

September 20, 2016

To,  
BSE Limited  
Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building,  
P. J. Towers, Dalal Street, Fort,  
Mumbai – 400 001

To,  
National Stock Exchange of India Ltd.  
Listing Department,  
"Exchange Plaza", C/1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051

Stock Code (BSE) - 500039

Trading Symbol (NSE) - BANCOINDIA

Dear Sir,

**Sub: Submission of Annual Report 2015-2016 under Regulation 34(1).**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report 2015-2016, approved and adopted in Annual General Meeting held on September 17, 2016.

Kindly acknowledge the receipt for the same.

Thanking you,

Yours faithfully,

For Banco Products (India) Limited

  
Sagar Pandya  
(Company Secretary and Compliance Officer)



Encl: As above

# **BANCO PRODUCTS (INDIA) LIMITED**



**55<sup>th</sup> ANNUAL REPORT**  
**2015-2016**



**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 Samir K. Patel Ramkisan Devidayal Mukesh D. Patel Devesh A. Pathak Udayan P. Patel Kiran Shetty Himali Patel Subhasis Dey	Chairman Director Independent Director Independent Director Independent Director Independent Director Executive Director (upto 16.01.2016) Whole time Director & CFO Managing Director (from 06.11.2015 upto 30.04.2016)
<b>Company Secretary</b>	:	Sagar Pandya	
<b>Bankers</b>	:	State Bank of India Bank of Baroda HDFC Bank Limited Standard Chartered Bank	
<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>	:	<a href="http://www.bancoindia.com">www.bancoindia.com</a>	
<b>RTA</b>	:	Link Intime India Pvt. Ltd.	

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**NOTICE**

Notice is hereby given that the 55<sup>th</sup> Annual General Meeting of Banco Products (India) Limited will be held on Saturday, the 17<sup>th</sup> day of September, 2016 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 31.03.2016 including Balance Sheet as at 31.03.2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31.03.2016 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 31.03.2016.
3. To appoint a Director in place of Shri Mehul K. Patel (DIN 01772099), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider the ratification of Statutory Auditor.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad, (FRN : 106041W/W100136), as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Chairman of the Company."

**SPECIAL BUSINESS:**

5. To consider 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 01.04.2015.

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 ₹ 3,00,000/- (Rupees Three Lacs 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 2015 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."

6. To consider 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 01.04.2015.

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 ₹ 3,00,000/- (Rupees Three Lacs 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 1st April 2015 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."

7. To consider 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 01.04.2015.

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 ₹ 1,00,000/- (Rupees One Lacs 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 1st April 2015 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."

8. To consider 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 01.04.2015.

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 ₹ 1,00,000/- (Rupees One Lacs 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 1st April 2015 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."

9. To consider to approve appointment of and remuneration to Shri Subhasis Dey (DIN: 07306884) as a Managing Director for the Period from 6th November, 2015 to 30th April, 2016.

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

"RESOLVED THAT the approval, be and is, hereby accorded to the appointment of Mr. Subhasis Dey (DIN: 07306884) as a Managing Director of the Company for the period from 6th November, 2015 to 30th April, 2016 pursuant to Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013, and rules framed thereunder at a remuneration, other perquisites and on such other terms and conditions as set out in the Agreement, entered into by the Company with Mr. Subhasis Dey as recommended by Nomination and Remuneration Committee and approved by the Board of Directors at their respective meeting held on 6th November, 2015 with liberty to alter and/or vary the terms and conditions of the reappointment, including the terms of his remuneration, which shall not exceed the limits specified in Section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactment thereof, as may be agreed to between the Board of Directors and Mr. Subhasis Dey."

**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 authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business enumerated under Item Nos. 5 to 9 of the accompanying Notice are annexed hereto.
4. The profile of the Director seeking reappointment under Item No. 3 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 will remain closed from 06.09.2016 to 17.09.2016 (both days inclusive).
7. The final dividend on Equity Shares, as recommended by the Board of Directors for the financial year ended 31.03.2016, if approved at the Annual General Meeting will be paid on or after 05.10.2016 :
  - 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 05.09.2016; 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 05.09.2016.
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](mailto:investor@bancoindia.com) mentioning your Folio/DP ID & Client ID. Members may also note that the Annual Report for the financial year ended on 31.03.2016 will also be available on the Company's website [www.bancoindia.com](http://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, 1<sup>st</sup> 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 08.08.2015 (date of the last Annual General Meeting) on the website of the Company ([www.bancoindia.com](http://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](mailto: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 55<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 his/her 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 55<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 Wednesday, 14.09.2016 (9:00 a.m.) and ends on Friday, 16.09.2016 (5:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off i.e. Saturday, 10.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 05:00 p.m. on 16.09.2016.
- (ii) Members holding shares in physical or in demat form as on 10.09.2016 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 10.09.2016, 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 this 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 this 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).

### EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

#### Item No. 5 to 8

The Board of Directors, in its meeting held on 06.11.2015, in terms of the recommendation of Nomination and Remuneration Committee Meeting held on 06.11.2015, have approved 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 2015, 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 2015 as set out in the Resolution at Item No.5 - 8 of the Notice.

The Board recommends the special resolution set out under Item No.5 - 8 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. 5 - 8 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.5 - 8 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	Amount of Commission not exceeding ₹ per annum	Period	No of Shares held	Inter se-Relationship, if any.
5	Shri Ramkisan Devidayal	₹ 3,00,000/-	5 years	5,86,034 (0.82%)	No Inter se-relationship
6	Shri Mukesh Patel	₹ 3,00,000/-	5 years	-	No Inter se-relationship
7	Shri Devesh Pathak	₹ 1,00,000/-	5 years	-	No Inter se-relationship
8	Shri Udayan Patel	₹ 1,00,000/-	5 years	-	No Inter se-relationship

#### Item No. 9

The Board of Directors at its meeting held on 6th November, 2015 initially approved the appointment of Mr. Subhasis Dey as a Managing Director with effect from 6th November, 2015 for a period of three years, in accordance with provisions of Section 196, 197 & 203 read with Schedule V of the Companies Act, 2013, as recommended by Nomination & Remuneration Committee. Subsequently, Mr. Subhasis Dey (DIN: 07306884) resigned from the position of Managing Director on 30th April, 2016.

The total remuneration paid to Mr. Subhasis Dey as Managing Director during his tenure was Rs. 35.12 lacs.

The agreement relating to appointment of and remuneration paid to Mr. Subhasis Dey as a Managing Director will be available for inspection at Registered Office during 3.00 p.m. to 5.00 p.m. on every working days except Sundays, Saturdays and holidays till the date of Annual General Meeting.

The Board recommends the Ordinary Resolution as set out under Item no. 9 of the notice for approval by shareholders.

Memorandum of interest: Except, Mr. Subhasis Dey himself (who has already resigned), no other Director/ Key Managerial Personnel or their relatives shall be deemed to be financially or otherwise interested or concerned in the aforesaid resolution.

#### Registered Office:

#### **BANCO PRODUCTS (INDIA) LIMITED**

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

CIN : L51100GJ1961PLC001039

Tel Nos.: (0265) 2680220/21/22, 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)

Date : 01.08.2016

Place : Bil

By Order of the Board,

Mr. Mehul K. Patel - Chairman  
(DIN : 01772099)

### ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding appointment / reappointment of Directors.

Name of the Director	Shri Mehul K. Patel
Date of Birth	29.10.1964
Date of Appointment on the Board	08.02.1990
Specialized Expertise / Brief Profile	Shri Mehul K. Patel is one of the Promoter Director of the Company. He is in charge of marketing activities of the Company since more than 20 years. The Company has established itself in Domestic and Export markets under his able leadership and guidance. He has expertise in the working of various areas of Business Management.
Qualifications	M.Sc (Engineering)
Directorships in other Companies as on 31.03.2016	Banco Aluminum Limited Banco Gaskets (India) Limited KK Patel Foundation Banco Foundation Nederlandse Radiaturen Fabriek B.V Lake Minerals (Mauritius) Limited
Chairman / Member of other Committees of Companies as on 31.03.2016	Banco Products (India) Limited Audit Committee – Member Corporate Social Responsibility Committee – Chairman
Shareholding of Director as on 31.03.2016	56,15,382 Equity Shares
Relationship between Directors inter-se	Relative of Shri Samir K. Patel

## BOARD'S REPORT

To,  
The Members of  
Banco Products (India) Limited

Your Directors have the pleasure in presenting the 55<sup>th</sup> Annual Report together with the Audited Financial Statements of Banco Products (India) Limited ("the Company") and its subsidiaries for the financial year ended on 31.03.2016.

