter Non-Independent Director viz. Shri Ramkisan Devidayal, Shri Mukesh D Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel and Shri Mehul K. Patel (Non-Executive Promoter Non-Independent Director). Independent Director Shri Ramkisan 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:**

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 utilisation 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 of 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 2018-2019, 5 (Five) Audit Committee meetings were held on 30.05.2018, 06.08.2018, 25.10.2018, 12.02.2019 and 06.03.2019. 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 Devidayal	5	5
Shri Mukesh D. Patel	5	5
Shri Devesh A. Pathak	5	5
Shri Udayan P. Patel	5	4
Shri Mehul K. Patel	5	4

**5. Nomination and Remuneration Committee :**

The Board of Directors has constituted a Nomination and Remuneration Committee, comprising of four Non-Executive Independent Directors and one Non-Executive Promoter Non-Independent Director viz. Shri Ramkisan Devidayal, Shri Mukesh D. Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel and Shri Mehul K. Patel (Non-Executive Promoter Non-Independent Director). Independent Director Shri Ramkisan 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.

**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 overall 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, or with the previous approval of the Central Government, as agreed upon.

**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, or without the prior sanction of the Central Government, where ever required, 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 Director:**

**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.

**iii. 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.

**iv. Stock Options:**

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

During the financial year 2018-19, 01 (One) Nomination and Remuneration Committee meetings was held on 06.08.2018. 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 Devidayal	1	1
Shri Mukesh D. Patel	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	0
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 2018-19 are as under:  
(Rs in Lakh)\*

Sr. No.	Name of the Directors	Designation	Total Remuneration paid by way of Salary & Perquisites
1	Shri Rajendra A. Anandpara	Managing Director	155.16
2	Ms. Himali H. Patel	Whole time Director & CFO	17.80

\* Breakup is provided in MGT 9 which is annexure to the Board Report.

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2018- 19 are as under:

Sr. No	Name of the Director	Designation	Sitting Fees (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
1	Shri Ramkisan Devidayal	Non-Executive – Independent	2.40	3.00	5.40
2	Shri Mukesh D. Patel	Non-Executive – Independent	2.40	3.00	5.40
3	Shri Devesh A. Pathak	Non-Executive – Independent	2.40	1.00	3.40
4	Shri Udayan P. Patel	Non-Executive – Independent	1.90	1.00	2.90

**6. Stakeholders Relationship Committee :**

The Board of Directors has constituted a Stakeholders Relationship Committee, comprising of four Non- Executive Independent Directors and one Non Executive Promoter Non-Independent Director viz. Shri Ramkisan Devidayal, Shri Mukesh D Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel and Shri Samir K. Patel (Non Executive Promoter Non-Independent Director). Independent Director viz. Shri Mukesh D Patel, is the Chairman of the Stakeholders Relationship Committee.

### Role of Stakeholders Relationship Committee

1. 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.
2. 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 2018-2019, 2 (two) Stakeholders Relationship Committee meetings were held on 30.05.2018 and on 25.10.2018.

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	2	2
Shri Ramkisan Devidayal	2	2
Shri Devesh A. Pathak	2	2
Shri Udayan P. Patel	2	2
Shri Samir K. Patel	2	2

The Company has appointed Shri Dinesh D Kavthekar the Company Secretary as Compliance Officer.

The details of the Shareholders' complaints during the Year ended on 31.03.2019.

Sr. No.	Particulars	Information
01	Number of shareholders' complaints received	3
02	Number not solved to the satisfaction of shareholders;	0
03	Number of pending complaints.	0

No grievances / complaints are outstanding and no requests for share transfers and / or requests for dematerialization were pending for approval as on 31.03.2019.

### 7. Corporate Social Responsibility Committee :

The Board of Directors has constituted a Corporate Social Responsibility Committee, comprising four Non- Executive Independent Directors, two Non Executive Promoter Non-Independent Directors viz. Shri Ramkisan Devidayal, Shri Mukesh D Patel, Shri Devesh A. Pathak, Shri Udayan P. Patel, Shri Mehul K. Patel and Shri Samir 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:

- a. 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.
- b. To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the financial year 2018- 19 1(one) Corporate Social Responsibility Policy meeting was held on 30.05.2018

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

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

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

During the Financial year ended on 31.03.2019, one Separate Meeting of Independent Directors' was held on 30.05.2018.

The meeting interalia discussed :

- Criteria for Performance Evaluation of the Board of Directors of the Company and Performance Evaluation by the Independent Directors.
- Criteria for Performance Evaluation of the Non-Independent Directors of the Company and Performance Evaluation by the Independent Directors.
- 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 Director	Number of Meetings held	Meetings attended
Shri Ramkisan Devidayal	1	1
Shri Mukesh D. Patel	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	1

#### 9. 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
2015-16	Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410	17.09.2016	10.00 a m	4
2016-17	Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410	23.09.2017	10.00 a m	1
2017-18	Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410	22.09.2018	10.00 a m	1

- whether any special resolution passed last year through postal ballot - **No**.

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

#### 10. Disclosures :

- 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 (Ind AS 24). These have been disclosed in notes to accounts annexed to the financial statements.
- None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.
- The Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act, and LODR.

- d. 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.
- e. 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.
- f. 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.
- g. There are no amounts pending for transfer to the Investor Education and Protection Fund under Section 125 of the Act.
- h. Web link
  - Terms and conditions of appointment of independent directors : [http://www.bancoindia.com/pdf/Terms\\_and\\_Conditions\\_of\\_Appointment\\_of\\_Independent\\_Director.pdf](http://www.bancoindia.com/pdf/Terms_and_Conditions_of_Appointment_of_Independent_Director.pdf)
  - Composition of various committees of Board of directors : <http://www.bancoindia.com/pdf/CompositionDirectors.pdf>
  - Code of conduct of Board of directors and senior management personnel : [http://www.bancoindia.com/pdf/Code\\_of\\_Conduct.pdf](http://www.bancoindia.com/pdf/Code_of_Conduct.pdf)
  - Vigil mechanism/ Whistle Blower policy : [http://www.bancoindia.com/pdf/Vigil\\_Mechanism.pdf](http://www.bancoindia.com/pdf/Vigil_Mechanism.pdf)
  - Policy on dealing with related party transactions : [http://www.bancoindia.com/pdf/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.bancoindia.com/pdf/Policy_on_Related_Party_Transactions.pdf)
  - Policy for determining material subsidiaries : <http://www.bancoindia.com/pdf/PolicyForDeterminingMaterialSubsidiaries-ListingRegulation.pdf>
  - Familiarization programmes of Independent Directors : <http://www.bancoindia.com/pdf/FamiliarizationProgrammsforIndependentDirectors.pdf>
  - Contact details of KMP for determining materiality of an event : <http://www.bancoindia.com/pdf/ContactDetailsKMPMaterialEvents.pdf>

#### **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.

#### **11. Means of Communication :**

The annual and quarterly results are regularly published by the Company in Loksatta (Gujarati) and Business Standard (English), the News Papers, as per the 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 (MDA) is a part of the Annual Report.

#### **12. General Shareholder Information:**

##### **Annual General Meeting:**

Date and time : Monday, the 23<sup>rd</sup> day of September, 2019 at 10:00 a.m.

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 ending 30.06.2019	By end of July, 2019 or within statutory time limit
Quarter ending 30.09.2019	By end of October, 2019 or within statutory time limit
Quarter ending 31.12.2019	By end of January, 2019 or within statutory time limit
Audited Results for the year ending on 31.03.2020	By end of May, 2020 or within statutory time limit

**Dividend Payment Date :** On or after 16.10.2019

**Book Closure Dates for the proposed final dividend at AGM:**

To determine the entitlement of shareholders to receive the dividend, if any, for the financial year ended 31.03.2019, the Register of Members and Share Transfer Books of the Company closed from 09.08.2019 to 26.08.2019 (both days inclusive) for the proposed final dividend.

**Dividend Remittance:**

The final dividend on equity shares as recommended by the Board of Directors for the financial year ended 31.03.2019, if approved at Annual General Meeting will be paid on or after 16.10.2019.

- 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 08.08.2019; and
- To all the members in respect of shares held in physical form, after giving effect to valid transfer(s) in respect of transfer request(s) lodged with the Company on or before the close of business hours on 08.08.2019.

**Listing of Equity Shares on Stock Exchanges:**

- BSE Limited; and
- National Stock Exchange of India Limited

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

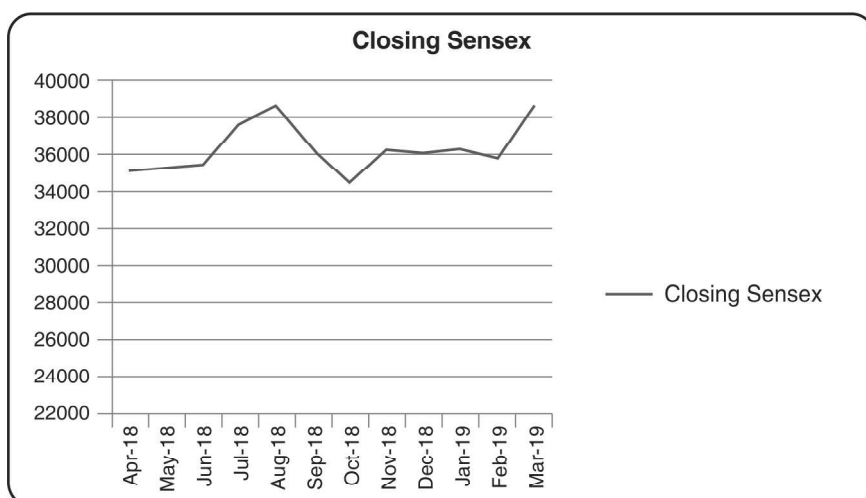
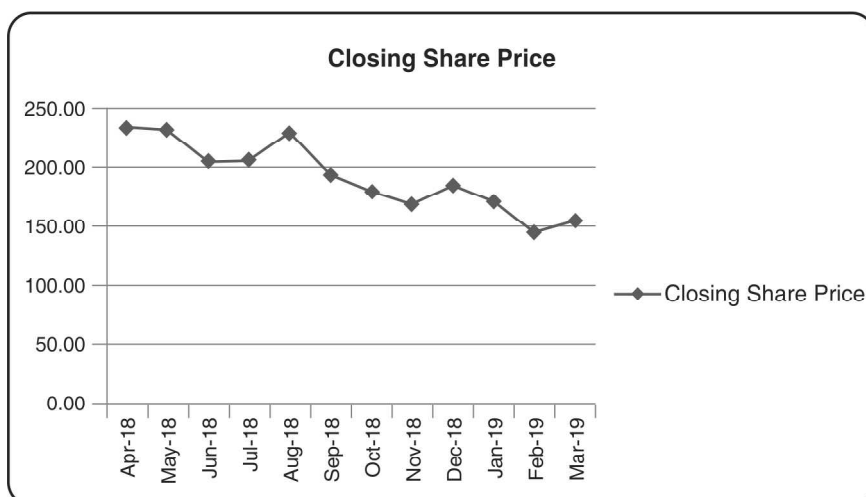
**Stock Code:**

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

**Stock Market Data:**

The monthly high and low quotes based on the closing price and number of shares traded during the last financial year 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, 2018	248.05	213.00	304742	248.25	213.00	1631353
May, 2018	240.55	207.00	203190	241.20	211.05	944562
June, 2018	230.50	201.00	105263	230.00	194.70	622831
July, 2018	214.65	195.00	89960	214.40	195.10	544889
August, 2018	235.40	202.00	328895	235.65	201.50	2203957
September, 2018	238.00	191.05	254735	238.90	190.80	1108672
October, 2018	201.00	165.10	301723	197.30	164.90	1030307
November, 2018	188.70	164.15	111538	188.80	163.90	714647
December, 2018	298.80	161.00	154169	199.00	160.00	1206760
January, 2019	185.90	167.70	60590	186.00	169.05	450534
February, 2019	175.95	141.70	111892	175.90	144.10	830899
March, 2019	168.90	146.90	105195	168.00	146.00	667386

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


**Suspension of Securities from trading**

The securities of the Company have not been suspended during the financial year 2018-19.

**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 Listing Rules and Regulations.

**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	NA
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

**Share Transfer System:**

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. W.e.f. 01-04-2019, shares can be transferred only if it is held in Demat form.

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.

**Distribution of Shareholding as on 31.03.2019 :**

No of Share Holding	No of Shareholders	No of Shares	% to Total Paid-up Capital
1 – 500	20,969	26,63,954	3.72
501 – 1000	2,081	17,21,603	2.41
1001 – 2000	1,110	17,55,349	2.45
2001 – 3000	518	14,05,158	1.96
3001 – 4000	206	7,51,458	1.05
4001 – 5000	137	6,48,718	0.91
5001 – 10000	236	17,09,140	2.39
10001 and above	194	6,08,63,270	85.10
<b>Total</b>	<b>25,451</b>	<b>7,15,18,650</b>	<b>100.00</b>



**Distribution of Shareholding Pattern as 31.03.2019:**

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	6,19,654	0.87
Bodies Corporate	11,68,869	1.63
Non-Residents Indians	32,82,020	4.59
Mutual Funds	27,78,587	3.89
Public	1,51,19,528	21.14
<b>Total</b>	<b>7,15,18,650</b>	<b>100.00</b>

**Dematerialization of Shares as on 31.03.2019:**

About (98.59%) of equity shares of the Company, have been dematerialized.

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

**Credit Rating**

1. Long Term – CARE AA
2. Short Term – CARE A1+

**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

**Equity Shares in the Suspense Account:**

The details are as under:

Sr. No.	Particulars	Number of Shareholders	Number of Equity Shares of Face Value of ₹ 2/- per Share
a.	Aggregate Number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	50	123050
b.	Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year.	30	105100
c.*	Number of shareholders to whom shares were transferred from suspense account during the year;	30	105100
d.	Total Shares lying in Unclaimed Suspense Account at the end of the year	20	17950

\* Includes transfer to IEPF Authority of 28 shareholders for 100600 Shares and 02 Shareholders for 4500 Shares have claimed and received the shares.

The voting rights on the aforesaid shares outstanding in the Suspense Account as on 31.03.2019 shall remain frozen till the rightful owner of such shares claim the shares.

**Plant Locations:**

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

**Details Fees to the Statutory Auditors**

The Company has paid Rs. 19.20 Lakhs as total fees to the Statutory Auditors. The Company and its subsidiaries, has not paid any other fees to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**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) 2356573, Fax : (0265) 2356791 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

By the order of the Board,

Date : 09.08.2019  
Place : Bil

Samir K. Patel - Director  
(DIN : 00161448)

Himali Patel - Director  
(DIN : 07081636)

## 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 31.03.2019 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 employees in the Assistant General Manager cadre as on 31.03.2019.

For Banco Products (India) Limited

Date : 30.05.2019  
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 : 30.05.2019  
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 31.03.2019 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 had 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 : 30.05.2019  
Place : Bil

Mehul K. Patel  
Chairman  
(DIN : 01772099)

Himali H. Patel  
Whole time Director & CFO  
(DIN : 07081636)

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
Banco Products (India) Ltd.  
Opp. 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, 2019** as prescribed in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C and D 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**

**Place: Vadodara**  
**Date: 10<sup>th</sup> August, 2019**

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**BANCO PRODUCTS (INDIA) LIMITED**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Banco Product (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, 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 31 March 2019, and its profit, Total Comprehensive Income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of Matter

We draw attention to note No. 44 of the Standalone Financial Statement with respect to Companies application under Section 245C(1) of the Income Tax Act, 1961 before the Hon'ble Income Tax Settlement Commission. Our opinion is not modified in respect of this matter.

#### 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.

The key audit matters	How our audit addressed the key audit matters
<b>Revenue Recognition</b>	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.
<b>Adoption of Ind AS 115- Revenue from Contracts with Customers</b>	
The Company has adopted Ind AS 115, Revenue from Contracts with Customers which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.	Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers, which is the new revenue accounting standard, include - * Evaluated the design and implementation of the processes

<p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods. The effect on adoption of Ind-AS 115 was insignificant.</p>	<p>and internal controls relating to implementation of the new revenue accounting standard:-</p> <ul style="list-style-type: none"> <li>* Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> <li>* Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;</li> <li>* Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and</li> <li>* Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>
<b>Evaluation of uncertain tax positions</b>	
<p>The Company has periodic challenges by tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.</p>	<p>Our audit procedures include the following substantive procedures:-</p> <ul style="list-style-type: none"> <li>* Obtained understanding of key uncertain tax positions;</li> <li>* Read and analysed key correspondences, external legal opinions / consultations by management for key uncertain tax positions;</li> <li>* Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions;</li> <li>* Assessed managements estimate of the possible outcome of the disputed cases;</li> <li>* Tested the effectiveness of controls around the recognition of provisions and recording and re-assessment of contingent liabilities;</li> <li>* Used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities;</li> <li>* We challenged the assumptions and critical judgements made by management which impacted their estimate of the provisions required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias;</li> <li>* Discussed the status in respect of significant provisions with the Company's internal tax and legal team;</li> <li>* Performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>
<b>Related Party Transactions</b>	
<p>During the year, the Company has sold its investments in shares of Lake Mineral (Mauritius) Limited (Subsidiary Company) and Kilimanjaro</p>	<p>Our audit procedures include the following substantive procedures:-</p> <ul style="list-style-type: none"> <li>* Performed test of controls over related party transactions</li> </ul>

<p>Biochem Limited (Indirect Subsidiary) to Agro Scientific Investments Limited (Entity in which promoter/promoter group is having controlling interest). The transaction is subject to regulatory and necessary approvals. Determination of transaction price for such related party transactions outside the normal course of business is a key audit matter considering the significance of the transaction value and the significant judgements involved in determining the transaction value.</p>	<p>through inspection of evidence of performance of these controls.</p> <ul style="list-style-type: none"> <li>* Read the valuation reports and fairness opinion obtained from independent valuers and assessed the objectivity and competence of the independent valuers.</li> <li>* Read the approvals obtained from Board of Directors and regulatory approvals for the transactions.</li> <li>* Read the Share Purchase Agreement entered with Agro Scientific Investments Limited (Entity in which promoter/promoter group is having controlling interest).</li> <li>* Ensure realization of sales consideration.</li> <li>* Assessed the disclosures in accordance with Ind AS 24 "Related Party Disclosures".</li> </ul>
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### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the consolidated financial statement, standalone financial statements and our auditor's report thereon.

Our opinion on the 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 Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the 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 skepticism 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 control 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 with reference to standalone financial statements 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.
- Conclude on the appropriateness of management'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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 Section 143(3) of the Act, based on our audit, 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, the Statement of Cash Flows and the Statement of Changes in Equity 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.

- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls with respect to financial statements, refer to our separate Report in 'Annexure A'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement. Refer Note of the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For MANUBHAI & SHAH LLP**  
CHARTERED ACCOUNTANTS  
FRN: 106041W/W100136

**CA LAXMINARAYAN P. YEKKALI**  
PARTNER  
M. No: 114753  
Mumbai, 30<sup>th</sup> May, 2019

## ANNEXURE – “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in our report of even date)

### 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 financial reporting of **Banco Products (India) Limited** (“the Company”) as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 the Institute of Chartered Accountants of India and the Standards on Auditing 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 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks 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.

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, 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, 2019, based on the criteria for internal financial control over financial reporting 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.