### 1. OVERVIEW OF THE COMPANY :

Banco Products (India) Limited has delivered solid sales growth by virtue of executing a sound business strategy. It continues to deliver strong delivery performance in all business segments, especially to various esteemed Original Equipment Clients, by designing, developing and supplying various complex Engine cooling modules, Radiators, Charged Air Coolers and Oil Coolers. By virtue of its excellent product development capability and track-record, the Company has become a preferred supplier to many prestigious Original Equipment Manufacturers who have a global standing. The Company has undertaken many initiatives to create significant value to its customers as well as to other stakeholders. The Company has continued to strengthen its market position by adding more OEM customers in sectors like on-highway and off-highway segments, power generation, farm equipment and construction machinery. In spite of turbulence in global economies and currency markets, the Company has succeeded in improving earnings by prudent management initiatives.

### 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 31.03.2016	Year ended on 31.03.2015	Year ended on 31.03.2016	Year ended on 31.03.2015
<b>Total Turnover</b>	<b>484</b>	<b>410</b>	<b>1,188</b>	<b>1,112</b>
<b>Profit Before Taxation</b>	<b>103</b>	<b>54</b>	<b>119</b>	<b>113</b>
Less:				
Provision for taxation	22	11	35	27
Deferred Tax Liability	(1)	1	(6)	(2)
<b>Profit After Tax</b>	<b>82</b>	<b>42</b>	<b>90</b>	<b>88</b>
Add :				
Balance brought forward from Previous Year	267	255	374	316
<b>Profit available for Appropriation</b>	<b>349</b>	<b>297</b>	<b>464</b>	<b>404</b>
Appropriations:				
- Transfer to General Reserve	7	7	7	7
- Interim Dividend Paid	4	4	4	4
- Tax Paid on Interim Dividend	-	-	-	-
- Proposed Final Dividend	29	18	29	18
- Provision For Tax on Proposed Final Dividend	6	1	6	1
- Provision write back	(1)	-	(1)	-
<b>Balance Carried to Balance Sheet</b>	<b>304</b>	<b>267</b>	<b>419</b>	<b>374</b>

### 3. DIVIDEND :

Your Directors had declared and paid Interim Dividend during the year at 30% i.e. ₹ 0.60 per equity share of ₹ 2.00 each absorbing ₹ 4.29 crores as dividend and ₹ Nil as Tax on Dividend (as per applicable provision

under Section 115BBD of Income Tax Act) and have recommended final dividend at 200% i.e. ₹ 4/- per equity share of ₹ 2.00 each absorbing ₹ 28.61 crores as dividend and provision of ₹ 5.82 crore as Tax on Dividend for the financial year ended on 31.03.2016 as compared to ₹ 3.00 per equity share (150%) during previous year.

The total dividend for the financial year ended 31<sup>st</sup> March, 2016 would accordingly be ₹ 4.60 per equity share of ₹ 2.00 each i.e. 230%.

#### 4. RESERVE :

The Company has transferred ₹ 7/- crores to reserves.

#### 5. OPERATIONS AND STATE OF AFFAIRS :

The Company has sound manufacturing facilities which have been further upgraded to manufacture complex cooling modules with higher quality standards. Furthermore, new Research and Development building extension together with investment in equipment, software for development of advanced future engine cooling products will strengthen Company's capabilities to take on global supply projects for international OEMs and other automotive customers and further widen scope of customer base.

During the year, the Sales and Profit stood at:

Particulars	(₹ In Crores)	
	Year ended on 31.03.2016	Year ended on 31.03.2015
Sales (Net)	484	410
Profit after Tax (PAT)	82	42

#### DOMESTIC SALES :

During the period under review, the Company's Domestic sales stood at ₹ 338 crores as against ₹ 279 crores in the previous year.

#### EXPORT SALES :

During the period under review, the Company's Export sales stood at ₹ 146 crores as against ₹ 131 crores in the previous year.

Overall sales mix remains as Domestic 70% (previous year 68%) and Export 30% (previous year 32%).

#### 6. MANAGEMENT'S 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". Certain statements in this said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook. The important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors.

#### 7. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31<sup>st</sup> March, 2016 and of the profit and loss of the Company for that period;
- 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.

#### **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

During the year Shri Kiran Kumar Shetty resigned as Whole time Director of your Company with effect from 16.01.2016 and Shri Deepkumar Vaghela resigned as Company Secretary and Compliance Officer with effect from 07.10.2015. Further, Shri Subhasis Dey was appointed as Additional and Managing Director of the Company with effect from 06.11.2015 for a period of 3 years and Shri Sagar Pandya was appointed as Company Secretary and Compliance Officer with effect from 06.11.2015 on the recommendation of the Nomination & Remuneration Committee.

Shri Subhasis Dey has resigned as Managing Director w.e.f. 30.04.2016

The Board expresses its appreciation for the contribution and services rendered by Shri Kiran Kumar Shetty and Shri Subhasis Dey the Directors, during their tenure.

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.

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

#### **8.1 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.

#### **8.2 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.

#### **8.3 DISCLOSURE OF REMUNERATION PAID TO DIRECTORS :**

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

#### **9. NUMBER OF BOARD MEETINGS :**

The details of five Board Meetings held during the financial year 2015 – 2016 are provided in the Report on Corporate Governance and forms part of this report.

#### **10. 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.

#### **11. RELATED PARTY TRANSACTIONS :**

All transactions entered into with the Related Parties as defined under the Act and LODR during the financial year ended on 31.03.2016 were in the ordinary course of business and on basis of arms length basis and hence 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 in ordinary course of business and on arms length basis.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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

Disclosure of Related Party Transactions are available in Note No.32 to the Financial Statement.

## **12. 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 these 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 [www.bancoindia.com/pdf/Vigil\\_Mechanism.pdf](http://www.bancoindia.com/pdf/Vigil_Mechanism.pdf).

## **13. 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.

## **14. 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.

## **15. 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.

**16. 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.

**17. 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 as per Annexure "G" to this Report.

The information required under Section 197(12) of the Act, and Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of various employees of the Company, forms part of this report as per Annexure "H".

**18. EXTRACT OF ANNUAL RETURN :**

Pursuant to Section 92(3) of the Act, and Rule 12(1) of The Companies (Management and Administration) Rules, 2014, extract of Annual Return as per Annexure "D" to this Report.

**19. PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN AND INVESTMENTS MADE BY THE COMPANY :**

The details pursuant to Section 186 of the Act, regarding loans given, guarantees and investments made by the Company are given in the the Financial Statement.

**20. AUDITORS :**

**20.1 STATUTORY AUDITORS :**

The Shareholders have approved the appointment of M/s. Manubhai & Shah, Chartered Accountants, Ahmedabad as Statutory Auditor. The Company has received an intimation from the aforesaid firm about its conversion into LLP under name & style of M/s. Manubhai & Shah LLP, during the year.

The proposal for ratification of appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad is included in the Notice of Annual General Meeting. They have confirmed their eligibility under section 141 of the Act, by furnishing requisite certificate as well as consent and the Rules framed thereunder for ratification as Auditor of the Company.

**20.2 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.

**20.3 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., Practising Company Secretaries, Vadodara as Secretarial Auditor of the Company. The Secretarial Audit Report is annexed herewith as per Annexure "E" to this Report. The report is self-explanatory. The requisite explanation is provided in Report on Corporate Governance under the heading of Dematerialization of Shares as on 31.03.2016.

**21. SUBSIDIARY COMPANIES :**

**21.1 NEDERLANDSE RADIATEUREN FABRIEK B.V - NETHERLANDS :**

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

**21.2 LAKE MINERAL (MAURITIUS) LIMITED – MAURITIUS :**

A Wholly Owned Subsidiary viz. Lake Mineral (Mauritius) Limited was incorporated during the year ended on 31.03.2012 and is in operation.

### 21.3 BANCO GASKETS (INDIA) LIMITED – VADODARA :

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

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

The determination of Material Subsidiary is in compliance with LODR.

### 22. SHARE CAPITAL :

As on 31<sup>st</sup> March, 2016, 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 2015 – 2016 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 relation 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 organisation'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/pdf/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 Company's operation in future during the year under review.

**36. 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 :01.08.2016**

**Place: Bil**

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

## ANNEXURE TO BOARD'S REPORT ANNEXURE "A" MANAGEMENT'S DISCUSSION AND ANALYSIS

### INTRODUCTION:

Banco Products (India) Limited is a leading supplier to Indian Automotive and Industrial Original Equipment Manufacturers for more than five decades. We design, develop and manufacture Engine Cooling Modules and Individual Cooling Products for a wide range of user industries. These products are considered very critical for Internal Combustion Engines, mainly for Automobiles, Commercial Vehicles, Agricultural, Power Generation, Rail, Earth Moving and Industrial applications. Sales and after market services are also important to our business and making available top quality reliable Radiators and Charged Air Coolers to the repair trade. We continue to invest to serve all market segments. Brand "Banco" is amongst the most well known and recognized across India!

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is largely dependent on Automobile and Industrial Equipment Industry in India, which was passing rough patch of stagnant sales and increased competition from new vehicle producers. However, in the second half of the financial year, there has been a steady improvement in demand from these sectors. Strong research and development activities, ability to design and manufacture compact cooling modules for vehicles meeting BS 4 and higher emission standards have been instrumental to acquire larger share of business from existing customer base and also from new customers.

### OPERATIONS:

The factories are equipped with state-of-the-art SPM production equipment from Europe, USA with a capability to manufacture both high and low volume products at short notice and deliver on timely basis for the automotive industry.

The manufacturing facilities are on constant upgrade, coupled with continuous skills up gradation and training being imparted to employees. This has been recognized by all large or small OEM customers during their stringent process audits.

Research and Development facilities have been further upgraded with additional further facility expansion to enable the Company to take on more complex and challenging projects with the objective to develop cooling modules enabling our clients to manufacture engines, vehicles which meet future emission and fuel efficiency standards to stay competitive.

### STRENGTHS:

After more than fifty years of experience in our business, the BANCO brand is the most respected product brand in the aftermarket.

The Company has proven reputation of being a reliable partner supplier to develop critical and reliable cooling solutions for diverse OEM customers in almost all sectors as one stop solution provider unmatched by competition.

- Continuous Research and Development, adoption of new technology and processes, customer service, innovation and quick product development.
- Adoption of sound financial disciplined processes.
- Strong vertically integrated company.

### WEAKNESS :

- Any downward trend in Industrial activity or Automotive Sector directly affects the performance.
- Competition from global competitors is intensifying.
- Volatility in Metal prices and fluctuation in Foreign Exchange.

### OPPORTUNITIES :

- Developing business with OEM customers globally to whose affiliates we already supply in India.
- Further improvement of market share in domestic aftermarket business segment.
- Company has significant increased in OEM customer count and product approvals which should benefit when overall economy and demand picks up.

**THREATS :**

- Increase metal prices and depreciation of Indian Rupee.
- The rate of local inflation in the country irrespective of upward or downward state of economy.
- Cost of energy and services is on constant increase.

**TECHNOLOGY :**

Banco has consistently strived to improve its process technology and skills in its manpower. Timely and prudent investments has yielded benefits and will continue to do so in future.

Planned development programs to bring in new products which are usually meeting customer expectations ahead of time.

**INTERNAL CONTROL AND ITS ADEQUACY :**

The Company has successfully obtained renewal of TS-16949 certification and now started Lean 6-sigma implementation. Software for inter and intra department communication and follow up has been upgraded.

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

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

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

In line with well accepted practices and objectives, the planning and internal audit 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 upon 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

₹ in lacs

Sales	2015-2016	2014-2015
Within India	33,767	27,935
Outside India	14,593	13,102

**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:**

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	Current Year 2015 - 16	Previous Year 2014 - 15
Net Profit to Sales (PBT) (%)	21	13
Earnings Per Share (EPS) (₹)	11	6
Cash earnings per Share (₹)	14	8
Return on Net worth (PAT) (%)	18	10
Dividend Payout Ratio (Including Dividend Tax) (%)	47	55
Retained Earnings (₹ in crores)	43	19
Retained Earnings (%)	53	45

**HUMAN RESOURCES:**

The industrial relations in all the units of the Company during the financial year 2015/16 were peaceful and harmonious. Over the years, employees have been the backbone of harmonious industrial relations of the Company and there were 545 people employed in the Company as on 31.03.2016.

Special emphasis is given to team building and positive work culture besides training employees to understand the trends of fast changing technology for achieving higher efficiency levels in production, quality and customer satisfaction.

There is a systematic identification of training needs. Supervisory Development Programs on Productivity, Safety, Cost Control, Communications and Human Relations are being carried out besides the Company's Management Development Programme which have been planned with the help of outside faculty to get exposure of latest trends.

**FUTURE STRATEGY:**

Faster development of new products, very high quality and customer-satisfaction are the focus area. The Company has been developing new markets both in India and abroad, substantially broad basing export sales, penetrating existing markets and launching new products and canvassing "BANCO" brand to every corner of the country. In addition, there will be extreme focus on achieving greater efficiency through cost reduction initiatives and better Supply Chain Management.

**CAUTIONARY STATEMENT:**

Certain statement made in this report, are forward looking 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 to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

By the order of the Board,

Date :01.08.2016

Place: Bil

Mehul K. Patel - Chairman  
(DIN : 01772099)

## 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 ₹ 6,390.64 lacs.

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

The Company is required to spend ₹ 127.81 lacs for the financial year ended on 31.03.2016.

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year: ₹ 127.81 lacs.  
 (b) Amount unspent: ₹ 87.73 lacs .  
 (c) Manner in which the amount spent during the financial year is detailed below.

(₹ In Lacs)

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 *
1	Preventive Health Care, Education, Environment sustainability	**	**	₹ 127.81 Lacs	₹ 40.08 Lacs	₹ 40.08 Lacs	Through Implementing Agency

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

\*\* Not applicable since contribution made to the corpus of the Trust.

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 the appropriate projects to meet its CSR obligations.

The project being long term in nature, would require more time. The unspent amount is proposed to be carried to next year in terms of MCA General Circular No.01/2016 dated. 12.01.2016.

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 :01.08.2016

Place: Bil

Mehul K. Patel – Chairman  
(DIN : 01772099)

### 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 conversation 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 :
  - LED fixtures for office building.
  - Low Bay Induction lights at CAC section installed.
  - Low Bay Induction lights at SEZ installed.
- (ii) The steps taken by the Company for utilizing alternate sources of energy are as under :
  - Solar Power Plant installed at Lucknow.
  - Solar Power Plant installed at Zaheerabad.
- (iii) The Capital Investment on energy conversation equipments during the financial year 2015-16 is ₹ 2.67 lacs.

##### B. TECHNOLOGY ABSORPTION :

###### Research and Development :

- (i) The efforts made towards technology absorption during the period under review are :
  - To enhance the engine life by developing radiators, oil coolers and intercoolers to give higher heat transfer efficiency.
  - To enhance fuel efficiency and conserve fossil fuels by developing lightweight radiators by switching over to lower mass materials.
  - To develop compact coolers to reducing space available under bonnet in future vehicles.
  - To develop new materials with suppliers to improve product life to address long term corrosion challenges.



- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution :
- Because of the Research and Development activities, the Company could new processes and products which enhance the product life.
  - Company could develop products to substitute coolers earlier imported by OEMs at lower cost.
  - Company could develop products meeting with the international standards thereby increasing exports to earn foreign exchange.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) are :

Details of Technology Imported	Year of Import	Whether the technology 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 Lacs)

Expenditure on R&D	2015-2016	2014-2015
1. Capital	213.53	59.02
2. Recurring	450.59	372.50
3. <b>Total</b>	<b>664.12</b>	<b>431.52</b>
4. Percentage of R&D Expenditure to Total Turnover	1.37%	1.05%

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

(₹ in Lacs)

	2015-2016	2014-2015
1. Foreign Exchange earned in terms of Actual Inflows	16,552.48	15,630.36
2. Foreign Exchange outgo in terms of Actual Outflows	13,225.79	11,058.65

**By the order of the Board,**

**Date :01.08.2016**  
**Place: Bil**

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



**ANNEXURE “D”**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND 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) 2680220 / 21 / 22 / 23  
 Fax : (0265) 2680433  
 Email id : [investor@bancoindia.com](mailto:investor@bancoindia.com)  
 Website : [www.bancoindia.com](http://www.bancoindia.com)
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and 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](mailto: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	79%
2	Copper Brass Radiator	374.8	21%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Nederlandse Radiateurs 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)
3	Lake Minerals (Mauritius) Ltd Address: Suite G 12, St. James Court, St. Denis Street, Port Louis, Mauritius	-	Subsidiary	100%	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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	17,555,215	517,548	18,072,763	25.27	18,072,763	-	18,072,763	25.27	-
(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)									
Persons Acting In Concert	3,567,269	-	3,567,269	4.99	3,567,269	-	3,567,269	4.99	-
<b>Sub Total (A)(1)</b>	<b>21,122,484</b>	<b>517,548</b>	<b>21,640,032</b>	<b>30.26</b>	<b>21,640,032</b>	<b>-</b>	<b>21,640,032</b>	<b>30.26</b>	<b>-</b>
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Government	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)									
Bodies Corporate	-	26,909,960	26,909,960	37.63	-	26,909,960	26,909,960	37.63	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>26,909,960</b>	<b>26,909,960</b>	<b>37.63</b>	<b>-</b>	<b>26,909,960</b>	<b>26,909,960</b>	<b>37.63</b>	<b>-</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>21,122,484</b>	<b>27,427,508</b>	<b>48,549,992</b>	<b>67.88</b>	<b>21,640,032</b>	<b>26,909,960</b>	<b>48,549,992</b>	<b>67.88</b>	<b>-</b>
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	3,500,913	-	3,500,913	4.90	3,489,962	-	3,489,962	4.88	(0.02)
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e) Foreign Portfolio Investor	324,647	-	324,647	0.45	18,559	-	18,559	0.03	(0.43)
(f) Financial Institutions / Banks	34,257	2,000	36,257	0.05	16,679	2,000	18,679	0.03	(0.02)
(g) Insurance Companies	-	-	-	-	-	-	-	-	-
(h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i) Any Other (Specify)									
<b>Sub Total (B)(1)</b>	<b>3,859,817</b>	<b>2,000</b>	<b>3,861,817</b>	<b>5.40</b>	<b>3,525,200</b>	<b>2,000</b>	<b>3,527,200</b>	<b>4.93</b>	<b>(0.47)</b>
[2] Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	9,014,137	888,506	9,902,643	13.85	9,293,514	815,456	10,108,970	14.13	0.29

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,806,029	63,550	1,869,579	2.61	1,262,737	63,550	1,326,287	1.85	(0.76)
(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c) Employee Trusts	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)									
Trusts	1,000	-	1,000	0.00	800	-	800	0.00	-
Foreign Nationals	3,600	-	3,600	0.01	3,600	-	3,600	0.01	-
Hindu Undivided Family	-	-	-	-	672,135	-	672,135	0.94	0.94
Foreign Companies	881,361	900,600	1,781,961	2.49	581,361	900,600	1,481,961	2.07	(0.42)
Non Resident Indians (Non Repat)	951,554	994,480	1,946,034	2.72	952,788	994,480	1,947,268	2.72	0.00
Other Directors	586,034	-	586,034	0.82	586,034	-	586,034	0.82	-
Non Resident Indians (Repat)	928,748	476,050	1,404,798	1.96	944,521	436,750	1,381,271	1.93	(0.03)
Clearing Member	114,391	-	114,391	0.16	137,820	-	137,820	0.19	0.03
Bodies Corporate	1,494,101	2,700	1,496,801	2.09	1,792,612	2,700	1,795,312	2.51	0.42
<b>Sub Total (B)(3)</b>	<b>15,780,955</b>	<b>3,325,886</b>	<b>19,106,841</b>	<b>26.72</b>	<b>16,227,922</b>	<b>3,213,536</b>	<b>19,441,458</b>	<b>27.18</b>	<b>0.47</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>19,640,772</b>	<b>3,327,886</b>	<b>22,968,658</b>	<b>32.12</b>	<b>19,753,122</b>	<b>3,215,536</b>	<b>22,968,658</b>	<b>32.12</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>40,763,256</b>	<b>30,755,394</b>	<b>71,518,650</b>	<b>100.00</b>	<b>41,393,154</b>	<b>30,125,496</b>	<b>71,518,650</b>	<b>100.00</b>	<b>-</b>
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
<b>Total (A)+(B)+(C)</b>	<b>40,763,256</b>	<b>30,755,394</b>	<b>71,518,650</b>	<b>100.00</b>	<b>41,393,154</b>	<b>30,125,496</b>	<b>71,518,650</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vimal K. Patel	5,572,836	7.79	-	5,572,836	7.79	-	-
2	Samir K. Patel	5,016,997	7.01	-	5,016,997	7.01	-	-
3	Mehul K. Patel	5,615,382	7.85	-	5,615,382	7.85	-	-
4	Hasumati K. Patel	1,867,548	2.62	-	1,867,548	2.62	-	-
5	Overseas Pearl Ltd	26,909,960	37.63	-	26,909,960	37.63	-	-
6	Pritty V. Patel	1,182,085	1.65	-	1,182,085	1.65	-	-
7	Monal S. Patel	1,182,806	1.65	-	1,182,806	1.65	-	-
8	Gayatri M. Patel	1,202,378	1.68	-	1,202,378	1.68	-	-
	<b>Total</b>	<b>48,549,992</b>	<b>67.88</b>	<b>-</b>	<b>48,549,992</b>	<b>67.88</b>	<b>-</b>	<b>-</b>

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sl. No.		Shareholding at the beginning of the year		Share holding 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) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)*

Sl. No.	For each of the Top 10 Shareholders	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	1421978	1.9883			1421978	1.9883
	Transfer			08 May 2015	25081	1447059	2.0233
	Transfer			15 May 2015	44919	1491978	2.0861
	Transfer			22 May 2015	2227	1494205	2.0893
	Transfer			29 May 2015	16389	1510594	2.1122
	Transfer			28 Aug 2015	20440	1531034	2.1407
	Transfer			04 Sep 2015	800	1531834	2.1419
	Transfer			22 Jan 2016	20701	1552535	2.1708
	Transfer			29 Jan 2016	4299	1556834	2.1768
	Transfer			05 Feb 2016	50000	1606834	2.2467
	Transfer			19 Feb 2016	125000	1731834	2.4215
	AT THE END OF THE YEAR					1731834	2.4215
2	BHARTIBALA RAMESH CHANDRA PATEL	990000	1.3843			990000	1.3843
	AT THE END OF THE YEAR					990000	1.3843
3	PALATE STAR INVESTMENTS LTD.	900000	1.2584			900000	1.2584
	AT THE END OF THE YEAR					900000	1.2584
4	HDFC SMALL & MIDCAP FUND	877000	1.2263			877000	1.2263
	AT THE END OF THE YEAR					877000	1.2263
5	RAMKISAN DEVIDAYAL	586034	0.8194			586034	0.8194
	AT THE END OF THE YEAR					586034	0.8194
6	JAPAN METAL GASKET COMPANY LIMITED	881361	1.2324			881361	1.2324
	Transfer			23 Oct 2015	(50000)	831361	1.1624
	Transfer			04 Dec 2015	(50000)	781361	1.0925
	Transfer			11 Dec 2015	(100000)	681361	0.9527
	Transfer			08 Jan 2016	(100000)	581361	0.8129
	AT THE END OF THE YEAR					581361	0.8129
7	BANCO PRODUCTS (INDIA) LTD- UNCLAIMED SUSPENSE ACCOUNT	537640	0.7517			537640	0.7517
	AT THE END OF THE YEAR					537640	0.7517