**For MANUBHAI & SHAH LLP**  
**CHARTERED ACCOUNTANTS**  
FRN: 106041W/W100136

**CA LAXMINARAYAN P. YEKKALI**  
**PARTNER**  
M. No: 114753  
Mumbai, 30<sup>th</sup> May, 2019

## ANNEXURE - “B” TO INDEPENDENT AUDITORS’ REPORT

**(Referred to in Paragraph 2 under “Report on Other Legal and Regulatory Requirements of the Independent Auditors’ Report of even date)**

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. 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) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II. The inventory, except goods-in-transit and stock lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stock and book records were not material and have been properly dealt with in books of account.
- III. According to the information and explanations given to us, the Company has not granted any loans Secured or unsecured to companies, firm, Limited liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ‘the Act’.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security as applicable.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provision of the act and the rules framed there under. Accordingly, Paragraph 3(v) of the order is not applicable to the company.
- VI. 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.
- VII. (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 2019 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 the dispute is pending
Central Excise Act, 1944	Excise Duty, Service Tax and Custom Duty	1,777.57	Financial Year 2006-2007 till financial year 2018-2019	<ul style="list-style-type: none"> <li>- ₹ 803.64 lakhs pending with CESTAT, Ahmedabad.</li> <li>- ₹ 731.83 lakhs pending with Commissioner, Central Excise and Custom (Appeal).</li> <li>- ₹ 2.80 lakhs pending with Superintendent Central Excise and Custom (Appeal).</li> <li>- ₹ 11.78 lakhs pending with Commissioner (Appeal) Customs, Mumbai</li> <li>- ₹ 227.51 lakhs pending with Gujrat High Court.</li> </ul>
Sales Tax Act	VAT/CST	90.38	Financial Year 2008-2009 till 2012-2013	<ul style="list-style-type: none"> <li>- ₹ 50.83 lakhs pending with Appellate Tribunal, Ahmedabad.</li> <li>- ₹10.20 lakhs pending with JC-Appeal, Vadodara. and</li> <li>- ₹ 29.35 lakhs pending with Commissioner (Appeal), Ranchi.</li> </ul>
Income Tax Act, 1961	Income Tax	09.30	FY 2011-12 (i.e. AY 2012-13)	CIT (Appeal)

- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to the financial institution, banks and government. The Company did not have any outstanding Debentures during the year.
- IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- XI. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- XII. According to the information and explanations given to us, the Company is not a Nidhi company as prescribed under section 406 of the Act. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- XIV. According to the information and explanations give to us and based on 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.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- XVI. According to the information and explanations give to us The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Paragraph 3(xvi) of the order is not applicable to the company.

**For MANUBHAI & SHAH LLP**  
**CHARTERED ACCOUNTANTS**  
FRN: 106041W/W100136

**CA LAXMINARAYAN P. YEKKALI**  
**PARTNER**

M. No: 114753  
Mumbai, 30<sup>th</sup> May, 2019

# **STANDALONE FINANCIAL STATEMENTS**

BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31st March, 2019	AS AT 31st March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3	13,087.87	11,196.36
Capital work-in-progress		161.31	746.17
Other intangible assets	3	15.56	26.44
Financial assets			
Investments	4	16,474.77	17,603.25
Other financial assets	5	160.70	87.14
Deferred tax asset (net)	6a	-	631.10
Current tax assets (net)		1,568.18	2039.36
Other non-current assets	7	522.67	1,025.29
		<b>31,991.06</b>	<b>33,355.11</b>
<b>Current assets</b>			
Inventories	8	12,694.70	13,561.58
Financial assets			
Investments	9	5,000.32	982.07
Trade receivables	10	13,883.38	11,416.28
Cash and cash equivalents	11a	13.41	8.35
Balances with banks other than 11a above	11b	11,858.51	13,951.33
Other financial assets	12	417.99	365.26
Other current assets	13	363.42	457.31
		<b>44,231.73</b>	<b>40,742.18</b>
		<b>76,222.79</b>	<b>74,097.29</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	64,922.10	60,108.99
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Provisions	16	430.50	386.84
Deferred tax liabilities (net)	6a	351.16	-
Other non-current liabilities	17	25.39	-
		<b>67,159.52</b>	<b>61,926.20</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	268.39	232.72
Trade payables	19		
A) due to micro and small enterprise		999.23	910.57
B) due to others		5,540.91	5,899.54
Other financial liabilities	20	611.35	3,496.98
Other current liabilities	21	1,567.92	1,564.88
Provisions	22	75.47	66.40
		<b>9,063.27</b>	<b>12,171.09</b>
		<b>76,222.79</b>	<b>74,097.29</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 Manubhai & Shah LLP**  
Chartered Accountants  
FRN 106041W/W100136

**CA Laxminarayan P.Yekkali**  
Partner  
Membership No. 114753

Place : Mumbai  
Date : 30.05.2019

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Mukesh D. Patel**  
Director  
DIN 00009605

**Rajendra J. Anandpara**  
Managing Director  
DIN 02461259

**Devesh A.Pathak**  
Director  
DIN 00017515

**Ramkisan Devidayal**  
Director  
DIN 00238853

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Dinesh Kavthekar**  
Company Secretary

Place : Vadodara  
Date : 30.05.2019



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

(₹ in Lakhs)

PARTICULARS	Note No.	2018-19	2017-18
Revenue from operations	23	73,618.55	63,156.14
Other income	24	8,315.41	6,979.30
<b>Total income</b>		<b>81,933.96</b>	<b>70,135.44</b>
<b>Expenses</b>			
Cost of materials consumed	25	47,121.52	37,340.70
Changes in inventories of finished goods and work-in-progress.	26	(740.15)	225.58
Excise duty		-	1,254.64
Employee benefit expenses	27	3,845.59	3,384.99
Finance costs	28	143.80	37.56
Depreciation/amortisation expenses		1,819.25	1,670.93
Other expenses	29	13,283.76	11,504.30
<b>Total expenses</b>		<b>65,473.77</b>	<b>55,418.70</b>
<b>Profit before exceptional item and tax</b>		<b>16,460.19</b>	<b>14,716.74</b>
Exceptional items	30	933.12	-
<b>Profit before tax</b>		<b>17,393.31</b>	<b>14,716.74</b>
<b>Tax expenses</b>	6		
Current tax		3,593.89	2,845.00
Income tax for prior years (refer note no. 44)		614.60	-
Deferred tax		893.68	(100.50)
<b>Total tax expenses</b>		<b>5,102.17</b>	<b>2,744.50</b>
<b>Profit for the year</b>		<b>12,291.14</b>	<b>11,972.24</b>
<b>Other comprehensive income</b>			
<b>A items that will not be reclassified to profit or loss</b>			
(i) remeasurement benefit of defined benefit plans		(13.51)	0.32
Income tax expenses on remeasurement benefit of defined benefits plans		4.72	(0.11)
(ii) net fair value (loss)/gain on investment in equity instruments through oci		428.02	(13.05)
Income tax expenses on net fair value (loss)/gain on investment in equity instruments through oci		(93.28)	(10.46)
<b>Total other comprehensive income</b>		<b>325.95</b>	<b>(23.30)</b>
<b>Total comprehensive income for the year</b>		<b>12,617.09</b>	<b>11,948.94</b>
<b>Earning per equity share of face value of ₹ 2 each</b>	31		
Basic in ₹		17.19	16.74
Diluted in ₹		17.19	16.74
<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 Manubhai & Shah LLP**  
Chartered Accountants  
FRN 106041W/W100136

**CA Laxminarayan P.Yekkali**  
Partner  
Membership No. 114753

Place : Mumbai  
Date : 30.05.2019

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Mukesh D. Patel**  
Director  
DIN 00009605

**Rajendra J. Anandpara**  
Managing Director  
DIN 02461259

**Devesh A.Pathak**  
Director  
DIN 00017515

**Ramkisan Devidayal**  
Director  
DIN 00238853

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Dinesh Kavthekar**  
Company Secretary

Place : Vadodara  
Date : 30.05.2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		17,393.31		14,716.74
Adjustments for non cash items / items required to be disclosed separately				
Depreciation	1,819.25		1,670.93	
Interest and finance charges paid	143.80		37.56	
(Profit)/loss on sale of PPE	(6.14)		(0.84)	
Interest income	(895.75)		(284.33)	
Unrealised foreign exchange (gain)/loss	(134.69)		(67.90)	
Net (gain)/loss arising on sale of financial assets measured at FVTPL	(1.98)		(197.67)	
Net (gain)/loss arising on fair value measured at FVTPL	(0.31)		17.01	
Sundry creditor write back	(6.23)		(7.51)	
Sundry creditor write off	1.54		-	
Profit on sale of investment in subsidiary	(933.12)		-	
Dividend received	(7,388.01)		(6,219.73)	
		(7,401.64)		(5,052.48)
<b>Operating profit before working capital changes</b>		<b>9,991.67</b>		<b>9,664.26</b>
<b>Adjustments for change in working capital &amp; provisions</b>				
(Increase)/decrease in trade receivable	(2,326.53)		(1,825.62)	
(Increase)/decrease in inventories	866.88		(4,124.67)	
(Increase)/decrease in current financial assets	(53.81)		(146.78)	
(Increase)/decrease in other current assets	93.89		-	
(Increase)/decrease in financial assets (non current)	(73.56)		(5.25)	
(Increase)/decrease in other non current assets	66.27		-	
Increase/(decrease) in current liabilities	3.04		273.88	
Increase/(decrease) in other non-current liabilities	25.39		-	
Increase/(decrease) in financial liabilities (current)	39.54		21.07	
Increase/(decrease) in trade payables	(283.52)		2,935.36	
Increase/(decrease) in provisions	52.73		70.46	
		(1,589.68)		(2,801.55)
<b>Cash generated from operations</b>		<b>8,401.99</b>		<b>6,862.71</b>
Income tax paid (net of refunds)	(3,738.45)		(4,486.71)	
		(3,738.45)		(4,486.71)
<b>Net cash flow from operating activities</b>		<b>4,663.54</b>		<b>2,376.00</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE & capital advances	(2,722.03)		(2,552.23)	
Sale of PPE	49.52		6.92	
Sale of financial assets measured at FVTPL	984.05		18,040.52	
Purchase of investment measured at FVTPL	(5,000.00)		(11,155.51)	
(Increase)/decrease in bank balance term deposit	(832.35)		(7,294.05)	
Purchase of pref share in Imml (subsidiary)	(137.64)		-	
Sale of investment in subsidiary	2,627.25		-	
Dividend received from subsidiaries	7,367.77		5,785.86	
Dividend received from other	16.50		430.64	
Interest received	900.56		274.70	
		3,253.63		3,536.85
<b>Net cash flow from investing activities</b>		<b>7,917.17</b>		<b>5,912.85</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	(7,724.01)		(5,864.52)	
Tax paid on dividend	(79.97)		(14.61)	
Interest and finance charges paid	(143.80)		(37.56)	
<b>Net cash flow from financing activities</b>		<b>(7,947.78)</b>		<b>(5,916.69)</b>
<b>Net cash inflow/(outflow) during the year</b>		<b>(30.61)</b>		<b>(3.84)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>(224.37)</b>		<b>(220.53)</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>(254.98)</b>		<b>(224.37)</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, 2019**
**AS AT**  
**31st March, 2018**

(i) Balances with banks in current accounts

10.35

5.66

(ii) Cash on hand

3.06

2.69

(iii) Term deposit with original maturity less than 3 months

-

-

**13.41****8.35**

Less:- cash credit refer note no-18

(268.39)

(232.72)

**Cash and cash equivalents as per cash flow statement****(254.98)****(224.37)**

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

PARTICULARS	1st April 2018	Cash Flow	Non Cash Changes	31st March 2019
Borrowing - Current (Refer note no. 18)	232.72	35.67	-	268.39

As per our report of even date attached  
**For Manubhai & Shah LLP**  
Chartered Accountants  
**FRN 106041W/W100136**

**CA Laxminarayan P.Yekkali**  
**Partner**  
**Membership No. 114753**

**Place : Mumbai**  
**Date : 30.05.2019**

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Rajendra J. Anandpara**  
Managing Director  
DIN 02461259

**Ramkisan Devidayal**  
Director  
DIN 00238853

**Udayan P. Patel**  
Director  
DIN 00598313

**Mukesh D. Patel**  
Director  
DIN 00009605

**Devesh A.Pathak**  
Director  
DIN 00017515

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

**Dinesh Kavthekar**  
Company Secretary

**Place : Vadodara**  
**Date : 30.05.2019**

## STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April 2017	Changes in equity share capital during the year 2017-2018	Balance at the end of the reporting period i.e. 31st March 2018	Changes in equity share capital during the year 2018-2019	Balance at the end of the reporting period i.e. 31st March-2019
1430.37	-	1430.37	-	1430.37

## B. OTHER EQUITY

As on 31st March 2019

(₹ 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, 2018	1,200.31	0.77	54.14	12,217.69	45,556.05	1,080.03	60,108.99
Profit for the year	-	-	-	-	12,291.14	-	12,291.14
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>57,847.19</b>	<b>1,080.03</b>	<b>72,400.13</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	(8.79)	-	(8.79)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	24.47	24.47
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	310.27	310.27
Final dividend of F.Y. 17-18	-	-	-	-	(4,148.08)	-	(4,148.08)
Interim dividend of F.Y. 18-19	-	-	-	-	(3,575.93)	-	(3,575.93)
Tax on dividend	-	-	-	-	(79.97)	-	(79.97)
<b>Balance at the end of the reporting period i.e. 31st March, 2019</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>50,034.42</b>	<b>1,414.77</b>	<b>64,922.10</b>

As on 31st March 2018

(₹ 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, 2017	1,200.31	0.77	54.14	12,217.69	39,462.73	1,103.55	54,039.19
Profit for the year	-	-	-	-	11,972.24	-	11,972.24
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>51,434.97</b>	<b>1,103.55</b>	<b>66,011.43</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	0.21	-	0.21
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	(52.51)	(52.51)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	28.99	28.99
Final dividend of F.Y. 16-17	-	-	-	-	(2,860.74)	-	(2,860.74)
Interim dividend of F.Y. 17-18	-	-	-	-	(3,003.78)	-	(3,003.78)
Tax on dividend	-	-	-	-	(14.61)	-	(14.61)
<b>Balance at the end of the reporting period i.e. 31st March, 2018</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>45,556.05</b>	<b>1,080.03</b>	<b>60,108.99</b>

As per our report of even date attached  
**For Manubhai & Shah LLP**  
Chartered Accountants  
FRN 106041W/W100136

**CA Laxminarayan P. Yekkali**  
**Partner**  
Membership No. 114753

Place : Mumbai  
Date : 30.05.2019

For and on behalf of the board

<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Rajendra J. Anandpara</b> Managing Director DIN 02461259	<b>Ramkisan Devidayal</b> Director DIN 00238853	<b>Udayan P. Patel</b> Director DIN 00598313
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<b>Mukesh D. Patel</b> Director DIN 00009605	<b>Devesh A. Pathak</b> Director DIN 00017515	<b>Himali H. Patel</b> Whole Time Director and CFO DIN 07081636	<b>Dinesh Kavthekar</b> Company Secretary
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Place : Vadodara  
Date : 30.05.2019

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**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 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended 31<sup>st</sup> March, 2019 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

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

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

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

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

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

**2.3 Classification of current/non current assets and liabilities**

All assets and liabilities are presented as Current or Non Current as per the Company's normal operating cycle and the other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current/Non Current classification of assets/liabilities.

**2.4 Property, plant and equipment**

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

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

**Capital work-in-progress**

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-In-Progress.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 2.5 Intangible assets

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

### 2.6 Depreciation / amortisation

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.

Class of Assets	Range of Useful Life (In Years)
Factory buildings	30
Plant and equipments	10-15
Furniture & fixtures	10
Vehicles	8-10
Office equipment	5
Computer hardware	3-6
Software	3-6

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

Leasehold Land is amortized over the period of lease.

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

### 2.7 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.

### 2.8 Revenue recognition

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

#### Sale of goods

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

#### Royalties and profit-sharing arrangements

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

#### Interest and dividend income

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**2.9 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.

**2.10 Financial instruments**

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

**a. Financial assets**
**(i) Initial recognition and measurement**

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

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified 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 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.



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**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.

**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).

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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.

**2.11 Foreign exchange transactions**

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

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

**2.12 Trade receivable**

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

**2.13 Borrowing costs**

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

**2.14 Provisions, contingent liabilities and contingent assets**
**a. Provisions**

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

**b. Contingent liabilities**

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

**c. Contingent assets**

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

**2.15 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019****Current tax**

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

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

**Deferred tax**

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**Presentation of current and deferred tax**

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

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

**2.16 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**2.17 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.

**2.18 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.

**2.19 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.

**2.20 Lease accounting**
**Assets given on operating lease**

The Company has given certain properties to a company on an operating lease basis. Lease rental income is accounted on accrual basis in accordance with the lease agreement. Assets given on operating leases are included in Property, Plant and Equipment.

**2.21 Government grants**

Government grants (including export incentives and 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.