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year - 01.04.2015		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2016	
		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
8	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE PURE VALUE FUND	826634	1.1558			826634	1.1558
	Transfer			29 May 2015	(29700)	796934	1.1143
	Transfer			05 Jun 2015	(5000)	791934	1.1073
	Transfer			12 Jun 2015	(30000)	761934	1.0654
	Transfer			19 Jun 2015	(1400)	760534	1.0634
	Transfer			26 Jun 2015	(13850)	746684	1.0440
	Transfer			30 Jun 2015	(2700)	743984	1.0403
	Transfer			10 Jul 2015	(20800)	723184	1.0112
	Transfer			17 Jul 2015	(94600)	628584	0.8789
	Transfer			24 Jul 2015	(17700)	610884	0.8542
	Transfer			31 Jul 2015	(19743)	591141	0.8266
	Transfer			09 Oct 2015	(13600)	577541	0.8075
	Transfer			13 Nov 2015	(18900)	558641	0.7811
	Transfer			20 Nov 2015	(11000)	547641	0.7657
	Transfer			27 Nov 2015	(28940)	518701	0.7253
	AT THE END OF THE YEAR					518701	0.7253
9	ASHIT CHANDUBHAI PATEL	418740	0.5855			418740	0.5855
	AT THE END OF THE YEAR					418740	0.5855
10	LALITABEN CHANDUBHAI PATEL	418740	0.5855			418740	0.5855
	AT THE END OF THE YEAR					418740	0.5855
11	SANJIV VINUBHAI PATEL	450000	0.6292			450000	0.6292
	Transfer			21 Aug 2015	(3500)	446500	0.6243
	Transfer			28 Aug 2015	(9500)	437000	0.6110
	Transfer			04 Sep 2015	(6000)	431000	0.6026
	Transfer			11 Sep 2015	(9500)	421500	0.5894
	Transfer			18 Sep 2015	(4120)	417380	0.5836
	Transfer			25 Sep 2015	390480	807860	1.1296
	Transfer			30 Sep 2015	(411968)	395892	0.5536
	Transfer			09 Oct 2015	(24805)	371087	0.5189
	Transfer			16 Oct 2015	(18734)	352353	0.4927
	Transfer			23 Oct 2015	(16173)	336180	0.4701
	Transfer			30 Oct 2015	(9856)	326324	0.4563
	Transfer			06 Nov 2015	(18983)	307341	0.4297
	Transfer			13 Nov 2015	(3635)	303706	0.4247
	Transfer			20 Nov 2015	(8593)	295113	0.4126
	Transfer			04 Dec 2015	(3200)	291913	0.4082
	AT THE END OF THE YEAR					291913	0.4082

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 7,15,18,650 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) Shareholding of Directors & Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Mehul K. Patel	5,615,382	7.85	5,615,382	7.85
2	Shri Samir K. Patel	5,016,997	7.01	5,016,997	7.01
3	Shri Ramkisan Devidayal	586,034	0.82	586,034	0.82
4	Shri Mukesh D. Patel	-	-	-	-
5	Shri Devesh A. Pathak	-	-	-	-
6	Shri Udayan P. Patel	-	-	-	-
7	Shri Kiran Kumar Shetty *	-	-	-	-
8	Shri Subhasis Dey **	-	-	-	-
9	Ms. Himal H. Patel	-	-	-	-
10	Shri Deep Vaghela ***	-	-	-	-
11	Shri Sagar Pandya ****	-	-	-	-

\* upto 16.01.2016

\*\* wef 06.11.2015 and upto 30.04.2016

\*\*\* upto 07.10.2015

\*\*\*\* wef 06.11.2015

**V INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment****(₹ In Lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,302.13	Nil	Nil	2,302.13
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	12.87	Nil	Nil	12.87
<b>Total (i+ii+iii)</b>	<b>2,315.00</b>	<b>Nil</b>	<b>Nil</b>	<b>2,315.00</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	Nil	Nil	Nil	Nil
Reduction	(2,108.18)	Nil	Nil	(2,108.18)
<b>Net Change</b>	<b>(2,108.18)</b>	<b>Nil</b>	<b>Nil</b>	<b>(2,108.18)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	193.95	Nil	Nil	193.95
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>193.95</b>	<b>Nil</b>	<b>Nil</b>	<b>193.95</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:****(₹ In Lacs)**

Sl. No.	Particulars of Remuneration	Himali Patel - (Whole time Director and CFO)	Kiran Shetty - Executive Director (Upto 16.01.2016)	Subhasis Dey - Managing Director (W.e.f. 06.11.2015)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	11.54	49.87	34.24	95.65
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.12	0.42	0.88	1.42
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission				
	as % of profit	Nil	Nil	Nil	Nil
	others (specify)	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	11.66	50.29	35.12	97.07
	Ceiling as per the Act		1045.70		

**B. Remuneration to other directors:****(₹ In Lacs)**

Sl. No.	Particulars of Remuneration	Ramkisan Devidayal	Mukesh Patel	Devesh Pathak	Udayan Patel	Total Amount
1	Independent Directors					
	(a) Fee for attending board committee meetings	1.80	2.30	2.30	2.30	8.70
	(b) Commission	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	1.80	2.30	2.30	2.30	8.70
2	Other Non Executive Directors					
	(a) Fee for attending "board committee meetings"	Nil	Nil	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify.	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	1.80	2.30	2.30	2.30	8.70



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT****(₹ In Lacs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Deep Waghela - Company Secretary (Upto 07.10.2015)	Sagar Pandya - Company Secretary (w.e.f 06.11.2015)	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1.32	1.84	3.15
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.03	0.03
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil
	-others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	1.32	1.87	3.19

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

Sl. No.	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 :01.08.2016

Place: Bil

Mehul K. Patel – Chairman  
(DIN : 01772099)

## ANNEXURE “E” SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March, 2016)

[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 **Banco Products (India) Ltd.** 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, 2016, 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, 2016, 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 and Overseas Direct Investment and External Commercial Borrowings.
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, 1992;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable to the Company during the Audit Period;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable to the Company during the Audit Period; and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;

6. Further, as per representation of management letter, considering its products, process and location, following laws are specifically applicable to the Company.
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.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Limited and 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. The requirement of 100% share holding of the promoters in demat form is in process.

**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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**Place: Vadodara  
Date: 7<sup>th</sup> July, 2016**

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

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: 7<sup>th</sup> July, 2016

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

**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 Lacs

Sr. No.	Name of Subsidiary Company	Reporting Period ended on	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment s (except investment s 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 Radioteleuren Fabriek BV (NRF)	31st March 2016	86	28,578	39,008	9,345	-	42,052	1,647	190	1,457	909.00	100%	23.02.2010
1.1	NRF Thermal Engineering BV	31st March 2016	12	269	734	453	-	7,957	1	0	1	-	100%	
1.2	NRF France SARL	31st March 2016	141	1,104	3,332	2,108	-	9,193	(62)	(33)	(8)	-	100%	
1.3	NRF (United Kingdom) LTD.	31st March 2016	1,361	(187)	2,612	1,439	-	3,449	(524)	(13)	(511)	-	100%	
1.4	NRF Handels GMBH	31st March 2016	28	(150)	177	259	-	-	(19)	(4)	(16)	-	100%	
1.5	NRF Deutschland GMBH	31st March 2016	77	222	1,949	1,649	-	9,411	(222)	(11)	(212)	-	100%	
1.6	NRF Espana S.A.	31st March 2016	2,549	664	4,182	959	-	9,409	(135)	(36)	(99)	-	100%	
1.7	NRF Poland Sp z o.o	31st March 2016	14	1,077	6,258	5,167	-	11,442	386	92	296	-	100%	
1.8	NRF Italia S.r.l.	31st March 2016	8	685	2,987	2,264	-	5,115	(149)	3	(153)	-	100%	
1.9	NRF Switzerland AG	31st March 2016	46	171	382	164	-	843	(2)	3	(5)	-	100%	
1.10	NRF US Inc.	31st March 2016	21	(78)	370	426	-	1,761	(79)	0	(79)	-	100%	
2	Lake Mineral (Mauritius) Limited	31st March 2016	1,782	915	2,703	7	-	-	(13)	-	(13)	350.68	100%	11.04.2011
2.1	Kilimanjaro Biochem Limited	31st March 2016	1,349	3,010	6,301	1,942	-	4,404	1,090	354	735	-	95%	
3	Banco Gaskets (India) Limited	31st March 2016	3,500	2,465	7,741	1,776	-	11,859	1,303	334	969	-	100%	26.02.2011

Note: 1 Sr. 1.1 to 1.10 are subsidiaries of NRF. (Reporting period of NRF & its subsidiaries has been modified from previous reporting period to current period ended on 31st March 2016.)  
2 Exchange rate used for conversion of figures in Euro (1 to 1.10 of NRF group) Rs. 75.75 Per Euro (31st March 2015, Rs. 68.21 Per Euro)  
3 Exchange rate used for conversion of figures in US\$ (Lake Mineral ( Mauritius) Limited) :- Rs. 66.60 per US\$ (31st March 2015, Rs. 62.90 Per US\$)  
4 Exchange rate used for conversion of figures in Tshs (Kilimanjaro Biochem Limited) :- 0.0297 Rs Per Tshs (31st March 2015, Rs. 0.0330 Per Tshs)  
5 Kilimanjaro Biochem limited is subsidiary of Lake Mineral ( Mauritius) Limited  
6 Banco Gaskets ( India) limited is an Indian Subsidiary using Indian Rupees as functional currency  
7 Names of Subsidiaries which are yet to commence Operations- Not Applicable  
8 Names of Subsidiaries which have been liquidated or sold during the year- Not Applicable  
\* Indicating the highlights of Subsidiary companies

**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 Behalf of the Board,**

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

**Place : Bil  
Date :- 01.08.2016**

## ANNEXURE "G"

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, 2015

- (1) The Percentage Increase in remuneration of each Directors, Chief Financial Officer and Company Secretary during the Financial year 2015-16, The ratio of the remuneration of each Director to the median remuneration of the employee of the company for the Financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr. No.	Name of Director/ KMP	Designation	Remuneration for the Financial year 2015-16 - ₹ Lacs	% increase in Remuneration in the Financial year 2015-16	Ratio of Remuneration of each Directors/ KMP to median remuneration of Employees
1	Kiran K Shetty*	Executive Director	50.29	*	*
2	Himali Patel	Whole Time Director & CFO	11.66	-	4.28
3	Subhasis Dey**	Managing Director	35.12	**	**
4	Deep Vaghela ***	Company Secretary	1.32	***	***
5	Sagar Pandya****	Company Secretary	1.87	****	****

\* Details not given as he was Executive Director for part of the Financial year i.e upto 16.01.2016

\*\* Details not given as he was Managing Director for part of the Financial year i.e from 06.11.2015

\*\*\* Details not given as he was Company Secretary for part of the Financial year i.e upto 07.10.2015

\*\*\*\* Details not given as he was Company Secretary for part of the Financial year i.e from 06.11.2015

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

- (2) # The median remuneration of employees of the company during the Financial year was ₹ 2.72 Lacs PA.
- (3) In the Financial year, there was an increase of 16.74 % in the median remuneration of the employees.
- (4) There was 545 nos of Employees was on roll of the company as on 31.03.2016.
- (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 9.45 % whereas the decrease in the managerial remuneration for the same financial year was 80.66%.
- (6) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and Behalf of the Board,

Place : Bil  
Date :- 01.08.2016

Mehul K. Patel - Chairman  
(DIN : 01772099)

**ANNEXURE “H”**  
**Statement pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(2) and 5(3) of The Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2015**

Particulars		Details											
Sr No	Name	Shailash Thakker	Kiran Kumar Shetty #,*	Vishal P. Dube *	Subhasis Dey @,*	Sumit G. Tandon *	Pamresh L. Patenwadia *	Devendra M. Agrawal *	Mihir G. Shah *	Bharat A. Chemooneeriya *	Sunil D. Kinnige *	Utkarsh S. Thite *	
a)	Designation	Vice President (Accounts, Finance and Taxation)	VP- Operations	Vice President - Marketing (OE)	Managing Director	GM- Marketing Replacement	Dy General Manager - D&D Alubraze	GM- Accounts	GM-Purchase	Sr. GM-HR & Admin.	Dy. GM- Quality (Alubraze)	Dy. GM- Maintenance	
b)	Remuneration received (in Lacs)	121.82	92.54	37.77	35.12	31.37	30.19	26.51	26.40	24.48	20.56	19.37	
c)	Nature of employment, whether contractual or otherwise	On Roll	Contractual / On roll	On roll	Contractual	On roll	On roll	On roll	On roll	On roll	On roll	On roll	
d)	Qualification	B.Com, P.G.D.B.M., I.C.W.A	B Tech.	B.E. Mechanical, DBM	B.E. Electrical	Diploma Mechanical, Diploma Marketing	DME, B.E. Mechanical, M.E. Mechanical	B.Com, C.A.	B.E Mechanical, MBA, CFA, MIS Finance	B.Com, M.L.W.	D.M.E	Diploma Mechanical, D.I.S, MBA in operation and safety	
e)	Experience in years	23	22	12	33	16	22	17	15	25	22	20	
f)	Date of commencement of employment	15-May-06	18-Apr-07	7-Sep-12	6-Nov-15	1-May-14	1-Mar-94	23-Jul-12	10-Apr-06	26-Dec-11	1-Jun-05	9-Dec-02	
g)	Age in years	49	46	43	55	35	48	42	37	51	51	47	
h)	The last employment held by such employee before joining the company	Deepak Nitrite Limited	Tata Toyo Radiations Limited	Texspin Bearing Ltd	Indian Nippon Electronics Limited	NRB Bearing Ltd.	Gordhan Das Diesel Pvt. Ltd.	Cosmo Films Ltd.	Standard Radiators Pvt. Ltd.	Gurnee India Pvt. Ltd.	SM Auto Engg. Pvt. Ltd.	Bhor Indu. Ltd.	
i)	The percentage of equity shares held in the company within the meaning of clause (ii) of sub-rule (2) above	None	None	None	None	None	None	None	None	None	None	None	
j)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or	No	No	No	No	No	No	No	No	No	No	No	

# Shri Kiran Kumar Shetty was Whole Time Director upto 16.01.2016 on contractual basis and from 17.01.2016 onwards on roll of the Company as VP-Operations.

@ For part of the year.

\* The details of other Top ten employees in terms of remuneration drawn

Place : Bil

Date : 01.08.2016

For and behalf of the Board

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 31.03.2016

### 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, 2016, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the Companies in which he / she is a Director. Necessary disclosure regarding the Committee position in other Public Companies as at 31.03.2016 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 Director 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 five times on 25.05.2015, 04.07.2015, 06.08.2015, 06.11.2015 and 29.01.2016. The gap between any two Board Meetings did not exceed 120 days.

#### Composition of Board

Name of Director	Category	No of Board Meeting attended during 2015-2016	Whether attended last A.G.M.	No. of Directorship held in other Indian Public Companies	@ Committee Position	
					Chairman	Member
Shri Mehul K. Patel	Chairman & Promoter (Relative of Shri Samir K. Patel)	4	Yes	2	1	2
Shri Samir K. Patel	Non-Executive & Promoter (Relative of Shri Mehul K. Patel)	2	No	2	-	2
Shri Subhasis Dey*	Managing Director	2	NA	0	0	0
Shri Ramkisan Devidayal	Non-Executive Independent	4	Yes	3	3	4
Shri Mukesh D. Patel	Non-Executive Independent	5	Yes	3	5	3
Shri Devesh Pathak	Non-Executive Independent	5	Yes	1	1	2
Shri Udayan Patel	Non-Executive Independent	5	Yes	-	-	2
Shri Kiran Kumar Shetty **	Executive Director	4	Yes	-	-	-
Ms. Himali Patel	Whole time Director & CFO	5	Yes	-	-	-

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

\* Appointed with effect from 06.11.2015 and resigned w.e.f. 30.04.2016

\*\* Resigned with effect from 16.01.2016

Shareholding of Directors	No. of Shares held as on 31.03.2016
Shri Mehul K. Patel	56,15,382 (7.85%)
Shri Samir K. Patel	50,16,997 (7.01%)
Shri Ramkisan Devidayal	5,86,034 (0.82%)

#### 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. 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 are:

**Powers of the Audit Committee:**

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

**Role of the Audit Committee:**

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible.
- b. Recommendation for appointment, remuneration and terms of appointment of Internal Auditors and Statutory Auditors of the company.
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d. 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 Director's 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. Qualifications in the draft audit report.
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
- g. Approval or any subsequent modification of transactions of the Company with related parties.
- h. Evaluation of internal financial controls and risk management systems.
- i. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- j. 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.
- k. Discussion with internal auditors of any significant findings and follow up there on.
- l. 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.
- m. 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.
- n. Review of the functioning of the Whistle Blower mechanism / Vigil Mechanism.
- o. 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.