**2.22 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.

**2.23 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.

## 3. PROPERTY PLANT &amp; EQUIPMENT FOR THE YEAR 2018-19

(₹ in Lakhs)

	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK	
	As at 1st April 2018	Additions during the year	Deletion during the year	As at 31st March 2019	As at 1st April 2018	For the year	Deduction Others	As at 31st March 2019
<b>I Tangible assets</b>								
a Leasehold land	869.96	-	-	869.96	64.07	8.79	-	797.10
b Freehold land	215.46	-	-	215.46	-	-	-	215.46
c Buildings	4,428.23	86.39	5.10	4,509.51	2,114.27	222.75	2.49	2,334.53
d Plant and equipments	19,464.26	3,485.86	55.71	22,894.41	12,041.15	1,455.99	16.92	13,480.21
e Furniture & fixtures	248.57	47.29	-	295.86	204.71	22.98	-	272.70
f Vehicles	405.06	53.73	28.06	430.73	371.35	22.84	26.08	368.11
g Office equipment	288.46	10.69	1.09	298.06	258.52	19.13	1.09	276.56
h Scientific research								
1 Building	113.58	-	-	113.58	68.05	4.33	-	72.38
2 Plant and equipments	627.83	34.63	-	662.46	362.20	40.56	-	402.76
3 Software (intangible assets)	91.59	0.44	-	92.03	68.80	10.05	-	78.85
4 Office equipment	4.94	3.22	-	8.16	4.24	1.01	-	5.24
5 Furniture and fixture	21.91	11.01	-	32.92	19.66	1.50	-	21.16
i Other assets	60.48	7.83	-	68.32	44.16	5.89	-	50.05
<b>II Intangible assets</b>								
a. Software	265.75	2.16	-	267.91	262.10	3.43	-	265.53
	<b>27,106.08</b>	<b>3,743.25</b>	<b>88.96</b>	<b>30,759.37</b>	<b>15,883.28</b>	<b>1,819.25</b>	<b>46.58</b>	<b>17,655.94</b>
								<b>13,103.43</b>
								<b>11,222.80</b>

## FOR THE YEAR 2017-18

(₹ in Lakhs)

	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK	
	As at 1st April 2017	Additions during the year	Deletion during the year	As at 31st March 2018	As at 1st April 2017	For the year	Deduction Others	As at 31st March 2018
<b>I Tangible assets</b>								
a Leasehold land	869.96	-	-	869.96	55.28	8.79	-	805.89
b Freehold land	215.46	-	-	215.46	-	-	-	215.46
c Buildings	4,302.40	125.83	-	4,428.23	1,885.73	228.54	-	2,313.96
d Plant and equipments	17,975.13	1,489.13	-	19,464.26	10,765.19	1,275.96	-	7,423.11
e Furniture & fixtures	234.74	13.83	-	248.57	187.86	16.85	-	204.71
f Vehicles	405.25	7.81	8.00	405.06	350.11	23.16	1.92	371.35
g Office equipment	277.49	10.97	-	288.46	239.03	19.49	-	258.52
h Scientific research								
1 Building	109.01	4.57	-	113.58	63.63	4.42	-	68.05
2 Plant and equipments	601.63	26.20	-	627.83	321.50	40.70	-	362.20
3 Software (intangible assets)	71.89	19.70	-	91.59	58.59	10.21	-	68.80
4 Office equipment	4.46	0.48	-	4.94	4.05	0.19	-	4.24
5 Furniture and fixture	21.31	0.60	-	21.91	18.69	0.97	-	19.66
i Other assets	51.15	9.33	-	60.48	38.92	5.24	-	44.16
<b>II Intangible assets</b>								
a. Software	255.61	10.14	-	265.75	225.69	36.41	-	262.10
	<b>25,395.49</b>	<b>1,718.59</b>	<b>8.00</b>	<b>27,106.08</b>	<b>14,214.27</b>	<b>1,670.93</b>	<b>1.92</b>	<b>15,883.28</b>
								<b>11,222.80</b>
								<b>11,181.22</b>

## 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 equipments.
- 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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Unquoted fully paid equity shares in subsidiaries/indirect subsidiaries measured at Cost</b>		
25,000 (P.Y.17-18 25,000) equity shares of 4.54 Euro each in Netherlands Radiator Fabriek BV.	11,194.54	11,194.54
NIL (P.Y.17-18 2,259) equity shares of TShs 1,00,000 each in Kilimanjaro Biochem Limited.	-	80.79
NIL (P.Y.17-18 26,750) equity share of US\$ 100 each in Lake Mineral (Mauritius) Limited.	-	1,475.71
3,50,00,000 (P.Y.17-18 3,50,00,000) equity shares of ₹ 10 each in Banco Gasket (India) Limited.	3,500.00	3,500.00
	<b>14,694.54</b>	<b>16,251.04</b>
<b>Unquoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
6,20,080 (P.Y. 17-18 6,20,080) equity shares of ₹ 10 each in Banco Aluminium Limited	1,481.99	1,078.44
	<b>1,481.99</b>	<b>1,078.44</b>
<b>Quoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
6,588 (P.Y.17-18 6,588) India Motor Parts and Accessories Limited. of ₹ 10 each	60.21	67.51
1,32,700 (P.Y.17-18 1,32,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	234.69	202.31
511 (P.Y.17-18 511) NHPC Limited of ₹ 10 each	0.13	0.14
1,573 (P.Y.17-18 1,573) Oil India Limited of ₹ 10 each (524 bonus share received during the year 2017-18)	2.92	3.40
400 (P.Y.17-18 400) Anand I-Power Limited of ₹ 1 each	0.004	0.004
112 (P.Y.17-18 112) Talbros Automotive Component Limited of ₹ 10 each.	0.24	0.31
34 (P.Y.17-18 34) Talbros Engineers Limited of ₹ 10 each (17 bonus share received during the year 2017-18)	0.05	0.10
	<b>298.24</b>	<b>273.77</b>
	<b>16,474.77</b>	<b>17,603.25</b>
Aggregate amount of unquoted investment at cost	25.35	25.35
Aggregate amount of unquoted investment at market value	1,481.99	1,078.44
Aggregate amount of quoted investment at cost	20.02	20.02
Aggregate amount of quoted investment at market value	298.23	273.76

## 5. OTHER FINANCIAL ASSETS (Non Current)

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Unsecured, considered good</b>		
Security deposit	33.35	26.51
Government grant receivable	127.35	60.63
	<b>160.70</b>	<b>87.14</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 6. INCOME TAX

(A) Major components of deferred tax liabilities /(Assets) arriving on account of timing difference are as follow

As at 31st March, 2019

(₹ in Lakhs)

	As at 31st March, 2018	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2019
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	970.31	187.06	-	1,157.37
Fair value on unquoted investment	226.90	-	93.28	320.18
MAT credit entitlement	(1,669.93)	795.61	-	(874.32)
Expense allowable for tax on payment	(158.38)	(13.70)	(4.72)	(176.80)
C/f capital loss FY 2018-19	-	(75.27)	-	(75.27)
	<b>(631.10)</b>	<b>893.70</b>	<b>88.56</b>	<b>351.16</b>

As at 31st March, 2018

	As at 1st April, 2017	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2018
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	1,008.69	(38.38)	-	970.31
Fair value on unquoted investment	216.43	-	10.47	226.90
Mat credit entitlement	(1,633.82)	(36.11)	-	(1,669.93)
Expense allowable for tax on payment	(132.47)	(26.01)	0.10	(158.38)
	<b>(541.17)</b>	<b>(100.50)</b>	<b>10.57</b>	<b>(631.10)</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 2019	as at 31st march 2018
Current tax	3,593.89	2,845.00
Income tax for prior years	614.60	-
Deferred tax	893.68	(100.50)
	<b>5,102.17</b>	<b>2,744.50</b>

## (ii) Income tax recognised in OCI

Income tax expenses on remeasurement of defined employee benefits plans

Income tax expenses on remeasurement of financial instruments

	<b>4.72</b>	<b>(0.11)</b>
	(93.28)	(10.46)
	(88.56)	(10.57)
	<b>5,013.61</b>	<b>2,733.93</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**(C) Reconciliation of tax expenses and the accounting profit for the year is as under**

Profit before tax	17,393.31	14,716.74
Income tax expenses @ 34.94%	6,077.92	5,093.17
Tax effect on non deductible expenses	98.21	32.00
Effect of income which is tax at special rate	(1,572.75)	(1,256.60)
Effect of income exempted from tax	(251.68)	(392.41)
Tax effect for deduction u/s 80IC	(18.80)	(21.42)
Tax effect for deduction u/s 80G	(28.36)	(0.09)
Tax effect for deduction u/s 80JJAA	(4.98)	-
Tax effect for exemption u/s 10AA	(616.50)	(585.45)
Tax effect of R & D expenses	(89.47)	(94.44)
Tax effect for deduction in subsidiary		
Mat credit entitlement	795.61	(36.10)
Tax effect for difference tax rate in subsidiary and translation		
Tax effect on stock reserve		
Tax effect on undistributable profit		
Income tax for prior year	614.60	-
Other	98.37	5.84
	<b>5,102.17</b>	<b>2,744.50</b>

**7. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Unsecured, considered good</b>		
Capital advances	341.72	778.07
Advances other than capital advances		
Balance with statutory authorities	178.45	244.18
Prepaid expenses	2.50	3.04
	<b>522.67</b>	<b>1,025.29</b>

**8. INVENTORIES**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>(At lower of cost and net realisable value)</b>		
Raw materials	7,276.55	9,014.46
Packing materials	327.68	272.79
Work-in-progress	2,318.94	1,937.57
Finished goods	1,925.94	1,567.16
Stores and spares	802.55	754.28
Loose tools	43.04	15.32
	<b>12,694.70</b>	<b>13,561.58</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 9. CURRENT INVESTMENT

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Investment in mutual fund, measured at fair value through profit and loss</b>		
NIL (P.Y.17-18 21,861) Kotak Select Focus Fund – Dividend plan of ₹ 10 each.	-	4.96
NIL (P.Y.17-18 15,51,903) Invesco India Arbitrage Fund – Dividend plan of ₹ 10 each.	-	199.63
NIL (P.Y.17-18 79,651) Reliance Growth Fund - Dividend plan of ₹ 10 each.	-	50.00
NIL (P.Y.17-18 2,86,132) Reliance Focus Equity Fund – Dividend Plan (Formerly known as Reliance Mid and Small Cap Fund Dividend Pay out plan) of ₹ 10 each.	-	60.65
NIL (P.Y.17-18 10,42,780) Reliance Large Cap Fund – Dividend Plan (Formerly known as Reliance Top 200 Fund - Dividend Plan) of ₹ 10 each.	-	162.79
NIL (P.Y.17-18 1,769) HDFC Equity Fund-Regular Dividend plan of ₹ 10 each.	-	0.88
NIL (P.Y.17-18 2,081) HDFC TOP 200 Fund-Regular Dividend Plan of ₹ 10 each.	-	0.99
NIL (P.Y.17-18 3,920) Birla Sun Life Equity Fund – Dividend plan of ₹ 10 each.	-	3.97
NIL (P.Y.17-18 39,84,572) Edelweiss Arbitrage Fund Monthly Dividend (Direct Plan) of ₹ 10 each.	-	498.20
0.386 (P.Y.17-18-Nil) Reliance Mutual Fund -R Shares Liquid Bees of ₹ 1,000 each. (Amount ₹ 386)	0.004	-
99,921 (P.Y.17-18-Nil) AXIS Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	1,001.31	-
47,086 (P.Y.17-18-Nil) SBI Liquid Fund - Weekly Dividend - Direct Plan of ₹ 1,000 each.	499.71	-
97,390 (P.Y.17-18-Nil) HDFC Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	1,001.11	-
9,96,649 (P.Y.17-18-Nil) ABSL Liquid Fund - Weekly Dividend - Direct Plan of ₹ 100 each.	999.35	-
99,439 (P.Y.17-18-Nil) Kotak Liquid Fund - Weekly Dividend-Direct Plan of ₹ 1,000 each.	1,000.95	-
4,96,305(P.Y.17-18-Nil) ICICI Prudential Liquid Fund - Monthly Dividend - Direct Plan of ₹ 100 each.	497.89	-
	<b>5,000.32</b>	<b>982.07</b>
Aggregate amount of Investment in mutual fund at cost	5000	1,001.00
Aggregate amount of Investment in mutual fund at market value	5,000.32	982.07

## 10. TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Trade receivables - unsecured		
(i) Considered good	13,883.38	11,416.28
(ii) Considered doubtful	-	-
	<b>13,883.38</b>	<b>11,416.28</b>
Less Allowance for unsecured doubtful debts	-	-
	<b>13,883.38</b>	<b>11,416.28</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 11. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>A. Cash and cash equivalents</b>		
(i) Balances with banks in current accounts	10.35	5.66
(ii) Cash on hand	3.06	2.69
(iii) In deposit accounts*	-	-
	<b>13.41</b>	<b>8.35</b>
<b>B. Bank balances other than (A) above</b>		
Other bank balance		
In deposit accounts #	11,441.57	10,601.56
Term deposit held as margin money against bank guarantee	101.17	108.83
Unpaid dividend (earmarked balances)##	315.77	3,240.94
	<b>11,858.51</b>	<b>13,951.33</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 2019	As at 31st March 2018
<b>Unsecured, considered good unless otherwise stated</b>		
Interest accrued on deposit with banks	170.60	175.41
Security deposit	4.92	11.74
Advances to employees	10.14	11.71
Subsidy receivable from government	228.60	166.40
Dividend receivable	3.73	-
	<b>417.99</b>	<b>365.26</b>

## 13. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Prepaid expenses	69.50	64.76
Balance with statutory authorities	49.97	192.77
Advance to vendors	243.44	199.10
Others	0.51	0.68
	<b>363.42</b>	<b>457.31</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 14. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Authorised</b>		
15,20,00,000 (previous year 15,20,00,000) equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up</b>		
7,15,18,650 (previous year 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 2019	As at 31st March 2018
Equity shares at the beginning of the year	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 2019	As at 31st March 2018
Balance at the beginning of the year	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

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 secured and unsecured creditors of the company are paid off, in the proportion of their shareholding in the company.

## (c) Share in the company held by each shareholder holding more than 5% shares specifying the no. of shares

	Nos. In Lakhs (Holding in %)	
Name of share holder	As at 31st March 2019	As at 31st March 2018
Vimal K. Patel	49.77 (6.96%)	49.77 (6.96%)
Samir K. Patel	44.21 (6.18%)	44.21 (6.18%)
Mehul K. Patel	50.19 (7.02%)	50.19 (7.02%)
Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 15. OTHER EQUITY

As on 31st March 2019

(₹ 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, 2018	1,200.31	0.77	54.14	12,217.69	45,556.05	1,080.03	60,108.99
Profit for the year	-	-	-	-	12,291.14	-	12,291.14
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>57,847.19</b>	<b>1,080.03</b>	<b>72,400.13</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	(8.79)	-	(8.79)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	24.47	24.47
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	310.27	310.27
Final dividend of F.Y. 17-18	-	-	-	-	(4,148.08)	-	(4,148.08)
Interim dividend of F.Y. 18-19	-	-	-	-	(3,575.93)	-	(3,575.93)
Tax on dividend	-	-	-	-	(79.97)	-	(79.97)
<b>Balance at the end of the reporting period i.e. 31st March, 2019</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>50,034.42</b>	<b>1,414.77</b>	<b>64,922.10</b>

As on 31st March 2018

(₹ 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, 2017	1,200.31	0.77	54.14	12,217.69	39,462.73	1,103.55	54,039.19
Profit for the year	-	-	-	-	11,972.24	-	11,972.24
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>51,434.97</b>	<b>1,103.55</b>	<b>66,011.43</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	0.21	-	0.21
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	(52.51)	(52.51)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	28.99	28.99
Final dividend of F.Y. 16-17	-	-	-	-	(2,860.74)	-	(2,860.74)
Interim dividend of F.Y. 17-18	-	-	-	-	(3,003.78)	-	(3,003.78)
Tax on dividend	-	-	-	-	(14.61)	-	(14.61)
<b>Balance at the end of the reporting period i.e. 31st March, 2018</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>45,556.05</b>	<b>1,080.03</b>	<b>60,108.99</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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**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.

**16. NON-CURRENT PROVISIONS**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity	199.02	178.04
Provision for leave encashment	231.48	208.80
	<b>430.50</b>	<b>386.84</b>

**17. NON CURRENT LIABILITIES**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Deferred income on government grant	25.39	-
	<b>25.39</b>	<b>-</b>

**18. SHORT TERM BORROWINGS**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Loans repayable on demand-secured</b>		
Cash credit from banks *	268.39	232.72
	<b>268.39</b>	<b>232.72</b>

\* Cash credit loans 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 scheduled banks.

\* Cash credit carrying Interest @ 8.55% to 8.65%

**19. TRADE PAYABLES**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Due to micro and small enterprises	999.23	910.57
Due to others	5540.91	5,899.54
	<b>6,540.14</b>	<b>6,810.11</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 20. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Unclaimed/unpaid dividend	315.77	3,240.94
Payable to employees	295.58	256.04
	<b>611.35</b>	<b>3,496.98</b>

## 21. CURRENT LIABILITIES - OTHERS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
(a) Advance received from customers	101.31	113.55
(b) Other payables		
Statutory liabilities	336.14	111.17
Others	1,129.49	1,340.16
Deferred income on government grant	0.98	-
	<b>1,567.92</b>	<b>1,564.88</b>

## 22. CURRENT - PROVISIONS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
(a) Provision for employee benefits		
Provision for gratuity	40.57	37.85
Provision for leave encashment	34.90	28.55
	<b>75.47</b>	<b>66.40</b>

## 23. REVENUE FROM OPERATIONS

(₹ in Lakhs)

	2018-19	2017-18
(a) Sale of products		
Finished goods (net of returns and discounts)	71,457.57	61,411.92
	<b>71,457.57</b>	<b>61,411.92</b>
(b) Other operating revenue		
Scrap sales	1,583.22	1,276.17
Export incentives	471.85	379.07
Grant income	40.35	30.39
Export, technical service received	65.56	58.59
	<b>73,618.55</b>	<b>63,156.14</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

24. OTHER INCOME		(₹ in Lakhs)	
		2018-19	2017-18
<b>(a) Interest income</b>			
i. On deposit with banks		895.75	284.33
<b>(b) Dividend income</b>			
i. From subsidiary companies		7,367.66	5,785.86
ii. From quoted equity investments measured at FVTOCI		3.54	3.87
iii. From mutual funds investments measured at FVTPL		16.81	430.00
<b>(c) Other receipts</b>			
i. Profit on sale of property, plant and equipment - net		6.14	0.84
ii. Insurance claim received		3.16	23.34
iii. Others		20.06	21.55
<b>(d) Other gain and losses</b>			
i. Net gain on foreign currency transaction		-	231.84
ii. Net gain arising on sale of financial assets measured at FVTPL		1.98	197.67
iii. Net gain arising on financial asstes measured at FVTPL		0.31	-
		<b>8,315.41</b>	<b>6,979.30</b>
25. COST OF MATERIALS CONSUMED		(₹ in Lakhs)	
		2018-19	2017-18
Opening stock		9,287.25	4,946.77
Add : Purchases during the year		45,438.50	41,681.18
		<b>54,725.75</b>	<b>46,627.95</b>
Less : Closing stock		7,604.23	9287.25
		<b>47,121.52</b>	<b>37,340.70</b>
26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		(₹ in Lakhs)	
		2018-19	2017-18
<b>Inventories at the end of the year</b>			
Work-in-progress		2,318.94	1,937.57
Finished goods (Including goods in transit)		1,925.94	1,567.16
		<b>4,244.88</b>	<b>3,504.73</b>
<b>Inventories at the beginning of the year</b>			
Work-in-progress		1,937.57	1,789.43
Finished goods (Including goods in transit)		1,567.16	1,940.88
		<b>3,504.73</b>	<b>3,730.31</b>
<b>Changes in inventories of finished goods and work in progress</b>		<b>(740.15)</b>	<b>225.58</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**27. EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

	2018-19	2017-18
Salaries and wages	3,477.31	3,030.82
Contribution to provident and other funds	203.07	204.39
Staff welfare expenses	165.21	149.78
	<b>3,845.59</b>	<b>3,384.99</b>

**28. FINANCE COST**

(₹ in Lakhs)

	2018-19	2017-18
Interest on financial liabilities carried at amortised cost	29.69	5.45
Interest-others	90.49	9.25
Bank charges	23.62	22.86
	<b>143.80</b>	<b>37.56</b>

**29. OTHER EXPENSES**

(₹ in Lakhs)

	2018-19	2017-18
Consumption of stores, spares and loose tools	451.32	691.72
Power and fuel	1,609.24	1,041.10
Labour charges	4,946.07	4,443.16
Repair and maintenance		
- Plant and machinery	384.34	479.20
- Electric installation	67.47	73.26
- Buildings	284.42	263.82
Sundry repairs	1.83	1.60
Factory general expenses	217.80	139.43
Insurance premium on assets	25.38	23.45
Audit fees	19.20	17.29
Rent rates and taxes	69.27	66.37
Postage and courier	44.83	47.11
Telephone expenses	18.73	23.37
Travelling and conveyance	268.33	249.83
Net loss on foreign currency transaction	204.61	-
Net loss arising on financial assets measured at FVTPL	-	17.01
Legal & professional expenses	383.56	378.36
Miscellaneous expenses	158.02	178.85
Directors' sitting fees & commission	17.10	8.30
Expenditure towards corporate social responsibility activities	233.06	15.77
Donation	1.99	1.25
Other selling expenses	420.65	341.52
Freight and transport (net)	3,456.54	3,002.53
	<b>13,283.76</b>	<b>11,504.30</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

30. EXCEPTIONAL ITEMS	(₹ in Lakhs)	
	2018-19	2017-18
<b>Profit/(Loss) on sale of investment</b>		
Sale of investment in subsidiaries	933.12	-
	<b>933.12</b>	<b>-</b>

31. EARNING PER SHARE (EPS)	(₹ in Lakhs)	
	2018-19	2017-18
Profit after tax available for equity shareholders (₹ in Lakhs)	12,291.14	11,972.24
Weighted average number of equity shares	7,15,18,650	7,15,18,650
Basic and diluted earnings per share (face value per share ₹ 2/- each)	17.19	16.74

32. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts net of advances remaining to be executed on capital accounts	912.59	1,297.18
Letter of credit	294.81	83.26
Guarantees issued by bank to third party	378.86	433.46
Excise duty	1,829.37	1,237.59
Sales tax	92.17	364.47
Income tax	9.30	19.65

**33. 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 ₹ 148.78 Lakhs (P.Y. - ₹ 135.47 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

## Financial assumptions

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Discount rate	7.50%	7.55%
Salary growth rate	6.00%	6.00%

## Demographic assumptions

Withdrawal rates (p.a.)	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Age band		
25 & below	15%	15%
26 to 35	12%	12%
36 to 45	9%	9%
46 to 55	6%	6%
56 & above	3%	3%

## Mortality rates

Age (in years)	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
20	0.09%	0.09%
30	0.11%	0.11%
40	0.18%	0.18%
50	0.49%	0.49%
60	1.15%	1.15%

## Amount recognized in statement of profit and loss account for the period (₹ in Lakhs)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Service cost</b>		
Current service cost	37.85	33.43
Past service cost and loss/(gain) on curtailments and settlement	-	23.90
Net interest cost	14.87	11.49
<b>Total charge to statement of profit and loss</b>	<b>52.72</b>	<b>68.82</b>

Past service cost is on account of increase in gratuity ceiling from ₹ 10.00 Lakhs to ₹ 20.00 Lakhs in F.Y. 2017-18.

## Amount recognized in other comprehensive income for the period (₹ in Lakhs)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	1.36	(14.02)
Due to change in demographic assumption	-	-
Due to experience adjustments	7.04	14.37
Return on plan assets excluding amounts included in interest income	5.11	(0.67)
<b>Amounts recognized in other comprehensive income</b>	<b>13.51</b>	<b>(0.32)</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

<b>Reconciliation of defined benefit obligation</b>		<b>(₹ in Lakhs)</b>	
		<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Opening defined benefit obligation		389.28	327.10
Transfer in/(out) obligation		-	-
Current service cost		37.85	33.41
Interest cost		27.93	21.63
<b>Components of actuarial gain/losses on obligations</b>			
Due to change in financial assumptions		1.36	(14.02)
Due to change in demographic assumption		-	-
Due to experience adjustments		7.04	14.37
Past service cost		-	23.90
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		(12.47)	(17.11)
<b>Closing defined benefit obligation</b>		<b>450.99</b>	<b>389.28</b>
<b>Reconciliation of defined plan assets</b>		<b>(₹ in Lakhs)</b>	
		<b>31<sup>st</sup> March, 2019</b>	<b>31<sup>st</sup> March, 2018</b>
Opening value of plan assets		173.41	146.23
Transfer in/(out) plan assets		-	-
Expenses deducted from the fund		-	-
Interest income		13.06	10.14
Return on plan assets excluding amounts included in interest income		(5.11)	0.67
Assets distributed on settlements		-	-
Contributions by employer		42.52	33.48
Assets acquired in an amalgamation in the nature of purchase		-	-
Exchange differences on foreign plans		-	-
Benefits paid		(12.47)	(17.11)
Adjustment to the opening fund		-	-
<b>Closing value of plan assets</b>		<b>211.41</b>	<b>173.41</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## Reconciliation of net defined benefit liability

(₹ in Lakhs)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Net opening provision in books of accounts	215.88	180.87
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense	52.72	68.81
Amounts recognized in other comprehensive income	13.51	(0.32)
Closing value of plan assets	282.11	249.36
Benefits paid by the company		
Contributions to plan assets	(42.52)	(33.48)
<b>Closing provision in books of accounts</b>	<b>239.59</b>	<b>215.88</b>

## Composition of the plan assets

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Policy of insurance	100%	100%
	<b>100%</b>	<b>100%</b>

## Principle actuarial assumptions

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Discount rate	7.50%	7.55%
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 2019 is ₹ 266.37 Lakhs (31st March' 18 ₹ 237.35 Lakhs).

## 34. AS AT THE BALANCE SHEET DATE, UNHEDGED FOREIGN CURRENCY RECEIVABLE AND PAYABLE ARE AS BELOW (₹ IN LAKHS)

Particular	Currency	31st March 2019		31st March 2018	
		FC in Lakhs	₹ in Lakhs	FC in Lakhs	₹ in Lakhs
Amount receivable (net) in foreign currency	USD	30.16	2,116.60	23.03	1,494.31
	EUR	18.82	1,497.72	6.26	521.64
	GBP	0.13	12.05	0.04	2.98
	JPY	-	-	3.15	1.88
Amount payable (net) in foreign currency	USD	9.52	674.49	6.23	403.79
	EUR	0.09	7.49	-	-
	GBP	0.01	1.24	0.03	2.71

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Principal amount remaining unpaid.	999.35	910.57
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	-	-

## 36. 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 (ref note no 34 of consolidated financial statements)

## 37. 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 Radiateuren Fabriek B.V.

Lake Mineral (Mauritius) Limited upto 02.01.2019

## Indirect subsidiaries

## (I) Subsidiary of the wholly owned subsidiary, Lake Mineral (Mauritius) Limited, Mauritius

Kilimanjaro Biochem Limited upto 02.01.2019

## (II) Subsidiary of the wholly owned subsidiary, Nederlandse Radiateuren Fabriek B.V., Netherlands

NRF Thermal Engineering BV (Skopimex BV)

NRF France SARL

NRF (United Kingdom) Limited

NRF Handels GMBH (Upto 20th April' 2017)

NRF Deutschland GMBH

NRF Espana S.A.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

NRF Poland Sp.z.o.o.

NRF Italia Srl

NRF Switzerland AG

NRF USA

**(b) Directors**

Mr.Mehul K Patel	Non Executive Non Independent
Mr.Samir K Patel	Non Executive Non Independent

**(c) Independent directors**

Mr. Ramkisan 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

**(d) Key managerial personnel**

<b>Name of director/employee</b>	<b>Designation</b>
Mr. Rajendra Anandpara	Managing Director (w.e.f.27th April 2017) Executive Non Independent
Mrs. Himali Patel	Whole Time Director and CFO Executive Non Independent
Mr. Pravin Rao	Chief Executive Officer (Upto 27th April 2017)
Mr. Sagar Pandya	Company Secretary (From 1st April 2017 to 8th Novemver 2017)
Mr. Dinesh Kavthekar	Company Secretary (From 16th December 2017)

**(e) Company which is part of promoter/promoter group**

Banco Aluminium Limited

**(f) Trust controlled by relatives of directors**

Banco Products Trust Registration No-E/7946/VADODARA

**(g) Entity having substantial interest**

Overseas Pearl Limited

**(h) Entity in which promoter/promoter group is having cotrolling interest**

Agro Scientific Investments Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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		Company which is part of Promoter/ Promoter Group		Trust Controlled by relatives of directors		Non Independent Directors		Entity having substantial interest		Entity in which promoter/ promoter group is having controlling interest	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of goods	1,064.96	695.49	-	-	-	-	518.79	369.18	-	-	-	-	-	-	-	-
Purchase of export licence	-	-	-	-	-	-	38.63	17.98	-	-	-	-	-	-	-	-
Investment made	137.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of goods	7,836.52	7,520.13	-	-	-	-	222.09	313.88	-	-	-	-	-	-	-	-
Sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receiving of services	47.15	-	-	-	-	-	5.51	3.63	-	-	-	-	-	-	2,627.25	-
Rendering of service	38.66	43.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key management personnel remuneration	-	-	182.09	163.94	-	-	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	9.10	8.30	-	-	-	-	-	-	-	-	-	-
Directors commission	-	-	-	-	8.00	8.00	-	-	-	-	-	-	-	-	-	-
Donation paid (CSR expenses)	-	-	-	-	-	-	-	-	4.84	10.27	-	-	-	-	-	-
Dividend received	7,367.77	5,785.85	-	-	-	-	-	0.62	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	63.29	48.05	193.21	146.70	-	-	1,019.49	757.98	2,306.28	2,206.62	-	-
Payable at the end of the year (creditors)	191.36	58.89	-	-	-	-	71.93	37.31	-	-	-	-	-	-	-	-
Receivable at the end of the year (debtors)	1,935.75	1,200.51	-	-	-	-	54.85	68.62	-	-	-	-	-	-	-	-

\*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, 2019

## SIGNIFICANT RELATED PARTY TRANSACTION

(₹ in Lakhs)

	2018-19	2017-18
<b>Purchase of goods</b>		
Banco Gaskets (India) Limited	1,058.68	670.33
Banco Aluminium Limited	518.79	369.18
Others	6.28	25.16
	<b>1,583.75</b>	<b>1,064.67</b>
<b>Purchase of export licence</b>		
Banco Aluminium Limited	38.63	17.98
	<b>38.63</b>	<b>17.98</b>
<b>Investment</b>		
Lake Mineral (Mauritius) Limited	137.64	-
	<b>137.64</b>	<b>-</b>
<b>Sales of goods</b>		
Nederlandse Radiateuren Fabriek B.V.	2,494.70	2,819.14
NRF Poland Sp.z.o.o.	3,045.96	2,767.62
NRF USA	973.72	702.37
Banco Aluminium Limited	222.09	313.88
Others	1,322.14	1,231.00
	<b>8,058.61</b>	<b>7,834.01</b>
<b>Sales of Investments</b>		
Agro Scientific Investments Limited	2,627.25	-
	<b>2,627.25</b>	<b>-</b>
<b>Receiving of service</b>		
Banco Aluminium Limited	5.51	3.63
Banco Gaskets (India) Limited	47.15	-
	<b>52.66</b>	<b>3.63</b>
<b>Rendering of service</b>		
Banco Gaskets (India) Limited	34.75	38.56
Nederlandse Radiateuren Fabriek B.V	3.91	4.81
	<b>38.66</b>	<b>43.37</b>
<b>Remuneration to key managerial person</b>		
Mr. Sagar Pandya	-	3.85
Mrs.Himali Patel	17.81	16.20
Mr. Rajendra Anandpara	155.17	134.08
Mr. Dinesh Kavthekar	9.11	2.43
Mr. Pravin Rao	-	7.38
	<b>182.09</b>	<b>163.94</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

	2018-19	2017-18
<b>Directors' sitting fees paid</b>		
Mr. Devesh Pathak	2.40	2.30
Mr. Mukesh D Patel	2.40	2.60
Mr. Ram Devidayal	2.40	1.40
Mr. Udayan Patel	1.90	2.00
	<b>9.10</b>	<b>8.30</b>
<b>Commission to directors</b>		
Mr. Devesh Pathak	1.00	1.00
Mr. Mukesh D Patel	3.00	3.00
Mr. Ram Devidayal	3.00	3.00
Mr. Udayan Patel	1.00	1.00
	<b>8.00</b>	<b>8.00</b>
<b>Dividend paid</b>		
Overseas Pearl Limited	2,906.28	2,206.62
Others	1,275.99	952.73
	<b>4,182.27</b>	<b>3,159.35</b>
<b>Dividend received</b>		
Banco Gaskets (India) Limited	700.00	700.00
Nederlandse Radiateuren Fabriek B.V	5,151.31	2,737.25
Kilimanjaro Biochem Limited	83.71	130.67
Lake Mineral (Mauritius) Limited	1,432.75	2,217.93
Banco Aluminium Limited	-	0.62
	<b>7,367.77</b>	<b>5,786.47</b>

## 38. AUDITORS FEES AND EXPENSES

(₹ in Lakhs)

	2018-19	2017-18
<b>Payment to auditors</b>		
<b>As auditor</b>		
Audit fees	12.25	10.55
<b>In other capacity</b>		
(i) Other services (certification fees)	3.45	3.09
(ii) Out of pocket expenses	3.50	3.65
(iii) The payment of fees to statutory auditor or entities in its net work by the company or its subsidiaries	-	-
	<b>19.20</b>	<b>17.29</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 39. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lakhs)

	2018-19	2017-18
<b>Capital expenditure</b>		
Building	-	4.57
Plant & machinery	34.63	26.20
Software	0.44	19.70
Office equipment	3.22	0.48
Furniture & fixture	11.01	0.60
<b>Total capital expenditure</b>	<b>49.30</b>	<b>51.55</b>
<b>Revenue expenditure</b>		
Salary and wages	242.77	250.16
Material consumption	114.66	117.91
Manufacturing & administration expense	57.42	65.94
Depreciation	57.44	56.25
<b>Total revenue expenditure</b>	<b>472.29</b>	<b>490.26</b>
<b>Total research and development expenses</b>	<b>521.59</b>	<b>541.81</b>

## 40. EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII THERE OF

(a) Gross amount required to be spent (refer note below) by the company during the year ₹ 346.08 Lakhs (31<sup>st</sup> March 2018 ₹ 191.15 Lakhs).

(b) Amount spent during the year on

(₹ in Lakhs)

	Amount spent	Yet to be spent	Total
Construction / acquisition of assets	-	-	-
	(—)	(—)	(—)
Other purposes *	233.06	113.02	346.08
	(15.77)	(175.38)	(191.15)

\*Figure in bracket represent for previous year

(c) Related party transaction in relation to Corporate Social Responsibility ₹ 4.84 Lakhs (P.Y. ₹ 10.27 Lakhs) to Banco Product Trust Registration No-E/7946/VADODARA.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 41(A) CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Lakhs)

	Refer Note	Non-Current		Current	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>					
Investments in quoted mutual funds	9	-	-	5,000.32	982.07
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Unquoted equity shares measured at fair value	4	1,481.99	1,078.44	-	-
Quoted equity shares measured at fair value	4	298.24	273.77	-	-
		<b>1,780.23</b>	<b>1,352.21</b>	-	-
<b>Financial assets measured at amortised cost</b>					
Unquoted equity shares subsidiaries/ indirect subsidiaries measured at cost	4	14,694.54	16,251.04	-	-
Security deposit and government grant	5	160.70	87.14	-	-
Trade receivables	10	-	-	13,883.38	11,416.28
Cash and cash equivalents	11A	-	-	13.41	8.35
Other balances with bank	11B	-	-	11,858.51	13,951.33
Interest accrued on deposit with banks	12	-	-	170.60	175.41
Security deposit	12	-	-	4.92	11.74
Other current financial assets	12	-	-	242.48	178.11
		<b>14,855.24</b>	<b>16,338.18</b>	<b>26,173.30</b>	<b>25,741.22</b>
<b>Financial liabilities measured at amortised cost</b>					
Cash credit from banks	18	-	-	268.39	232.72
Trade payables	19	-	-	6,540.14	6,810.11
Unclaimed/unpaid dividend	20	-	-	315.77	3,240.94
Payable to employees	20	-	-	295.58	256.04
		-	-	<b>7,419.88</b>	<b>10,539.81</b>

Investment in equity instruments measured through OCI are not held for trading. The Company has chosen to measure this investment at FVTOCI irrevocably and the management believes that presenting fair value gain and losses relating to this investment in the statement of profit and loss may not be indicative of the performance of the company.

## 41(B) FAIR VALUE MEASUREMENTS

(i) The following table provides the fair value measurement hierarchy of the company's financial assets and liabilities

As at 31st March, 2019

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31.03.2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	1,481.99	-	-	1,481.99
Quoted equity shares measured at fair value	298.23	298.23	-	-
<b>Financial assets measured at fair value through Profit or Loss (FVTPL)</b>				
Investments in quoted mutual funds	5,000.32	5,000.32	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

As at 31st March, 2018

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31.03.2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	1,078.44	-	-	1,078.44
Quoted equity shares measured at fair value	273.76	273.76	-	-
<b>Financial assets measured at fair value through Profit or Loss (FVTPL)</b>				
Investments in quoted mutual funds	982.07	982.07	-	-

\*Unquoted Equity Shares measured at FVTOCI are taken at fair value as certified by management.

**(ii) Financial instrument measured at amortised cost**

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.

**41(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, 2019, 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.

**41(D) FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Company's activities expose it to a variety of financial risks: 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.

**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: 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**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 34.

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)			
	2018-19		2017-18	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	72.11	(72.11)	54.54	(54.54)
EURO	74.51	(74.51)	26.08	(26.08)
OTHERS	0.54	(0.54)	0.11	(0.11)
Increase/(decrease) in profit or loss	147.16	(147.16)	80.73	(80.73)

**c. Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from the financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2019, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 1780.22/- Lakhs (P.Y. ₹ 1352.20/- Lakhs). The details of such investments in equity instruments are given in Note 4

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2019, Other Comprehensive Income for the Period ended 31st March 2019 would increase/decrease by ₹ 178.02/- Lakhs (P.Y. ₹ 135.22/- Lakhs) with a corresponding increase/decrease in total equity of the Company as at 31st March 2019. 10% represents management's assessment of reasonably possible change in equity prices.

**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.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**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, 2019 and 31st March, 2018

	(₹ in Lakhs)		
	As at March 31, 2019		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	268.39	-	-
Trade payables	6,540.14	-	-
Other financial liabilities (current and non current)	295.58	-	315.77
	(₹ in Lakhs)		
	As at March 31, 2018		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	232.72	-	-
Trade payables	6,810.11	-	-
Other financial liabilities (current and non current)	256.04	-	3,240.94

\* 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 2019	As at 31st March 2018
Nederlandse Radiatoren Fabriek B.V.	5,151.31	2,737.25
Lake Mineral (Mauritius) Limited	1,432.75	2,217.94
Kilimanjaro Biochem Limited	83.71	130.67
Banco Gaskets (India) Limited	700.00	700.00
	<b>7,367.77</b>	<b>5,785.86</b>

**43. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY FOR THE FIRST TIME FOR THE FINANCIAL YEAR BEGINNING ON 1 APRIL 2018**

The Company derives revenues primarily from sale of manufactured goods. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. The Company has amended its accounting policy appropriately (as disclosed as note no. 2.8 in significant accounting policies)

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

- 44.** A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the company and certain group Companies in the previous year ended 31 March 2017. Pursuant to search / survey, the Assessing Officer has issued notices under relevant section of the Act to the Company for some of the earlier financial years. Consequently, in order to avoid protracted tax litigation, the Company has filed application under Section 245C(1) of the Act before the Hon'ble Income Tax Settlement Commission ('ITSC') and declaring additional income of ₹ 3492.47 Lakhs for A.Y. 2011-12 to A.Y. 2017-18. The Company has deposited ₹ 565.77 Lakhs as tax and ₹ 434.27 Lakhs as interest towards the proposed settlement which has been shown as a part of Income Tax for Prior years expenses under the head "Tax Expense" in the books of accounts. The said application has since been admitted by ITSC vide its Order dated 25.04.2018 passed u/s 245D (1) of the Act and allowed to be proceeded with vide Order dated 12.06.2018 passed u/s 245D (2C) of the Act. The matter is now pending before the Hon'ble ITSC for final determination.
- 45. SUBSEQUENT EVENT**
- "Dividends paid during the year ended March 31, 2019 include an amount of ₹ 5.80 per equity share towards final dividend for the year ended March 31, 2018 and an amount of ₹ 5.00 per equity share towards interim dividends for the year ended March 31, 2019.
- Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On May 30, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 3.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to "the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 2586.59 Lakhs, inclusive of corporate dividend tax of ₹ 441.03 Lakhs.
- 46.** Previous year's figures have been regrouped/reclassified wherever necessary.