- p. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the financial year 2015-2016, four Audit Committee meetings were held on 25.05.2015, 06.08.2015, 06.11.2015 and 29.01.2016. The details of Members' attendance at the meetings of Audit Committee are as under:

Name of the Member	Number of Meetings held in Member's tenure	Meetings Attended
Shri Ramkisan Devidayal	4	3
Shri Mukesh D. Patel	4	4
Shri Devesh A. Pathak	4	4
Shri Udayan P. Patel	4	4
Shri Mehul K. Patel	4	4

#### 5. NOMINATION AND REMUNERATION COMMITTEE :

The Board of Directors has constituted a Nomination and Remuneration Committee, comprising of 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. 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 are:

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

- 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.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- 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. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

##### 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.

**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 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 shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**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 Articles of Association of the Company and the Act, and the rules made thereunder.

**ii. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1 lac 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 2015-2016, two Nomination and Remuneration Committee meetings were held on 04.07.2015 and 06.11.2015. The details of Members' attendance at the meetings of Nomination and Remuneration Committee are as under:

Name of the Member	Number of Meetings held in Member's tenure	Meetings Attended
Shri Ramkisan Devidayal	2	2
Shri Mukesh D. Patel	2	2
Shri Devesh A. Pathak	2	2
Shri Udayan P. Patel	2	2
Shri Mehul K. Patel	2	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 2015-2016 are as under:

Sr. No.	Name of the Directors	Designation	Total Remuneration paid by way of Salary & Perquisites (₹ in Lacs)
1.	Shri Mehul K. Patel	Chairman	Nil
2.	Shri Subhasis Dey (w.e.f 06.11.2015)	Managing Director	35.12
3.	Shri Kiran K. Shetty (up to 16.01.2016)	Executive Director	50.29
4.	Ms. Himali H. Patel	Whole time Director & CFO	11.66

The details of sitting fees paid to Non-Executive Directors during the financial year 2015-2016 are as under:

Sr. No.	Name of the Directors	Designation	Total Sitting Fees paid (₹ in Lacs)
1	Shri Ramkisan Devidayal	Non-Executive Independent Director	1.80
2	Shri Mukesh D. Patel	Non-Executive Independent Director	2.30
3	Shri Devesh A. Pathak	Non-Executive Independent Director	2.30
4	Shri Udayan P. Patel	Non-Executive Independent Director	2.30

#### 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 Mukesh D Patel, Shri Ramkisan Devidayal, Shri Devesh A. Pathak, Shri Udayan P. Patel and Shri Samir K. Patel. Shri Mukesh D. Patel is the Chairman of the Stakeholders Relationship Committee.

The primary objective of the Stakeholders Relationship Committee is to oversee all the matters concerned with the securities and to look into shareholders complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of dividend, dematerialization of shares, etc. The Committee in turns looks after the performance of the Secretarial Department and the working of the Registrar and Transfer Agents and recommends the measure to improve the quality services to the Investors.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act, and LODR.

During the financial year 2015-2016, two Stakeholders Relationship Committee meetings were held on 25.05.2015 and 06.11.2015. The details of Members' attendance at the meetings of Stakeholders Relationship Committee are as under:

Name of the Member	Number of Meetings held in Member's tenure	Meetings Attended
Shri Ramkisan Devidayal	2	1
Shri Mukesh D. Patel	2	2
Shri Devesh A. Pathak	2	2
Shri Udayan P. Patel	2	2
Shri Samir K. Patel	2	1

The Company has appointed Shri Sagar Pandya the Company Secretary as Compliance Officer.

During the period under review, no investor grievances were received. No grievances / complaints are outstanding and no requests for share transfers and / or requests for dematerialization were pending for approval as on 31.03.2016.

## 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 are:

### Role of the Corporate Social Responsibility Committee:

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

During the financial year 2015-2016, one Corporate Social Responsibility Policy meeting was held on 29.01.2016. The details of Members' attendance at the meeting of Corporate Social Responsibility Policy is as under:

Name of the Member	Number of Meetings held in Member's tenure	Meetings Attended
Shri Mehul K. Patel	1	1
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 Calendar year 2016, one Separate Meeting of Independent Directors' was held on 26.05.2016.

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 Member	Number of Meetings held in Member's tenure	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 :**

Date	Time	Place	Special Resolution
21.09.2013	10:00 a.m.	At the Registered Office	No Special Resolution was passed
23.09.2014	10:30 a.m.	At the Registered Office	Special Resolution was passed
08.08.2015	10:00 a.m.	At the Registered Office	No Special Resolution was passed

No Special Resolution passed through Postal Ballot during the year.

**10. DISCLOSURES :**

- a. Related Party Transactions, comprising of contracts or arrangements with the related parties / entities in which the Directors are interested, are entered in the Register of Contracts as per Section 189 of the Act. None of the transactions with any of the related parties were in conflict with the interest of the Company as per requirements of Accounting Standard 18, they have been disclosed in notes to accounts annexed to the financial statements.
- b. None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.
- c. 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 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 : Saturday, the 17th day of September, 2016 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:

Period	Board Meeting to approve
Unaudited Financial Results for:	
Quarter ending 30.06.2016	By end of July, 2016 or within statutory time limit
Quarter ending 30.09.2016	By end of October, 2016 or within statutory time limit
Quarter ending 31.12.2016	By end of January, 2017 or within statutory time limit
Audited Results for the year ended on 31.03.2017	By end of May, 2017 or within statutory time limit

**Dividend Payment Date** : On or after 05.10.2016

##### 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 31.03.2016, the Register of Members and Share Transfer Books of the Company will remain closed from 06.09.2016 to 17.09.2016 (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 31.03.2016, if approved at Annual General Meeting will be paid on or after 05.10.2016:

- 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 05.09.2016; 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 05.09.2016.

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

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

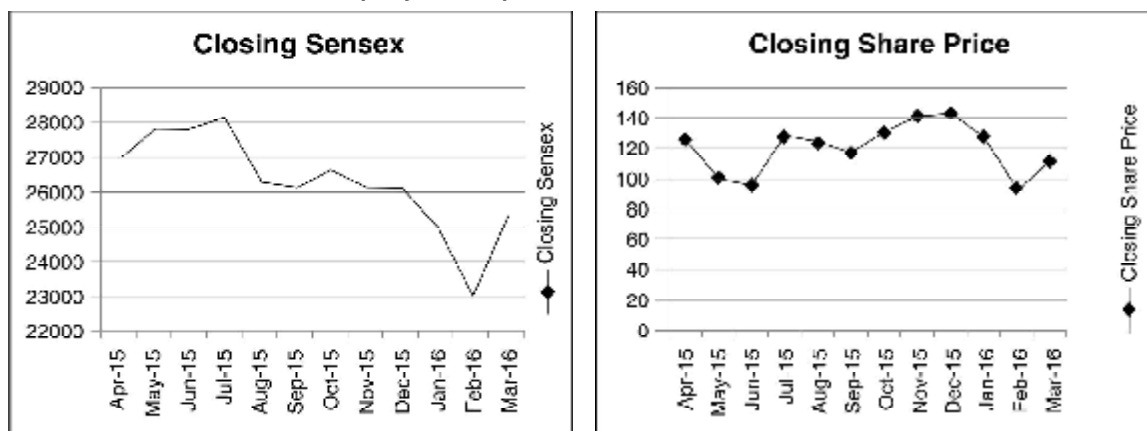
##### Stock Code:

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, 2015	147.30	104.00	5,81,754	147.75	101.65	17,00,126
May, 2015	131.20	100.40	1,14,765	134.00	99.85	5,52,869
June, 2015	105.00	88.60	1,64,559	106.50	88.80	4,39,620
July, 2015	132.00	92.00	10,88,173	131.80	91.20	21,88,177
August, 2015	154.40	106.00	14,26,110	154.80	105.00	42,05,020
September, 2015	125.90	108.20	4,22,127	125.95	110.55	7,67,816
October, 2015	147.00	117.20	6,53,547	147.00	117.25	13,69,382
November, 2015	142.30	121.00	4,90,807	142.45	120.80	11,83,726
December, 2015	152.90	133.20	7,98,611	152.10	133.10	20,40,725
January, 2016	151.90	117.60	5,13,518	152.00	117.20	12,89,210
February, 2016	129.00	90.30	4,10,127	130.45	90.20	10,32,422
March, 2016	115.40	93.30	4,52,212	115.40	93.10	11,37,961

**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.

**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.

**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 or No or 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.

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 31.03.2016:**

No of Share Holding	No. of Share holders	No. of Shares	% to Total Paid-up Capital
1 – 500	12,536	17,31,264	2.42
501 – 1000	1,776	15,15,292	2.12
1001 – 2000	968	15,76,262	2.20
2001 – 3000	489	13,49,415	1.89
3001 – 4000	211	7,80,620	1.10
4001 – 5000	145	6,87,963	0.96
5001 – 10000	236	17,11,501	2.39
10001 and above	193	6,21,66,333	86.92
<b>Total</b>	<b>16,554</b>	<b>7,15,18,650</b>	<b>100.00</b>

**Distribution of Shareholding Pattern as 31.03.2016:**

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	18,679	0.03
Bodies Corporate	17,95,312	2.51
Non-Residents Indians	33,28,539	4.65
Mutual Funds	34,89,962	4.88
Public	1,43,36,166	20.05
<b>Total</b>	<b>7,15,18,650</b>	<b>100.00</b>

**Dematerialization of Shares as on 31.03.2016:**

About (57.88%) of equity shares of the Company, have been dematerialized.