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**BANCO PRODUCTS (INDIA) LIMITED**

### Report on the consolidated financial statements

#### Opinion

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 together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and a summary of the 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 state of affairs of the Company as at March 31, 2019, the consolidated Profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for opinion

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

#### Emphasis of matter

We draw attention to note No. 42 of the Consolidated Financial Statement with respect to Holding Companies application under Section 245C(1) of the Income Tax Act, 1961 before the Hon'ble Income Tax Settlement Commission. Our opinion is not modified in respect of this matter.

#### 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matters	How our audit addressed the key audit matters
<b>Revenue recognition</b>	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.



<b>Adoption of Ind AS 115- Revenue from Contracts with Customers</b>	
<p>The Group has adopted Ind AS 115, Revenue from Contracts with Customers which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>The Group adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods. The effect on adoption of Ind-AS 115 was insignificant.</p>	<p>Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers, which is the new revenue accounting standard, include:-</p> <ul style="list-style-type: none"> <li>* Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;</li> <li>* Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;</li> <li>* Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard;</li> <li>* Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and</li> <li>* Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>
<b>Evaluation of uncertain tax positions</b>	
<p>The Group has periodic challenges by tax authorities on a range of tax matters during the normal course of business including transfer pricing and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>Our audit procedures include the following substantive procedures:-</p> <ul style="list-style-type: none"> <li>* Obtained understanding of key uncertain tax positions;</li> <li>* Read and analysed key correspondences, external legal opinions / consultations by management for key uncertain tax positions;</li> <li>* Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions;</li> <li>* Assessed managements estimate of the possible outcome of the disputed cases;</li> <li>* Tested the effectiveness of controls around the recognition of provisions and recording and re-assessment of contingent liabilities;</li> <li>* Used our subject matter experts to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities;</li> <li>* We challenged the assumptions and critical judgements made by management which impacted their estimate of the provisions required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias;</li> <li>* Discussed the status in respect of significant provisions with the Company's internal tax and legal team;</li> <li>* Performed retrospective review of management judgements relating to accounting estimate included in the financial statement of prior year and compared with the outcome.</li> </ul>

<b>Related Party Transactions</b>	
<p>During the year, the Group has sold its investments in shares of Lake Mineral (Mauritius) Limited (Subsidiary Company) and Kilimanjaro Biochem Limited (Indirect Subsidiary) to Agro Scientific Investments Limited (Entity in which promoter/promoter group is having controlling interest). The transaction is subject to regulatory and necessary approvals. Determination of transaction price for such related party transactions outside the normal course of business is a key audit matter considering the significance of the transaction value and the significant judgements involved in determining the transaction value.</p>	<p>Our audit procedures include the following substantive procedures:-</p> <ul style="list-style-type: none"> <li>* Performed test of controls over related party transactions through inspection of evidence of performance of these controls.</li> <li>* Read the valuation reports and fairness opinion obtained from independent valuers and assessed the objectivity and competence of the independent valuers.</li> <li>* Read the approvals obtained from Board of Directors and regulatory approvals for the transactions.</li> <li>* Read the Share Purchase Agreement entered with Agro Scientific Investments Limited (Entity in which promoter/promoter group is having controlling interest).</li> <li>* Ensure realization of sales consideration.</li> <li>* Assessed the disclosures in accordance with Ind AS 24 "Related Party Disclosures".</li> </ul>

#### **Information other than the consolidated financial statements and auditor's 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, but does not include the Financial Statement, Board's Report including Annexures to Board's Report, Corporate Governance 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 responsibility for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Respective Board of Directors of the companies included in the Group 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 statement by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, The respective Board of Director of the company included in the Group are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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 the Group.

**Auditor's responsibilities 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 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 Consolidated 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 Holding 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.
- Conclude on the appropriateness of management'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 Group 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 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 auditor's report. However, future events or conditions may cause the Group 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 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.

#### **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 ₹ 61,810.00 Lakhs as at 31st March, 2019, total revenues of ₹ 98,262.23 Lakhs and net cash outflows amounting to ₹ 3,825.83 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 Section 143(3) of the Act, based on our audit on the consideration of the reports of other auditors on separate financial statements of subsidiary companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The consolidated Balance Sheet, consolidated the Statement of Profit and Loss including consolidated Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statement.
  - (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 company as on March 31, 2019 taken on record by the Board of Directors of the company and 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, 2019 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.

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

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

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

**For MANUBHAI & SHAH LLP**  
**CHARTERED ACCOUNTANTS**  
 FRN: 106041W/W100136

**CA LAXMINARAYAN P. YEKKALI**  
**PARTNER**  
 M. No: 114753  
 Mumbai, 30<sup>th</sup> May, 2019

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the internal financial controls 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, 2019, we have audited the internal financial controls over financial reporting of **Banco Products (India) Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies, 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 with reference to financial statements 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 ("the Guidance Note") 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 the respective 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 subsidiary companies, which are companies 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 the Institute of Chartered Accountants of India and the Standards on Auditing, 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 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are companies incorporated in India.

#### **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 the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company and its Subsidiary Companies, 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.

**For MANUBHAI & SHAH LLP**  
**CHARTERED ACCOUNTANTS**  
FRN: 106041W/W100136

**CA LAXMINARAYAN P. YEKKALI**  
**PARTNER**  
M. No: 114753  
Mumbai, 30<sup>th</sup> May, 2019

# **CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31st March, 2019	AS AT 31st March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3	18,341.91	19,007.84
Capital work-in-progress		1,261.70	1,271.28
Other intangible assets	3	82.84	136.83
Financial assets			
Investments	4	1,852.78	1,429.69
Other financial assets	5	161.39	87.83
Deferred tax assets	6	1,966.81	2,581.43
Current tax assets (net)		1,627.93	2,184.08
Other non-current assets	8	609.88	1,722.97
		<b>25,905.24</b>	<b>28,421.95</b>
<b>Current assets</b>			
Inventories	9	47,943.91	43,899.80
Financial assets			
Investments	10	5,000.32	982.07
Trade receivables	11	28,166.49	25,655.22
Cash and cash equivalents	12a	502.74	4,785.27
Balances with banks other than 12a above	12b	12,209.24	15,212.00
Other financial assets	13	420.98	432.08
Other current assets	14	2,292.73	2,943.13
		<b>96,536.41</b>	<b>93,909.57</b>
<b>Total assets</b>		<b>1,22,441.65</b>	<b>1,22,331.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15a	1,430.37	1,430.37
Other equity	15b	81,838.09	79,340.23
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Financial liabilities			
Long term borrowing	16	622.72	105.92
Provisions	17	614.64	554.62
Deferred tax liabilities	6	6,873.25	7,326.72
Other non-current liabilities	17a	25.39	-
		<b>91,404.46</b>	<b>88,757.86</b>
<b>Current liabilities</b>			
Financial liabilities			
Short term borrowings	18	3,323.09	3,255.41
Trade payables	19		
A) due to micro and small enterprise		1,135.44	1,023.16
B) due to others		18,124.96	17,225.89
Other financial liabilities	20	770.02	3,594.42
Current tax liability (net)		-	24.78
Other current liabilities	21	7,587.65	8,365.71
Provisions	22	96.03	84.29
		<b>31,037.19</b>	<b>33,573.66</b>
<b>Total equity and liabilities</b>		<b>1,22,441.65</b>	<b>1,22,331.52</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 Manubhai & Shah LLP**  
Chartered Accountants  
FRN 106041W/W100136

**CA Laxminarayan P.Yekkali**  
Partner  
Membership No. 114753

Place : Mumbai  
Date : 30.05.2019

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Mukesh D. Patel**  
Director  
DIN 00009605

**Rajendra J. Anandpara**  
Managing Director  
DIN 02461259

**Devesh A.Pathak**  
Director  
DIN 00017515

**Ramkisan Devidayal**  
Director  
DIN 00238853

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Dinesh Kavthekar**  
Company Secretary

Place : Vadodara  
Date : 30.05.2019



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>Note No.</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from operations	23	1,56,659.37	1,35,167.94
Other income	24	1,056.28	1,484.61
<b>Total income</b>		<b>1,57,715.65</b>	<b>1,36,652.55</b>
<b>Expenses</b>			
Cost of materials consumed	25	97,031.67	79,225.81
Changes in inventories of finished goods & work-in-progress.	26	(5,409.42)	(5,501.41)
Employee benefit expenses	27	18,341.98	16,782.49
Finance cost	28	426.16	176.65
Depreciation and amortisation expenses	29	2,921.67	2,769.52
Excise duty expenses		-	1,603.51
Other expenses	30a	29,151.47	25,178.37
<b>Total expenses</b>		<b>1,42,463.53</b>	<b>1,20,234.94</b>
<b>Profit before exceptional item and tax</b>		<b>15,252.12</b>	<b>16,417.61</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>15,252.12</b>	<b>16,417.61</b>
<b>Tax expenses</b>	7		
Current tax		5,933.31	4,325.98
Income tax for prior years (refer note no. 42)		621.86	-
Deferred tax		364.88	694.86
<b>Total tax expenses</b>		<b>6,920.04</b>	<b>5,020.84</b>
<b>Profit for the period from continuing operations</b>		<b>8,332.08</b>	<b>11,396.77</b>
Profit/(loss) before tax from discontinued operations		(1,265.24)	416.79
Tax expenses of discontinued operations		(158.58)	(136.38)
<b>Profit/(loss) for the period from discontinued operations</b>		<b>(1,423.82)</b>	<b>280.41</b>
<b>Profit for the year</b>		<b>6,908.26</b>	<b>11,677.18</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined employee benefit plans		(17.37)	(1.21)
Income tax expenses on remeasurement of defined employee benefits plans		5.84	0.42
Net fair value (loss)/gain on investment in equity instruments through oci		428.02	(13.05)
Income tax expenses on net fair value (loss)/gain on investment in equity instruments through oci		(93.28)	(10.46)
Items that will be reclassified to profit or loss			
Exchange difference arising on translation of foreign operations		3,126.81	3,192.32
<b>Total other comprehensive income</b>		<b>3,450.02</b>	<b>3,168.02</b>
<b>Total comprehensive income for the year</b>		<b>10,358.28</b>	<b>14,845.20</b>
<b>Earning per equity share of face value of ₹ 2 each</b>	30b		
Basic and diluted earnings per shares from continuing operations (in ₹)		11.65	15.94
Basic and diluted earnings per shares from discontinued operations (in ₹)		(1.99)	0.39
Basic and diluted earnings per shares from continuing and discontinued operations (in ₹)		9.66	16.33
<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 Manubhai & Shah LLP**  
Chartered Accountants  
FRN 106041W/W100136

**CA Laxminarayan P.Yekkali**  
Partner  
Membership No. 114753

Place : Mumbai  
Date : 30.05.2019

For and on behalf of the board

<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Rajendra J. Anandpara</b> Managing Director DIN 02461259	<b>Ramkisan Devidayal</b> Director DIN 00238853	<b>Udayan P. Patel</b> Director DIN 00598313
<b>Mukesh D. Patel</b> Director DIN 00009605	<b>Devesh A.Pathak</b> Director DIN 00017515	<b>Himali H. Patel</b> Whole Time Director and CFO DIN 07081636	<b>Dinesh Kavthekar</b> Company Secretary

Place : Vadodara  
Date : 30.05.2019

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax from continuing operation		15,252.12		16,417.61
Net profit before tax from discontinued operation		(1,265.24)		416.79
Loss on disposal of subsidiaries		1,832.79		-
Adjustments for non cash items / items required to be disclosed separately:				
Depreciation	3,339.99		3,279.85	
Interest and finance charges paid	426.16		192.40	
(Profit)/loss on PPE	(6.14)		(0.71)	
Interest income	(962.93)		(594.69)	
Unrealised foreign exchange (gain) / loss	(144.40)		(66.18)	
Net (gain)/loss arising on sale of financial assets measured at FVTPL	(1.98)		(197.67)	
Net (gain)/loss arising on fair value measured at FVTPL	(0.31)		17.01	
Loss on sales of ppe	-		2.85	
Sundry creditor write back	(4.69)		(16.00)	
Dividend received	(20.35)		(433.87)	
Effect of exchange rate difference in translation	3,131.74		3,192.32	
		5,757.09		5,375.31
<b>Operating profit before working capital changes</b>		<b>21,576.76</b>		<b>22,209.71</b>
<b>Adjustments for change in working capital &amp; provisions</b>				
(Increase)/decrease in trade receivable	(2,603.36)		(5,144.12)	
(Increase)/decrease in inventories	(4,641.50)		(11,698.84)	
(Increase)/decrease in other current assets	626.68		(688.15)	
(Increase)/decrease in non current assets	28.83		(94.45)	
(Increase)/decrease in financial assets	(3,579.65)		640.09	
Increase/(decrease) in current liabilities	(337.39)		1,961.12	
Increase/(decrease) in financial liabilities	48.79		111.74	
Increase/(decrease) in trade payables	1,137.82		8,711.10	
Increase/(decrease) in provisions and other non current liability	97.15		86.40	
		(9,222.63)		(6,115.11)
<b>Cash generated from operations</b>		<b>12,354.13</b>		<b>16,094.60</b>
Income tax paid (net of refunds)	(6,113.23)		(6,190.95)	
		(6,113.23)		(6,190.95)
<b>Net cash flow from operating activities</b>		<b>6,240.90</b>		<b>9,903.65</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of ppe & capital advances	(4,155.96)		(5,032.61)	
Sale of PPE	6.14		71.48	
Receipt of loan	-		2,277.75	
Proceed on sale of subsidiaries	1,911.68		-	
Sale of financial assets measured at FVTPL	984.05		18,040.52	
Purchase of investment measured at FVTPL	(5,000.00)		(11,155.51)	
(Increase)/decrease in bank balance term deposit	77.59		(7,464.86)	
Dividend received from other	16.61		430.64	
Interest received	1,000.76		611.90	
		(5,159.13)		(2,220.69)
<b>Net cash flow from investing activities</b>		<b>1,081.77</b>		<b>7,682.96</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(₹ in Lakhs)

PARTICULARS	2018-19		2017-18	
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	(7,724.04)		(5,864.52)	
Tax paid on dividend	(223.86)		(157.11)	
Short-term loan from banks (net)	1,386.87		(684.35)	
Interest and finance charges paid	(411.30)		(198.64)	
Long term borrowing (net)	2,034.13		110.69	
<b>Net cash flow from financing activities</b>		<b>(4,938.20)</b>		<b>(6,793.93)</b>
<b>Net cash inflow/(outflow) during the year</b>		<b>(3,856.43)</b>		<b>889.03</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4,081.05</b>		<b>3,192.02</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>224.62</b>		<b>4,081.05</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, 2019	AS AT 31st March, 2018
(i) Balances with banks in current accounts	484.87	4,771.37
(ii) Cash on hand	17.87	13.90
(iii) Term deposit with original maturity less than 3 months	-	-
	<b>502.74</b>	<b>4,785.27</b>
Less:- cash credit refer note no-18	(278.12)	(704.22)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>224.62</b>	<b>4,081.05</b>

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

PARTICULARS	1st April 2018	Cash Flow	Non Cash Changes	31st March 2019
Borrowing - non current (refer note no. 16)	105.92	516.80	-	622.72
Borrowing - current (refer note no. 18 & 20)	3,260.18	104.81	-	3,364.99

As per our report of even date attached  
**For Manubhai & Shah LLP**  
 Chartered Accountants  
 FRN 106041W/W100136

**CA Laxminarayan P.Yekkali**  
 Partner  
 Membership No. 114753

Place : Mumbai  
 Date : 30.05.2019

For and on behalf of the board

<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Rajendra J. Anandpara</b> Managing Director DIN 02461259	<b>Ramkisan Devidayal</b> Director DIN 00238853	<b>Udayan P. Patel</b> Director DIN 00598313
<b>Mukesh D. Patel</b> Director DIN 00009605	<b>Devesh A. Pathak</b> Director DIN 00017515	<b>Himali H. Patel</b> Whole Time Director and CFO DIN 07081636	<b>Dinesh Kavthekar</b> Company Secretary

Place : Vadodara  
 Date : 30.05.2019

## STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance at the beginning of the reporting Period i.e. 1st April 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting Period i.e. 31st March 2018	Changes in equity share capital during the year 2018-2019	Balance at the end of the reporting Period i.e. 31st March 2019.
1430.37	-	1430.37	-	1430.37

## B. OTHER EQUITY

As on 31st March 2019

(₹ 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	
Balance at the beginning of the reporting Period i.e. 1st April 2018	1,200.31	9,618.01	54.14	12,217.69	53,333.18	1,080.03	1,836.87	79,340.23
Profit for the year	-	-	-	-	6,908.26	-	-	6,908.26
Addition during the year	-	-	-	87.46	-	-	3,126.81	3,214.27
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>60,241.44</b>	<b>1,080.03</b>	<b>4,963.68</b>	<b>89,462.75</b>
Remeasurement of defined Employee benefit plans (net)	-	-	-	-	(11.53)	-	-	(11.53)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	24.47	-	24.47
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	310.27	-	310.27
Final dividend of F.Y. 17-18	-	-	-	-	(4,148.08)	-	-	(4,148.08)
Interim dividend of F.Y. 18-19	-	-	-	-	(3,575.93)	-	-	(3,575.93)
Tax on dividend	-	-	-	-	(223.86)	-	-	(223.86)
Currency translation reserve for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting Period i.e. 31st March 2019</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>52,282.04</b>	<b>1,414.77</b>	<b>4,963.68</b>	<b>81,838.09</b>

As on 31st March 2018

(₹ 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 2017</b>	1,200.31	9,618.01	54.14	12,217.69	47,682.93	1,103.55	(1,355.45)	70,521.18
Profit for the year	-	-	-	-	11,677.18	-	-	11,677.18
Addition during the year	-	-	-	-	-	-	3,192.32	3,192.32
<b>Total comprehensive Income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.69</b>	<b>59,360.11</b>	<b>1,103.55</b>	<b>1,836.87</b>	<b>85,390.68</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	(5.30)	-	-	(5.30)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	(52.51)	-	(52.51)
Fair Value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	28.99	-	28.99
Final dividend of F.Y. 16-17	-	-	-	-	(2,860.74)	-	-	(2,860.74)
Interim dividend of F.Y. 17-18	-	-	-	-	(3,003.78)	-	-	(3,003.78)
Tax on dividend	-	-	-	-	(157.11)	-	-	(157.11)
Currency translation reserve for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting Period i.e. 31st March 2018</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.69</b>	<b>53,333.18</b>	<b>1,080.03</b>	<b>1,836.87</b>	<b>79,340.23</b>

As per our report of even date attached  
**For Manubhai & Shah LLP**  
Chartered Accountants  
FRN 106041W/W100136

**CA Laxminarayan P.Yekkali**  
Partner  
Membership No. 114753

Place : Mumbai  
Date : 30.05.2019

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Mukesh D. Patel**  
Director  
DIN 00009605

**Rajendra J. Anandpara**  
Managing Director  
DIN 02461259

**Devesh A.Pathak**  
Director  
DIN 00017515

**Ramkisan Devidayal**  
Director  
DIN 00238853

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Dinesh Kavthekar**  
Company Secretary

Place : Vadodara  
Date : 30.05.2019

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**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.

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 Basis of preparation of financial statements**

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. The Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2019 comprises of the Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

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

This 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.

**2.2 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., 31st March 2019.
- (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 as per 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.
- (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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(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 Radiateuren Fabriek BV	Netherlands	100%	31st March 2019
	1.1 NRF Thermal Engineering BV	Uden	100%	31st March 2019
	1.2 NRF France SARL	France	100%	31st March 2019
	1.3 NRF (United Kingdom) Limited	England	100%	31st March 2019
	1.4 NRF Deutschland GMBH	Germany	100%	31st March 2019
	1.5 NRF Espana S.A.	Spain	100%	31st March 2019
	1.6 NRF Poland Sp.z.o.o.	Poland	100%	31st March 2019
	1.7 NRF Italia Srl	Italy	100%	31st March 2019
	1.8 NRF Switzerland AG	Switzerland	100%	31st March 2019
	1.9 NRF USA	USA	100%	31st March 2019
Note : Sr. No. 1.1 to 1.9 are Subsidiaries of Nederlandse Radiateuren Fabriek BV.				
2	Lake Mineral (Mauritius) Limited upto 02.01.2019	Mauritius	100%	31st December 2018
	2.1 Kilimanjaro Biochem Limited Upto 02.01.2019	Tanzania	95%	31st December 2018
Note : Sr. No. 2.1 is Subsidiary of Lake Mineral (Mauritius) Limited				
3	Banco Gaskets(India) Limited	India	100%	31st March 2019

**2.3 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.

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

**2.4 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 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**Capital work-in-progress**

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-In-Progress.

**2.6 Intangible assets**

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

**2.7 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 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
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.

Leasehold Land is amortized over the period of lease.

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 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
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%



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

- (iv) In respect of Kilimanjaro Biochem Limited,  
The annual depreciation rates are as follows:

Buildings	:	5%
Plant & Machinery	:	10%
Motor Vehicles	:	25%
Office Equipments	:	25%
Furniture & Fixtures	:	25%
IT Equipments	:	25%

**2.8 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.

**2.9 Revenue recognition**

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

**Sale of goods**

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

**Royalties and profit-sharing arrangements**

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

**Interest and dividend income**

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

**2.10 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.

**2.11 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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

attributable to the acquisition of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way trade of financial assets are accounted for at trade date.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified 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 Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

**Financial assets at fair value through profit or loss**

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

**(iii) Derecognition**

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

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

**b. Financial liabilities**
**(i) Initial recognition and measurement**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 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 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.

### 2.12 Foreign exchange transactions

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

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

### 2.13 Trade receivable

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

### 2.14 Borrowing costs

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

### 2.15 Provisions, contingent liabilities and contingent assets

#### a. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

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.

**2.16 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.

**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.

**2.17 Research and development**

- (i) All revenue expenses related to research and development including expenses in relation to development of product/processes which does not meet the criteria for recognition as an intangible Assets, are charged to the statement of profit and loss in the year in which it is incurred.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

- (ii) Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

**2.18 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.
- (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 company of branch pension fund(PME). The coverage ratio at the end of March 2019 amounts to 99%. The company does not form a provision for any future increase in the contribution.

**2.19 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.

**2.20 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.

**2.21 Lease accounting**
**Assets given on operating lease**

The Company has given certain properties to a company on an operating lease basis. Lease rental income is accounted on accrual basis in accordance with the lease agreement. Assets given on operating leases are included in Property, Plant and Equipment.

**2.22 Government grants**

Government grants (including export incentives and 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.

**2.23 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.

**2.24 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, 2019

(₹ in Lakhs)

## 3. PROPERTY PLANT &amp; EQUIPMENT (YEAR 2018-19)

		GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK						
		As at 1st April 2018	Additions during the year	Translation Difference	Deletion during the year	Disposal of Subsidiaries	As at 31st March 2019	As at 1st April 2018	For the year Continuing Operation	Discount- inued Operation	Translation Difference	Deduction Others	Disposal of Subsidiaries	As at 31st March 2019	As at 31st March 2018	
I	Tangible assets															
a	Leasehold land	869.96	-	-	-	-	869.96	64.07	8.79	-	-	-	-	72.86	797.10	805.89
b	Freehold land	776.99	-	-9.15	-	98.16	669.68	-	-	-	-	-	-	-	669.68	776.99
c	Buildings	13,422.87	1,096.49	-423.96	9.00	1,571.25	12,515.15	8,897.72	306.26	56.04	-370.89	3.32	497.46	8,388.35	4,126.79	4,525.15
d	Plant and equipments	45,519.00	3,967.08	-1,022.31	109.89	4,224.30	44,129.58	33,987.13	2,228.72	318.32	-1,040.26	129.75	2,941.30	32,422.85	11,706.72	11,531.87
e	Furniture & fixtures	3,964.74	72.84	-230.53	-	30.77	3,776.28	3,477.93	193.95	0.06	-211.83	-	30.07	3,430.04	346.23	486.81
f	Vehicles	1,193.08	92.73	30.16	157.40	627.19	531.38	942.59	25.46	40.28	22.51	119.84	476.87	434.13	97.26	250.50
g	Office equipment	336.72	17.82	2.73	3.28	55.93	298.06	299.99	19.13	1.91	2.37	2.67	44.17	276.56	21.50	36.73
h	Other assets	95.50	13.37	-	0.79	-	108.08	73.02	9.92	-	-	0.78	-	82.16	25.91	22.47
i	Scientific research															
1	Building	170.88	0.74	-	-	-	171.62	77.79	6.11	-	-	-	-	83.90	87.72	93.09
2	Plant and equipments	941.99	49.01	-	-	-	991.00	468.55	77.20	-	-	-	-	545.75	445.24	473.43
3	Software (intangible assets)	91.59	0.44	-	-	-	92.03	68.80	10.05	-	-	-	-	78.85	13.18	22.79
4	Office equipment	4.94	3.22	-	-	-	8.16	4.23	1.01	-	-	-	-	5.25	2.91	0.71
5	Furniture and fixture	25.95	12.84	-	-	-	38.79	21.75	2.21	-	-	-	-	23.96	14.83	4.20
II	Intangible assets															
a.	Software	596.90	5.28	-17.34	9.05	5.04	570.75	499.52	16.31	1.71	-12.91	-	3.54	501.09	69.65	97.38
b.	Technical know how	148.29	-	-6.93	-	-	141.36	131.64	16.54	-	-6.82	-	-	141.36	0.01	16.66
		68,159.40	5,331.86	-1,677.33	289.41	6,612.64	64,911.88	49,014.73	2,921.67	418.32	-1,617.83	256.36	3,993.41	46,487.11	18,424.75	19,144.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(₹ in Lakhs)

## 3. PROPERTY PLANT &amp; EQUIPMENT (YEAR 2017-18)

		GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK			
		As at 1st April 2017	Additions during the year	Translation Difference	Deletion during the year	Disposal of Subsidiaries	As at 31st March 2018	As at 1st April 2017	Continuing Operation	Discounted Operation	Translation Difference	Deduction Others	Disposal of Subsidiaries	As at 31st March 2018	As at 31st March 2017
I	Tangible assets														
a	Leasehold land	869.96	-	-	-	-	869.96	55.28	8.79	-	-	-	-	64.07	805.89
b	Freehold land	735.66	-	41.33	-	-	776.99	-	-	-	-	-	-	776.99	735.66
c	Buildings	12,163.82	131.60	1,146.68	19.23	-	13,422.87	7,644.79	279.34	64.66	908.93	-	8,897.72	4,525.15	4,519.05
d	Plant and equipments	40,518.70	1,876.88	3,125.47	2.05	-	45,519.00	29,022.84	2,039.41	371.77	2,553.87	0.76	33,987.13	11,531.87	11,495.86
e	Furniture & fixtures	3,296.18	162.07	506.49	-	-	3,964.74	2,844.28	188.73	0.13	444.79	-	3,477.93	486.81	451.88
f	Vehicles	1,164.59	27.67	85.48	84.66	-	1,193.08	791.20	27.41	69.64	85.90	31.56	942.59	373.39	451.88
g	Office equipment	320.27	11.77	4.68	-	-	336.72	274.06	19.49	2.49	3.95	-	299.99	36.73	46.21
h	Other assets	82.75	12.75	-	-	-	95.50	64.82	8.20	-	-	-	73.02	22.47	17.92
i	Scientific research														
1	Building	166.31	4.57	-	-	-	170.88	71.63	6.16	-	-	-	77.79	93.09	94.68
2	Plant and equipments	904.93	37.06	-	-	-	941.99	394.31	74.24	-	-	-	468.55	473.43	510.61
3	Software (intangible assets)	71.89	19.70	-	-	-	91.59	58.59	10.21	-	-	-	68.80	22.79	13.30
4	Office equipment	4.46	0.48	-	-	-	4.94	4.04	0.19	-	-	-	4.23	0.71	0.41
5	Furniture and fixture	23.71	2.24	-	-	-	25.95	20.22	1.53	-	-	-	21.74	4.20	3.51
II	Intangible assets														
a.	Software	524.51	33.43	38.95	-	-	596.90	397.59	75.56	1.64	24.73	-	499.52	97.38	126.93
b.	Technical know how	132.85	-	15.44	-	-	148.29	89.66	30.27	-	11.71	-	131.64	16.66	43.19
		60,980.59	2,320.22	4,964.53	105.94	-	68,159.40	41,733.31	2,769.53	510.33	4,033.88	32.32	49,014.73	19,144.67	19,247.30

## 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 equipments.
- 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, 2019

## 4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Unquoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
6,20,080 (P.Y.17-18 6,20,080) equity shares of ₹ 10 each in Banco Aluminium Limited	1,481.99	1,078.44
<b>Other investment</b>		
Investment in building (Spain)	72.55	77.48
	<b>1,554.54</b>	<b>1,155.92</b>
<b>Quoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
6,588 (P.Y.17-18 6,588) India Motor Parts and Accessories Limited. of ₹ 10 each	60.21	67.51
1,32,700 (P.Y.17-18 132,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	234.68	202.30
511 (P.Y.17-18 511) NHPC Limited of ₹ 10 each	0.13	0.14
1,573 (P.Y.17-18 1,573) Oil India Limited of ₹ 10 each (524 bonus share received during the year 2017-18)	2.92	3.40
400 (P.Y.17-18 400) Anand I-Power Limited of ₹ 1 each	0.004	0.004
112 (P.Y.17-18 112) Talbros Automotive Component Limited of ₹ 10 each	0.24	0.31
34 (P.Y.17-18 34) Talbros Engineers Limited of ₹ 10 each (17 bonus share received during the year 2017-18)	0.05	0.10
	<b>298.23</b>	<b>273.77</b>
	<b>1,852.78</b>	<b>1,429.69</b>
Aggregate amount of unquoted investment at cost	70.07	70.07
Aggregate amount of unquoted investment at market value	1,554.54	1,155.92
Aggregate amount of quoted investment at cost	20.02	20.02
Aggregate amount of quoted investment at market value	298.23	273.77

## 5. NON CURRENT OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Security deposit	34.04	27.20
Government grant receivable	127.35	60.63
	<b>161.39</b>	<b>87.83</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 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 2019

(₹ in Lakhs)

	As at 31st March, 2018	Recognised in profit and loss	Translation reserve	Recognised in other comprehensive income	Discontinued operation	As at 31st March, 2019
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	1,822.32	50.70	-	0.33	(322.77)	1,550.58
undistributed profit of subsidiary	5,277.51	(275.01)	-	-	-	5,002.50
Fair value on unquoted investment	226.89	-	-	93.28	-	320.17
<b>Total deferred tax liabilities</b>	<b>7,326.72</b>	<b>(224.31)</b>	<b>-</b>	<b>93.61</b>	<b>(322.77)</b>	<b>6,873.25</b>
MAT credit entitlement	(1,669.92)	795.61	-	-	-	(874.31)
Expense allowable for tax on payment	(681.88)	(36.71)	(8.58)	(6.17)	32.57	(700.77)
C/f capital loss F.Y. 2018-19	-	(75.27)	-	-	-	(75.27)
Unrealised gain on stock	(229.63)	(86.83)	-	-	-	(316.46)
<b>Total deferred tax assets</b>	<b>(2,581.43)</b>	<b>596.80</b>	<b>(8.58)</b>	<b>(6.17)</b>	<b>32.57</b>	<b>(1,966.81)</b>
<b>Net deferred tax</b>	<b>4,745.29</b>	<b>372.49</b>	<b>(8.58)</b>	<b>87.44</b>	<b>(290.20)</b>	<b>4,906.44</b>

As at 31st March 2018

(₹ in Lakhs)

	As at 31st March, 2017	Recognised in profit and loss	Translation reserve	Recognised in other comprehensive income	As at 31st March, 2018
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	1,922.03	(171.91)	72.20	-	1,822.32
Undistributed profit of subsidiary	4,492.79	784.72	-	-	5,277.51
Fair value on unquoted investment	216.43	-	-	10.46	226.89
<b>Total deferred tax liabilities</b>	<b>6,631.25</b>	<b>612.81</b>	<b>72.20</b>	<b>10.46</b>	<b>7,326.72</b>
MAT credit entitlement	(1,633.82)	(36.10)	-	-	(1,669.92)
Expense allowable for tax on payment	(696.31)	85.99	(71.15)	(0.41)	(681.88)
Unrealised gain on stock	(185.56)	(44.07)	-	-	(229.63)
<b>Total deferred tax assets</b>	<b>(2,515.69)</b>	<b>5.82</b>	<b>(71.15)</b>	<b>(0.42)</b>	<b>(2,581.43)</b>
<b>Net deferred tax</b>	<b>4,115.56</b>	<b>618.63</b>	<b>1.05</b>	<b>10.04</b>	<b>4,745.28</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 7. INCOME TAX

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>(A) Major component of tax expenses for the year are as under :</b>		
<b>(a) Income tax recognised in the statement of profit and loss from continuing operation</b>		
Current tax	5,933.31	4,325.98
Income tax for prior years	621.85	-
Deferred tax	364.88	694.86
	<b>6,920.04</b>	<b>5,020.84</b>
<b>(b) Income tax recognised in the statement of profit and loss from discontinued operation</b>		
Current tax	166.18	212.61
Deferred tax	(7.60)	(76.23)
	<b>158.58</b>	<b>136.38</b>
Total income tax from continuing and discontinued operation	<b>7,078.62</b>	<b>5,157.22</b>
<b>(c) Income tax recognised in OCI</b>		
Income tax expenses on remeasurement of defined employee benefits plans	5.84	0.42
Income tax expenses on remeasurement of financial instruments	(93.28)	(10.46)
	<b>(87.44)</b>	<b>(10.04)</b>
	<b>6,991.18</b>	<b>5,147.18</b>
<b>(B) Reconciliation of tax expenses and the accounting profit for the year is as under :</b>		
Profit before tax from continuing operation	15,252.12	16,417.60
Profit before tax from discontinued operation	(1,265.24)	416.79
<b>Total profit before tax for the year from continuing and discontinued operation</b>	<b>13,986.88</b>	<b>16,834.39</b>
Income tax expenses @ 34.944% (P.Y. 34.608%)	4,887.58	5,826.04
Tax effect on non deductible expenses	77.74	69.57
Effect of income which is tax at special rate	(1,572.75)	(1,256.60)
Effect of income exempted from tax	3,303.95	1,597.02
Tax effect for deduction u/s 80IC	(18.80)	(21.42)
Tax effect for deduction u/s 80G	(21.59)	(0.09)
Tax effect for deduction u/s 80JJA	(6.16)	(0.59)
Tax effect for exemption u/s 10AA	(616.50)	(585.45)
Tax effect of R & D expenses	(112.70)	(122.66)
Tax effect for deduction in subsidiary	-	(0.76)
MAT credit entitlement	795.61	(16.24)
Tax effect for difference tax rate in subsidiary and translation	(158.60)	(1,408.38)
Tax effect on stock reserve	155.80	283.66
Tax effect on undistributable profit	(361.85)	784.72
Income tax for prior years	621.85	-
Other	105.06	8.39
	<b>7,078.62</b>	<b>5,157.22</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Capital advances	364.54	1,448.80
Prepaid expenses	2.50	3.04
Balance with statutory authority	242.84	271.13
	<b>609.88</b>	<b>1,722.97</b>

## 9. INVENTORIES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Raw materials	14,779.34	16,318.70
Work-in-progress	3,367.96	2,900.71
Finished goods	28,240.26	23,316.74
Stores and spares	1,007.57	963.90
Loose tools	125.25	18.56
Packing materials	423.52	381.20
	<b>47,943.91</b>	<b>43,899.80</b>

## 10. CURRENT INVESTMENT

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Investment in mutual fund, measured at fair value through profit and loss</b>		
NIL (P.Y.17-18 21,861) Kotak Select Focus Fund – Dividend plan of ₹ 10 each.	-	4.96
NIL (P.Y.17-18 15,51,903) Invesco India Arbitrage Fund – Dividend plan of ₹ 10 each.	-	199.63
NIL (P.Y.17-18 79,651) Reliance Growth Fund - Dividend plan of ₹ 10 each.	-	50.00
NIL (P.Y.17-18 2,86,132) Reliance Focus Equity Fund – Dividend Plan (Formerly Known as Reliance Mid and Small Cap Fund Dividend Pay out plan) of ₹ 10 each.	-	60.65
NIL (P.Y.17-18 10,42,780) Reliance Large Cap Fund – Dividend Plan (Formerly Known as Reliance Top 200 Fund - Dividend Plan) of ₹ 10 each.	-	162.79
NIL (P.Y.17-18 1,769) HDFC Equity Fund-Regular Dividend plan of ₹ 10 each.	-	0.88
NIL (P.Y.17-18 2,081) HDFC TOP 200 Fund-Regular Dividend Plan of ₹ 10 each.	-	0.99
NIL (P.Y.17-18 3,920) Birla Sun Life Equity Fund – Dividend plan of ₹ 10 each.	-	3.97
NIL (P.Y.17-18 39,84,572) Edelweiss Arbitrage Fund Monthly Dividend (Direct Plan) of ₹10 each.	-	498.20
0.386 (P.Y.17-18-Nil) Reliance Mutual Fund-R Shares Liquid Bees of ₹ 1,000 each. (Amount ₹ 386)	0.004	-
99,921 (P.Y.17-18-Nil) AXIS Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	1,001.31	-
47,086 (P.Y.17-18-Nil) SBI Liquid Fund - Weekly Dividend - Direct Plan of ₹ 1,000 each.	499.71	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

97,390 (P.Y.17-18-Nil) HDFC Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	1,001.11	-
996,649 (P.Y.17-18-Nil) ABSL Liquid Fund - Weekly Dividend - Direct Plan of ₹ 100 each.	999.35	-
99,439 (P.Y.17-18-Nil) Kotak Liquid Fund - Weekly Dividend-Direct Plan of ₹ 1000 each.	1,000.95	-
4,96,305 (P.Y.17-18-Nil) ICICI Prudential Liquid Fund - Monthly Dividend - Direct Plan of ₹ 100 each.	497.88	-
	<b>5,000.32</b>	<b>982.07</b>
Aggregate amount of Investment in mutual fund at cost	5,000.00	1,001.00
Aggregate amount of Investment in mutual fund at market value	5,000.32	982.07

## 11. TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>(Unsecured and considered good)</b>		
Trade receivables - unsecured		
(i) Considered good	28,166.49	25,655.22
(ii) Considered doubtful	-	-
	<b>28,166.49</b>	<b>25,655.22</b>
Less: Allowance for unsecured doubtful debts	-	-
	<b>28,166.49</b>	<b>25,655.22</b>

## 12. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>A. Cash and cash equivalents</b>		
(i) Cash on hand	17.87	13.90
(ii) Balances with banks in current accounts	484.87	4,771.37
(iii) In deposit accounts*	-	-
	<b>502.74</b>	<b>4,785.27</b>
<b>B. Bank balances other than (A) above</b>		
In deposit accounts #		
Deposit with original maturity for more than 3 months but less than 12 months	11,791.81	11,861.74
Unpaid dividend (earmarked balances)##	315.77	3,240.94
Term deposit held as margin money against bank guarantee	101.66	109.32
	<b>12,209.24</b>	<b>15,212.00</b>
	<b>12,711.98</b>	<b>19,997.27</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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 13. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Interest accrued on deposit with banks	170.98	208.81
Security deposit	7.52	24.36
Advance to employee	10.14	32.50
Subsidy receivable from government	228.60	166.41
Dividend receivable	3.74	-
	<b>420.98</b>	<b>432.08</b>

## 14. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Prepaid expenses	1,912.16	2,099.20
Balance with statutory authorities	49.97	169.73
Advance to vendors (trade)	279.59	469.42
Other advances	51.01	204.78
	<b>2,292.73</b>	<b>2,943.13</b>

## 15(A). EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Authorised</b>		
15,20,00,000 (Previous Year 15,20,00,000) equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up</b>		
7,15,18,650 (Previous Year 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 2019	As at 31st March 2018
Equity shares at the beginning of the year	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>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## Share capital

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	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

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 secured and unsecured creditors of the company are paid off, in the proportion of their shareholding in the company.

## (c) Share in the company held by each shareholder holding more than 5% shares specifying the no. of shares

Nos. in Lakhs (Holding in %)

Name of share holder	As at 31st March 2019	As at 31st March 2018
Vimal K. Patel	49.77 (6.96%)	49.77 (6.96%)
Samir K. Patel	44.21 (6.18%)	44.21 (6.18%)
Mehul K. Patel	50.19 (7.02%)	50.19 (7.02%)
Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

## 15(B). OTHER EQUITY

As on 31st March 2019

(₹ 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	
Balance at the beginning of the reporting period i.e. 1st April 2018	1,200.31	9,618.01	54.14	12,217.69	53,333.18	1,080.03	1,836.87	79,340.23
Profit for the year	-	-	-	-	6,908.26	-	-	6,908.26
Addition during the year	-	-	-	87.46	-	-	3,126.81	3,214.27
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>60,241.44</b>	<b>1,080.03</b>	<b>4,963.68</b>	<b>89,462.75</b>
Remeasurement of defined Employee benefit plans (net)	-	-	-	-	(11.53)	-	-	(11.53)
Fair Value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	24.47	-	24.47
Fair Value impact for Unquoted investment to be routed through OCI (net)	-	-	-	-	-	310.27	-	310.27
Final dividend of F.Y. 17-18	-	-	-	-	(4,148.08)	-	-	(4,148.08)
Interim dividend of F.Y. 18-19	-	-	-	-	(3,575.93)	-	-	(3,575.93)
Tax on dividend	-	-	-	-	(223.86)	-	-	(223.86)
Currency translation reserve for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting period i.e. 31st March 2019</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>52,282.04</b>	<b>1,414.77</b>	<b>4,963.68</b>	<b>81,838.09</b>

## As on 31st March 2018

(₹ 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	
Balance at the beginning of the reporting period i.e. 1st April 2017	1,200.31	9,618.01	54.14	12,217.69	47,682.93	1,103.55	(1,355.45)	70,521.18
Profit for the year	-	-	-	-	11,677.18	-	-	11,677.18
Addition during the year	-	-	-	-	-	-	3,192.32	3,192.32
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.69</b>	<b>59,360.11</b>	<b>1,103.55</b>	<b>1,836.87</b>	<b>85,390.68</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	(5.30)	-	-	(5.30)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	(52.51)	-	(52.51)
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	28.99	-	28.99
Final dividend of F.Y. 16-17	-	-	-	-	(2,860.74)	-	-	(2,860.74)
Interim dividend of F.Y. 17-18	-	-	-	-	(3,003.78)	-	-	(3,003.78)
Tax on dividend	-	-	-	-	(157.11)	-	-	(157.11)
Currency translation reserve for the year	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting period i.e. 31st March 2018</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,217.69</b>	<b>53,333.18</b>	<b>1,080.03</b>	<b>1,836.87</b>	<b>79,340.23</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 Equipments (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. LONG TERM BORROWING**

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Term loan from bank at amortised cost	664.63	110.70
Less: Current maturity of long term loan	(41.91)	(4.78)
	<b>622.72</b>	<b>105.92</b>

Term loan from bank for construction of a new warehouse in France. The loan is interest bearing and repayable within 15 years. Mortgage against real estate coming in future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 17. LONG TERM PROVISIONS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Provision for employee benefits</b>		
Provision for gratuity	342.72	308.72
Provision for leave encashment	271.92	245.91
	<b>614.64</b>	<b>554.62</b>

## 17(A). OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Deferred income arising from government grant	25.39	-
	<b>25.39</b>	<b>-</b>

## 18. SHORT TERM BORROWINGS

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
<b>Secured</b>		
Cash credit and overdraft from banks	278.12	704.22
Short-term loan from banks	3,044.97	2,551.19
	<b>3,323.09</b>	<b>3,255.41</b>

- (i) Cash credit loans 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 scheduled banks.
- (ii) Cash credit carrying interest @ 8.55% to 8.65%
- (iii) National bank of commerce has issued an overdraft facility to a subsidiary company to meet working capital requirement @ an interest rate of NBF USD base rate i.e. 7.50% per annum.
- (iv) A subsidiary company obtain short term loan facility maturing after six months from the date of first withdrawal, The loan bears interest of 7.50% P.A. payable on monthly basis.

## 19. TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Due to micro and small enterprises	1,135.44	1,023.16
Due to others	18,124.96	17,225.89
	<b>19,260.40</b>	<b>18,249.05</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

20. OTHER FINANCIAL LIABILITIES		(₹ in Lakhs)	
		As at 31st March 2019	As at 31st March 2018
Unclaimed/unpaid dividend *		315.77	3,240.94
Interest accrued but not due on borrowings		16.85	2.00
Payable to employees		395.50	346.71
Current maturity of long term loan		41.90	4.77
		<b>770.02</b>	<b>3,594.42</b>
* This figure does not include any amount due and outstanding to be credited to investor education and protection fund.			
21. OTHER CURRENT LIABILITIES		(₹ in Lakhs)	
		As at 31st March 2019	As at 31st March 2018
Advance received from customers		122.50	191.60
Other payable - statutory liabilities		550.79	238.69
Others		6,913.38	7,935.42
Deferred income arising from government grant		0.98	-
		<b>7,587.65</b>	<b>8,365.71</b>
22. SHORT TERM PROVISIONS		(₹ in Lakhs)	
		As at 31st March 2019	As at 31st March 2018
(a) Provision for employee benefits			
Provision for gratuity		54.39	49.66
Provision for leave encashment		41.64	34.63
		<b>96.03</b>	<b>84.29</b>
23. REVENUE FROM OPERATIONS		(₹ in Lakhs)	
		2018-19	2017-18
(a) Sale of products			
Finished goods (net of returns and discounts)		1,53,691.29	1,32,750.97
		<b>1,53,691.29</b>	<b>1,32,750.97</b>
(b) Other operating income			
Scrap sales		2,299.04	1,864.42
Export incentives		563.13	463.57
Grant income		40.35	30.39
Export, technical service received		65.56	58.59
		<b>2,968.08</b>	<b>2,416.97</b>
		<b>1,56,659.37</b>	<b>1,35,167.94</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

24. OTHER INCOME	(₹ in Lakhs)		
	2018-19	2017-18	
(a) Interest income			
i. On deposit with banks	962.93	539.08	
(b) Dividend income from			
i. From quoted equity investments measured at FVTOCI	3.54	3.87	
ii. From mutual funds investments measured at FVTPL	16.81	430.00	
(c) Other receipt			
i. Profit on sale of property, plant and equipment - net	6.14	0.71	
ii. Insurance claim received	3.16	23.34	
iii. Others	44.41	40.79	
(d) Other gain and losses			
i. Net gain on foreign currency transaction	17.00	249.14	
ii. Net gain arising on sales of financial assets measured at FVTPL	1.98	197.67	
iii. Net gain arising on fair value measured at FVTPL	0.31	-	
	<b>1,056.28</b>	<b>1,484.61</b>	
25. COST OF MATERIALS CONSUMED	(₹ in Lakhs)		
	2018-19	2017-18	
Opening stock	16,699.89	10,581.49	
Less: Pursuant to disposal	(736.45)	(239.69)	
Add : Purchases during the year	96,271.09	84,847.46	
	<b>1,12,234.53</b>	<b>95,189.26</b>	
Less : Closing stock	15,202.86	16,699.90	
Less: Pursuant to disposal	-	(736.45)	
	<b>97,031.67</b>	<b>79,225.81</b>	
26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS	(₹ in Lakhs)		
	2018-19	2017-18	
<b>Inventories at the end of the year</b>			
Work in progress	3,367.96	2,900.71	
Less : Pursuant to disposal	-	-	
Finished goods (Including goods in transit)	28,240.26	23,316.74	
Less: Pursuant to disposal	-	(18.65)	
	<b>31,608.22</b>	<b>26,198.80</b>	
<b>Inventories at the begining of the year</b>			
Work in progress	2,900.71	2,551.46	
Less : Pursuant to disposal	-	(2.09)	
Finished goods (Including goods in transit)	23,316.75	18,168.75	
Less : Pursuant to disposal	(18.65)	(20.73)	
	<b>26,198.81</b>	<b>20,697.39</b>	
<b>Changes in inventories of finished goods and work in progress</b>	<b>(5,409.42)</b>	<b>(5,501.41)</b>	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

27. EMPLOYEE BENEFIT EXPENSES		(₹ in Lakhs)	
		2018-19	2017-18
Salaries wages and bonus		17,047.40	15,558.62
Contribution to provident and other funds		1,023.63	1,022.63
Staff welfare expenses		270.95	201.25
		<b>18,341.98</b>	<b>16,782.49</b>
28. FINANCE COST		(₹ in Lakhs)	
		2018-19	2017-18
Interest on financial liabilities carried at amortised cost		216.53	47.95
Interest - others		90.49	9.25
Bank and other financial charges		119.14	119.45
		<b>426.16</b>	<b>176.65</b>
29. DERECIATION AND AMORTIZATION EXPENSES		(₹ in Lakhs)	
		2018-19	2017-18
<b>Depreciation</b>			
On tangible assets		2,878.77	2,653.48
On intangible assets		42.90	116.04
		<b>2,921.67</b>	<b>2,769.52</b>
30(A). OTHER EXPENSES		(₹ in Lakhs)	
		2018-19	2017-18
Consumption of stores and spares		674.69	963.43
Power and fuel		2,815.68	2,059.35
Labour charges		9,686.70	8,386.10
Repair and maintenance			
Plant and machinery		1,248.48	1,266.72
Electric installation		67.47	73.26
Buildings		346.42	332.44
Sundry repairs		1.83	1.60
Factory general expenses		510.37	383.81
Insurance premium on assets		56.66	51.87
Payment to auditors		149.54	151.83
Rent rates and taxes		887.55	961.56

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Postage and courier	44.83	47.11
Telephone expenses	156.76	154.36
Travelling and conveyance	1,416.02	1,223.06
Directors' sitting fees	17.10	8.30
Miscellaneous expenses	1,048.69	1,143.32
Donation	2.24	1.50
Expenditure towards corporate social responsibility activities	279.28	16.02
Net loss on foreign currency transactions	815.01	544.15
Net loss arising on fair value measured at FVTPL	-	17.01
Loss on sale of assets (net)	-	-
Insurance	16.28	15.09
Commission and discount	354.94	621.84
Advertisement and sales promotion	735.38	552.63
Other selling expenses	929.16	438.47
Freight and transport (net)	6,890.40	5,763.53
	<b>29,151.47</b>	<b>25,178.37</b>

**30(B). EARNING PER SHARE (EPS)****(₹ in Lakhs)**

	2018-19	2017-18
Profit after tax from continuing operations attributable to equity shareholders (₹ in Lakhs)	8,332.08	11,396.77
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share from continuing operations (Face value per share ₹ 2/- each)	11.65	15.94
Profit after tax from discontinued operations attributable to equity shareholders (₹ in Lakhs)	(1,423.82)	280.41
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share from discontinued operations (Face value per share ₹ 2/- each)	(1.99)	0.39
Profit after tax from continuing operations and discontinued operations attributable to equity shareholders (₹ in Lakhs)	6,908.26	11,677.18
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share from continuing and discontinued operations (Face value per share ₹ 2/- each)	9.66	16.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 31. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2019	As at 31st March 2018
Estimated amount of contracts net of advances remaining to be executed on capital accounts	960.79	1,408.77
Letter of credit	407.58	134.66
Guarantees issued by bank to third party	460.08	514.79
Excise duty	1,970.89	1,376.89
Sales tax	115.19	373.21
Income tax	9.30	19.65

## 32. 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 ₹ 184.82 lakhs (P.Y. - ₹ 188.78 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, 2019	31 <sup>st</sup> March, 2018
Discount rate	7.15% to 7.50%	7.30% to 7.55%
Salary growth rate	6.00%	6.00

**Demographic assumptions**

Withdrawal rates (p.a.)	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
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%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**Mortality rates**

Age (in years)	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
20	0.09%	0.09%
30	0.11%	0.11%
40	0.18%	0.18%
50	0.49%	0.49%
60	1.15%	1.15%

**Amount recognized in statement of profit and loss account for the period** (₹ in Lakhs)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Service cost</b>		
Current service cost	49.66	44.67
Past service cost and loss/(gain) on curtailments and settlement	-	24.64
Net interest cost	24.84	20.31
<b>Total charge to statement of profit and loss</b>	<b>74.50</b>	<b>89.62</b>

Past service cost is on account of increase in gratuity ceiling from ₹ 10.00 Lakhs to ₹ 20.00 Lakhs in F.Y. 2017-18.

**Amount recognized in Other Comprehensive Income for the period** (₹ in Lakhs)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	2.73	(18.97)
Due to change in demographic assumption	-	-
Due to experience adjustments	7.89	18.23
Return on plan assets excluding amounts included in interest income	6.75	(1.12)
<b>Amounts recognized in other comprehensive income</b>	<b>17.37</b>	<b>(1.86)</b>

**Reconciliation of defined benefit obligation** (₹ in Lakhs)

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Opening defined benefit obligation	555.19	478.02
Transfer in/(out) obligation	-	-
Current service cost	49.66	44.67
Interest cost	39.05	31.40
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	2.73	(18.97)
Due to change in demographic assumption	-	-
Due to experience adjustments	7.89	18.23
Past service cost	-	24.64
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	(14.21)	(22.80)
<b>Closing defined benefit obligation</b>	<b>640.31</b>	<b>555.19</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**Reconciliation of defined plan assets****(₹ in Lakhs)**

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Opening value of plan assets	196.80	164.65
Transfer in/(out) plan assets	-	-
Expenses deducted from the fund	-	-
Interest income	14.21	11.09
Return on plan assets excluding amounts included in interest income	(6.75)	1.12
Assets distributed on settlements	-	-
Contributions by employer	53.14	42.74
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(14.21)	(22.80)
Adjustment to the opening fund	-	-
<b>Closing value of plan assets</b>	<b>243.19</b>	<b>196.80</b>

**Reconciliation of defined benefit liability****(₹ in Lakhs)**

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Net opening provision in books of accounts	358.39	313.37
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense	74.50	89.61
Amounts recognized in other comprehensive income	17.37	(1.85)
Closing value of plan assets	450.26	401.13
Benefits paid by the company	-	-
Contributions to plan assets	(53.14)	(42.74)
<b>Closing provision in books of accounts</b>	<b>397.12</b>	<b>358.39</b>

**Composition of the plan assets**

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Policy of insurance	100%	100%
	<b>100%</b>	<b>100%</b>

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Discount rate	7.15% to 7.50%	7.30% to 7.55%
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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**(c) Other employee benefits**

The liabilities for leave encashment based on actuarial valuation as at the year ended on 31st March 2019 is ₹ 313.56 lakhs (31st March 2018 ₹ 280.53 lakhs).

**33. 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. Samir K Patel	Non Executive Non Independent

**(b) Independent directors**

Mr. Ramkisan 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

**(c) Key managerial personnel**

<b>Name of director/employee</b>	<b>Designation</b>
Mr. Rajendra Anandpara	Managing Director (w.e.f.27th April 2017) Executive Non Independent
Mrs. Himali Patel	Whole Time Director and CFO Executive Non Independent
Mr. Pravin Rao	Chief Executive Officer (Upto 27th April 2017)
Mr. Sagar Pandya	Company Secretary (From 1st April 2017to 8th Novemver 2017)
Mr. Dinesh Kavthekar	Company Secretary (From 16th December 2017)

**(d) Company which is part of promoter/promoter group**

Banco Aluminium Limited

**(e) Trust controlled by relatives of directors**

Banco Products Trust	Registration No-E/7946/VADODARA
Banco Gasket Trust	Registration No-E/7957/VADODARA

**(f) Entity having substantial interest**

Overseas Pearl Limited

**(g) Entity in which promoter/promoter group is having cotrolling interest**

Agro Scientific Investments Limited



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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: (₹ in Lakhs)

Nature of Transaction	Key Management Personnel		Independent Directors		Company which is part of Promoter/ Promoter Group (Banco Aluminium Limited)		Trust Controlled by relatives of directors		Non Independent Directors		Entity having substantial interest		Entity in which promoter/ promoter group is having controlling interest	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchase of goods	-	-	-	-	518.79	369.18	-	-	-	-	-	-	-	-
Purchase of licence	-	-	-	-	38.63	17.98	-	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	222.09	313.88	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	2,627.25	-
Rendering of services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receiving of services	-	-	-	-	5.51	3.63	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key management personnel remuneration	182.09	163.94	-	-	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	9.10	8.30	-	-	-	-	-	-	-	-	-	-
Directors Commission	-	-	8.00	8.00	-	-	-	-	-	-	-	-	-	-
Donation paid (CSR expenses)	-	-	-	-	-	-	4.84	10.52	-	-	-	-	-	-
Dividend received	-	-	-	-	-	0.62	-	-	-	-	-	-	-	-
Dividend paid	-	-	63.29	48.05	193.21	146.70	-	-	1,019.49	757.98	2,906.28	2,206.62	-	-
Payable at the end of the year (creditors)	-	-	-	-	71.93	37.31	-	-	-	-	-	-	-	-
Receivable at the end of the year (debtors)	-	-	-	-	54.85	68.62	-	-	-	-	-	-	-	-

\*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, 2019

## SIGNIFICANT RELATED PARTY TRANSACTION

(₹ in Lakhs)

	2018-19	2017-18
<b>Remuneration to key managerial person</b>		
Mr. Sagar Pandya	–	3.85
Mrs. Himali Patel	17.81	16.20
Mr. Rajendra Anandpara	155.17	134.08
Mr. Dinesh Kavthekar	9.11	2.43
Mr. Pravin Rao	–	7.38
	<b>182.09</b>	<b>163.94</b>
<b>Directors' sitting fees paid (directors of Banco Products (India) Limited)</b>		
Mr. Devesh Pathak	2.40	2.30
Mr. Mukesh D Patel	2.40	2.60
Mr. Ram Devidayal	2.40	1.40
Mr. Udayan Patel	1.90	2.00
	<b>9.10</b>	<b>8.30</b>
<b>Commission to directors (directors of Banco Products (India) Limited)</b>		
Mr. Devesh Pathak	1.00	1.00
Mr. Mukesh D Patel	3.00	3.00
Mr. Ram Devidayal	3.00	3.00
Mr. Udayan Patel	1.00	1.00
	<b>8.00</b>	<b>8.00</b>
<b>Dividend paid</b>		
Overseas Pearl Limited	2,906.28	2,206.62
Others	1,275.99	952.73
	<b>4,182.27</b>	<b>3,159.35</b>
<b>Sales of investments</b>		
Agro Scientific Investments Limited	2,627.25	-
	<b>2,627.25</b>	<b>-</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**34. SEGMENT REPORTING**

The Company has identified manufacturing of automobile components as its sole reportable segment. Thus the disclosure requirements as set out in are not applicable.

	(₹ in Lakhs)	
	2018-19	2017-18
<b>Sales revenue from continuing operation</b>		
Domestic operation		
Within India	67,534.38	55,978.72
Outside India	10,018.79	9,794.98
International operation		
Revenue from international operation	76,138.14	66,977.27
	<b>1,53,691.31</b>	<b>1,32,750.97</b>
<b>Sales revenue from discontinued operation</b>		
From international discontinued operation	4,746.01	4,673.96
<b>Total sales revenue from continuing and discontinued operation</b>	<b>1,58,437.32</b>	<b>1,37,424.93</b>
Consolidated self revenue exceeding 10% from each single external customer	-	-

**35. EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII THERE OF**

(a) Gross amount required to be spent (refer note below) by the group during the year ₹ 393.36 Lakhs (31<sup>st</sup> March 2018 ₹ 204.93 Lakhs).

(b) Amount spent during the year on:

	(₹ in Lakhs)		
	Amount Spent	Yet to be Spent	Total
Construction / acquisition of assets	Nil	Nil	Nil
	(—)	(—)	(—)
Other purposes*	279.28	114.08	393.36
	(16.02)	(188.91)	(204.93)

\*Figure in bracket represent for previous year

(c) Related party transaction in relation to corporate social responsibility ₹ 51.06 Lakhs (P.Y. ₹ 10.52 Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 36. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Lakhs)

	Refer Note	Non-Current		Current	
		As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>					
Investments in quoted mutual funds	10	-	-	5,000.32	982.07
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Unquoted equity shares measured at fair value	4	1,481.99	1,078.44	-	-
Quoted equity shares measured at fair value	4	298.23	273.77	-	-
		<b>1,780.22</b>	<b>1,352.21</b>	-	-
<b>Financial assets measured at amortised cost</b>					
Security deposit and government grants	5	161.39	87.83	-	-
Trade receivables	11	-	-	28,166.49	25,655.22
Cash and cash equivalents	12A	-	-	502.74	4,785.27
Other balances with bank	12B	-	-	12,209.24	15,212.00
Interest accrued on deposit with banks	13	-	-	170.98	208.81
Others	13	-	-	242.48	198.90
Security deposit	13	-	-	7.52	24.36
		<b>161.39</b>	<b>87.83</b>	<b>41,299.45</b>	<b>46,084.56</b>
<b>Financial liabilities measured at amortised cost</b>					
Long term borrowing	16	-	-	622.72	105.92
Cash credit from banks	18	-	-	3,323.09	3,255.41
Trade payables	19	-	-	19,260.40	18,249.05
Unclaimed/unpaid dividend	20	-	-	315.77	3,240.94
Payable to employees	20	-	-	395.50	346.71
Interest accrued but not due on borrowings	20	-	-	16.85	2.00
Current maturity of long term loan	20	-	-	41.90	4.77
		-	-	<b>23,976.23</b>	<b>25,204.80</b>

Investment in equity instruments measured through OCI are not held for trading. The Company has chosen to measured this investment at FVTOCI irrevocably and the management believes that presenting fair value gain and losses relating to this investment in the statement of Profit and Loss may not be indicative of the performance of the company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

## 37. FAIR VALUE MEASUREMENTS

- (i) The following table provides the fair value measurement hierarchy of the company's financial assets and liabilities

As at 31st March, 2019

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31.03.2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	1,481.99	-	-	1,481.99
Quoted equity shares measured at fair value	298.23	298.23	-	-
<b>Financial assets measured at fair value through Profit or Loss (FVTPL)</b>				
Investments in quoted mutual funds	5,000.32	5,000.32	-	-

As at 31st March, 2018

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31.03.2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	1,078.44	-	-	1,078.44
Quoted equity shares measured at fair value	273.77	273.77	-	-
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in quoted mutual funds	982.07	982.07	-	-

\*Unquoted equity shares measured at FVTOCI are taken at fair value certified by management.

- (ii)
- Financial instrument measured at amortised cost**

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.

## 38(A). 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, 2019, 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**38(B). FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Group's expose it to a variety of financial risks: Market risk, credit risk, liquidity risk. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cashflows and financial position 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: 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, 2019 would decrease/increase by ₹ 18.55 Lakhs (P.Y. ₹ 13.31 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.

**c. Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from the financial assets such as investments in equity instruments. The Parent Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2019, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 1852.77 lakhs (P.Y. ₹ 1429.68 lakhs). The details of such investments in equity instruments are given in Note 4.

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below :

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2019, Other Comprehensive Income for the Period ended 31st March 2019 would increase/decrease by ₹ 185.27 lakhs (P.Y. ₹ 142.97 lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March 2019. 10% represents management's assessment of reasonably possible change in equity prices.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**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.

**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, 2019 and 31st March, 2018:

	(₹ in Lakhs)		
	As at March 31, 2019		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	320.03	3,044.97	622.72
Trade payables	19,260.40	-	-
Other financial liabilities (current and non current)	412.35	-	315.77

	(₹ in Lakhs)		
	As at March 31, 2018		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	709.00	2,593.10	68.79
Trade payables	18,249.05	-	-
Other financial liabilities (current and non current)	348.71	-	3,240.94

\* 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, 2019

## 39. 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

(₹ in Lakhs)

Name of the Enterprises	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)
<b>Parent :-</b>								
Banco Products (India) Limited	64.36%	66,352.47	66.25%	12,291.14	100.85%	325.95	66.85%	12,617.09
<b>Subsidiaries</b>								
<b>Indian</b>								
Banco Gaskets India Limited	7.76%	7,998.29	10.17%	1,886.34	-0.85%	(2.74)	9.98%	1,883.60
<b>Foreign</b>								
*Lake Mineral (Mauritius) Limited	0.00%	-	9.89%	1,834.99	0.00%	-	9.72%	1,834.99
*Nederlandse Radiatoren Fabrik B.V.	27.88%	28,744.11	13.69%	2,539.38	0.00%	-	13.45%	2,539.38
	100.00%	1,03,094.87	100.00%	18,551.85	100.00%	323.21	100.00%	18,875.06
Adjustment arising out of consolidation	-	(19,826.42)	-	(11,643.59)	-	3,126.81	-	(8,516.78)
Minority Interest in all subsidiaries	-	-	-	-	-	-	-	-
<b>Associates ( Investment as per the equity method)</b>								
<b>Indian</b>	-	-	-	-	-	-	-	-
<b>Foreign</b>	-	-	-	-	-	-	-	-
<b>Joint ventures (As per proportionate consolidation/investment as per equity method)</b>								
<b>Indian</b>	-	-	-	-	-	-	-	-
<b>Foreign</b>	-	-	-	-	-	-	-	-
<b>Consolidated net assets / net profit after tax</b>	-	83,268.45	-	6,908.26	-	3,450.02	-	10,358.28

Note:-Information in respect of subsidiaries are as per its consolidated financial statement

## 40. DISCONTINUED OPERATIONS

During the current financial year, upon completion of transaction (subject to regulatory filings as applicable) for sale of shares in Lake Minerals (Mauritius) Limited, Mauritius and Kilimanjaro Biochem Limited, Tanzania (indirect subsidiary) ceased to be subsidiary of the Company.

**Analysis of profit for the year from discontinued operations:**

The Result of the discontinued operations included in the profit for the year are as set below. The Comparative profit from discontinued operations have been presented as if these operations were discontinued in the prior year as well.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

	(₹ in Lakhs)	
	2018-19	2017-18
Revenue	4,786.29	4,732.20
Expenses	4,218.74	4,315.41
<b>Profit before tax from discontinued operations</b>	567.55	416.79
Tax expenses of discontinued operations	158.58	136.38
<b>Profit after tax from discontinued operations (A)</b>	408.97	280.41
Loss on disposal of subsidiaries (B)	(1,832.79)	-
<b>Profit after tax from discontinued operations (A+B)</b>	<b>(1,423.82)</b>	<b>280.41</b>
<b>Computation on gain on disposal of subsidiaries</b>		
Cash consideration received	2,627.25	-
Less: carrying amount of net assets sold	4,460.04	-
Loss on disposal	<b>(1,832.79)</b>	-
<b>Carrying amount of subsidiary assets and liabilities disposed:</b>		
Property, plant and equipments	2,619.35	-
Capital work-in-progress	10.39	-
Non - current assets	2,478.97	-
Deferred tax assets	32.57	-
<b>Current assets</b>		
Inventories	597.40	-
Financial assets		
Short term loans & advances	1,027.83	-
Trade receivables	241.85	-
Cash and cash equivalents	715.57	-
<b>Total assets</b>	<b>7,723.93</b>	-
Long term borrowing	1,480.21	-
Deferred tax liabilities	322.77	-
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Short term borrowings	893.09	-
Trade payables	127.15	-
Other current liabilities	440.67	-
<b>Total liabilities</b>	<b>3,263.89</b>	-
<b>Net assets derecognised</b>	<b>4,460.04</b>	-

**41. New and amended standards adopted by the group for the first time for the financial year beginning on 1 April 2018:**

The group derives revenues primarily from sale of manufactured goods. Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant. The Group has amended its accounting policy appropriately (as disclosed as note no. 2.9 in significant accounting policies)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

42. A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the parent company and certain indian group Companies in the previous year ended 31 March 2017. Pursuant to search / survey, the Assessing Officer has issued notices under relevant section of the Act to the Company for some of the earlier financial years. Consequently, in order to avoid protracted tax litigation, the Company has filed application under Section 245C(1) of the Act before the Hon'ble Income Tax Settlement Commission ('ITSC') and declaring additional income of ₹ 3492.47 Lakhs for A.Y. 2011-12 to A.Y. 2017-18. The Company has deposited ₹ 565.77 Lakhs as tax and ₹ 434.27 Lakhs as interest towards the proposed settlement which has been shown as a part of Income Tax for Prior years expenses under the head "Tax Expense" in the books of accounts. The said application has since been admitted by ITSC vide its Order dated 25.04.2018 passed u/s 245D (1) of the Act and allowed to be proceeded with vide Order dated 12.06.2018 passed u/s 245D (2C) of the Act. The matter is now pending before the Hon'ble ITSC for final determination.

43. **Subsequent event**

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 5.80 per equity share towards final dividend for the year ended March 31, 2018 and an amount of ₹ 5.00 per equity share towards interim dividends for the year ended March 31, 2019.

Dividends declared by the Holding Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On May 30, 2019, the Board of Directors of the Holding Company have proposed a final dividend of ₹ 3.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 2586.59 Lakhs, inclusive of corporate dividend tax of ₹ 441.03 Lakhs.

44. Previous year's figures have been regrouped/reclassified wherever necessary.

As per our report of even date attached <b>For Manubhai &amp; Shah LLP</b> Chartered Accountants <b>FRN 106041W/W100136</b>	For and on behalf of the board			
<b>CA Laxminarayan P.Yekkali</b> Partner Membership No. 114753	<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Rajendra J. Anandpara</b> Managing Director DIN 02461259	<b>Ramkisan Devidayal</b> Director DIN 00238853	<b>Udayan P. Patel</b> Director DIN 00598313
	<b>Mukesh D. Patel</b> Director DIN 00009605	<b>Devesh A.Pathak</b> Director DIN 00017515	<b>Himali H. Patel</b> Whole Time Director and CFO DIN 07081636	<b>Dinesh Kavthekar</b> Company Secretary
Place : Mumbai Date : 30.05.2019	Place : Vadodara Date : 30.05.2019			

## PROXY FORM

CIN : L51100GJ1961PLC001039  
 Name of the Company : Banco Products (India) Limited  
 Registered Office : Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara-391410  
 Tel Nos. 0265-2318226 • Website: www.bancoindia.com • E-Mail : investor@bancoindia.com.

Name of the member (s) : \_\_\_\_\_  
 Registered address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Folio No./Client Id : \_\_\_\_\_ DP ID : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of Banco Products (India) Limited to be held on 23.09.2019 at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara - 391 410 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Details
<b>Ordinary Business</b>	
1.	To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31.03.2019 including Balance Sheet as at 31.03.2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31.03.2019 and the Reports of the Board of Directors and the Auditors thereon.
2.	To declare final dividend on Equity Shares for the Financial Year ended 31.03.2019.
3.	To appoint a Director in place of Mr. Mehul K. Patel (DIN : 01772099) who retires by rotation and being eligible offers himself for reappointment.
4.	Appointment of Statutory Auditors.
<b>Special Business :</b>	
5.	Re-appointment of Shri Ramkisan Devidayal (DIN:00238853) as an Independent Director of the Company.
6.	Re-appointment of Shri Mukesh D. Patel (DIN:00009605) as an Independent Director of the Company.
7.	Re-appointment of Shri Devesh A. Pathak (DIN:00017515) as an Independent Director of the Company.
8.	Re-appointment of Shri Udayan P. Patel (DIN:00598313) as an Independent Director of the Company.
9.	To consider revision in payment of Commission to Non-Executive Independent Director Shri Ramkisan Devidayal within overall ceiling of 1% of net profit of the Company for a period of five years with effect from 01.04.2019.
10.	To consider revision in payment of Commission to Non- Executive Independent Director Shri Mukesh D. Patel within overall ceiling of 1% of net profit of the Company for a period of five years with effect from 01.04.2019.
11.	To consider revision in payment of Commission to Non- Executive Independent Director Shri Devesh A. Pathak within overall ceiling of 1% of net profit of the Company for a period of five years with effect from 01.04.2019.
12.	To consider revision in payment of Commission to Non- Executive Independent Director Shri Udayan P. Patel within overall ceiling of 1% of net profit of the Company for a period of five years with effect from 01.04.2019.
13.	Approval for Remuneration to Cost Auditor.

Signed this.....day of .....2019

Signature of the Shareholder(s)

Signature of Proxy holder(s)

Please affix  
Re. 1/-  
Revenue  
Stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes please refer Notice of the Annual General Meeting.
3. Please complete all details including details of member(s) before submission.

## ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

CIN : L51100GJ1961PLC001039  
Name of the Company : Banco Products (India) Limited  
Registered Office : Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara-391410  
Tel Nos. 0265-2318226 • Website: www.bancoindia.com  
E-Mail : investor@bancoindia.com.

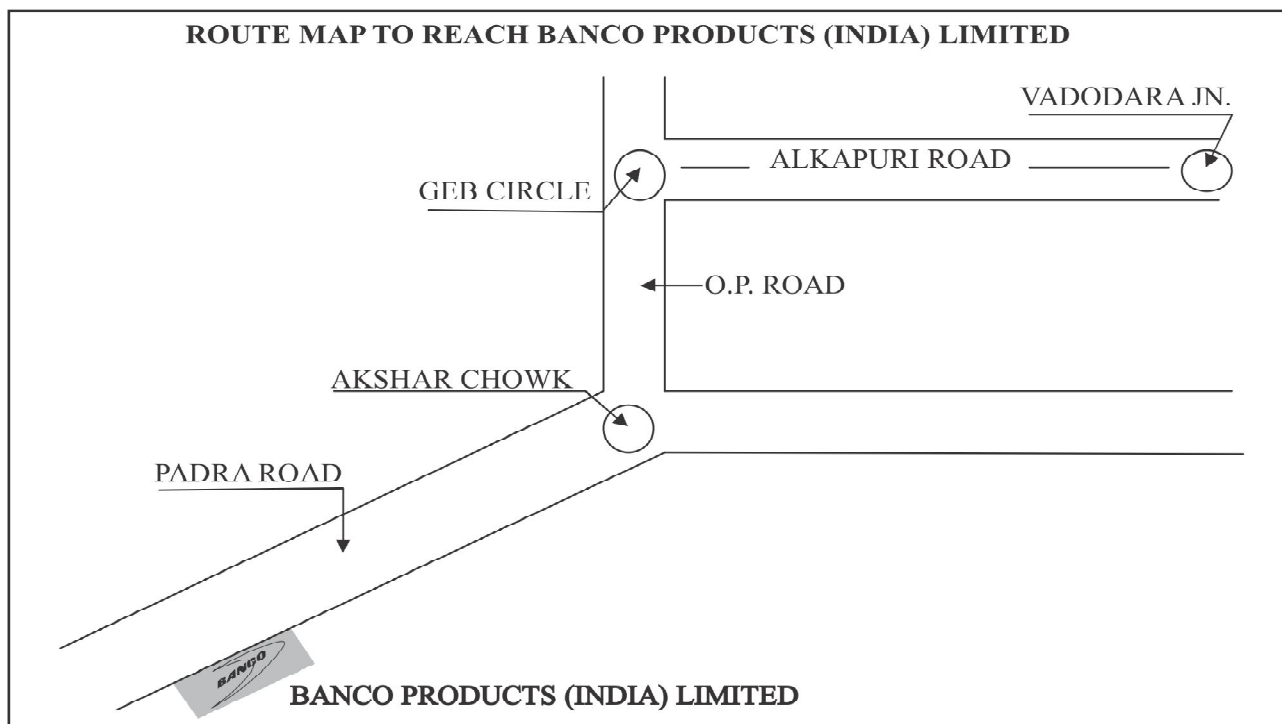
Name of the Member(s)/Proxy	
Folio No.	
DP ID - Client ID	
No of Shares Held	

I hereby record my presence at the 58th Annual General Meeting of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara - 391 410 on 23.09.2019.

Signature of the Member(s)/Proxy

**Note:**

- Members/Proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.
- Members are requested to bring their copies of Annual Report at the AGM.



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.**



## NOTE

## **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**

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

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