100% shareholding of the Promoters in Demate mode is in process and is being achieved upon completion of requisite formalities by one of the Promoter Shareholder.

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

**Equity Shares in the Suspense Account:**

The details are as under:

Particulars	Number of Shareholders	Number of Equity Shares of Face Value of ₹ 2/- per Share.
Aggregate Number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	291	5,37,640
Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year.	0	0
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	0	0
Aggregate Number of Shareholders and the outstanding shares in the suspense account at the end of the year.	291	5,37,640

As per LODR the Company had demated 5,58,640 Equity Shares in Banco Products (India) Limited Unclaimed Suspense Account.

The voting rights on the shares outstanding in the Suspense Account as on 31.03.2016 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

**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 : <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>	Secretarial Department: Banco Products (India) Limited Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda - 391 410 Phone : (0265) 3097226 Email : <a href="mailto:sec@bancoindia.com">sec@bancoindia.com</a> , <a href="mailto:investor@bancoindia.com">investor@bancoindia.com</a>

For and on behalf of the Board,

Date : 01.08.2016  
Place : Bil

Mehul K. Patel - Chairman  
(DIN : 01772099)



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF  
BANCO PRODUCTS (INDIA) LIMITED**

We have examined the compliance of conditions of Corporate Governance by **BANCO PRODUCTS (INDIA) LIMITED** ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ("the Listing Agreement") of the Company with the stock exchanges for the period 1st April 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Manubhai & SHAH LLP  
Chartered accountants  
FRN: 106041W/W100136

ASHISH SHAH  
PARTNER  
M.No.103750

Mumbai, August 01, 2016



## 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 31.03.2016 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, the Company Secretary and other employees in the Assistant General Manager cadre as on 31.03.2016.

**For Banco Products (India) Limited**

**Date : 25.05.2016**  
**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 had reviewed the financial statements and the cash flow statement for the financial year ended on 31.03.2016 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 take 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 : 25.05.2016**  
**Place : Bil**

**Mehul K. Patel    Himali H. Patel**  
**Chairman            Whole time Director & CFO**  
**(DIN : 01772099)(DIN : 07081636)**

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Banco Product (India) Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. 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 the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For MANUBHAI & SHAH LLP**  
**Chartered Accountants**  
**FRN: 106041W/W100136**

**Ashish Shah**  
**Partner**  
**M. No: 103750**

**Place : Mumbai**  
**Date : 26.05.2016**

## **ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirement” 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 confirmation 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 granted unsecured loans to Two bodies corporate (one wholly owned subsidiary and one to fellow subsidiary) covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’) is prima facie, not prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loans granted to bodies corporate listed in the register maintained under section 189 of 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.
- 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, 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, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 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 Lacs	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty and Service Tax	446.98	Financial Year 1998-1999 till financial year 2015-2016	- ₹ 162.01 lacs pending with CEGAT, WZB, Ahmedabad  - ₹ 281.86 lacs pending with Commissioner (Central Excise and Custom (Appeal)  - ₹ 3.11 lacs pending with Commissioner (Appeal) Customer, Mumbai
Income Tax Act, 1961	Income Tax	2.37	Assessment Year 2009-2010 & 2010-2011	ITAT, Ahmedabad
Sales Tax Act	VAT/CST	111.20	Financial Year 2008-2009 till 2010-2011	₹ 35.48 lacs pending with Appellate Tribunal, Ahmedabad.  ₹ 39.33 lacs pending with JC-Appeal, Vadodara and ₹ 36.39 lacs pending with DC-Assistant Commissioner, Ranchi.

- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayments 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 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 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**

**Ashish Shah**  
**Partner**  
**M. No: 103750**

**Place : Mumbai**  
**Date : 26.05.2016**

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in 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")**

We have audited the internal financial controls over financial reporting of **Banco Product (India) Limited** ("the Company") as of 31 March 2016 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

**For MANUBHAI & SHAH LLP**  
**Chartered Accountants**  
**FRN: 106041W/W100136**

**Ashish Shah**  
**Partner**  
**M. No: 103750**

**Place : Mumbai**  
**Date : 26.05.2016**

# Financial Statements

## BALANCE SHEET AS AT 31st MARCH, 2016

(₹ in Lacs)

PARTICULARS	Note No.	AS AT 31 March, 2016	AS AT 31 March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds:</b>			
(a) Share capital	3	1,430.37	1,430.37
(b) Reserves and surplus	4	43,968.68	39,472.75
		<b>45,399.05</b>	<b>40,903.12</b>
<b>2 Non-current liabilities:</b>			
(a) Long term borrowings	5	—	432.44
(b) Deferred tax liabilities (Net)	6	926.89	988.82
(c) Long term provisions	7	258.12	266.68
		<b>1,185.01</b>	<b>1,687.94</b>
<b>3 Current liabilities:</b>			
(a) Short term borrowings	8	193.95	42.44
(b) Trade payables	9		
(A) Total outstanding dues of micro enterprises and small enterprises		571.60	289.86
(B) Total outstanding of creditors other than micro enterprises and small enterprises		3,460.65	2,004.87
(c) Other current liabilities	10	1,272.97	3,273.75
(d) Short term provisions	11	3,496.83	1,966.38
		<b>8,996.00</b>	<b>7,577.30</b>
<b>TOTAL</b>		<b>55,580.06</b>	<b>50,168.36</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets:</b>			
(a) Fixed assets			
(i) Tangible assets	12	11,956.18	12,216.13
(ii) Intangible assets		84.05	129.79
(iii) Capital work in progress		29.55	300.36
		<b>12,069.78</b>	<b>12,646.28</b>
(b) Non-current investments	13	16,276.64	17,124.06
(c) Long-term loans and advances	17	579.50	642.43
		<b>16,856.14</b>	<b>17,766.49</b>
<b>2 Current assets:</b>			
(a) Current investments	13	33.30	36.60
(b) Inventories	14	8,522.99	7,946.86
(c) Trade receivables	15	9,798.38	7,437.21
(d) Cash and bank balances	16	7,325.61	2,749.64
(e) Short-term loans and advances	17	523.54	1,549.48
(f) Other current assets	18	450.32	35.80
		<b>26,654.14</b>	<b>19,755.59</b>
<b>TOTAL</b>		<b>55,580.06</b>	<b>50,168.36</b>
Significant Accounting Policies	2		
Accompanying Notes are an integral part of the financial statements			

As per our report of even date attached

For and behalf of the board

For Manubhai &amp; Shah LLP

Chartered Accountants

FRN 106041W/W100136

Mehul K. Patel

Chairman

DIN 01772099

Ramkisan Devidayal

Director

DIN00238853

Mukesh D. Patel

Director

DIN 00009605

Udayan P. Patel

Director

DIN 00598313

Ashish Shah

Partner

Membership No. 103750

Devesh A. Pathak

Director

DIN 00017515

Himali H. Patel

Whole Time Director and

Chief Financial Officer

DIN 07081636

Sagar Pandya

Company Secretary

Place : Mumbai

Date : 26th May, 2016

Place : Vadodara

Date : 26th May, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in Lacs)

PARTICULARS	Note No.	2015-16	2014-15
I. Revenue from operations		52,684.35	44,651.42
Less: Excise duty		4,324.39	3,614.25
		<b>48,359.96</b>	<b>41,037.17</b>
Other operating revenues		940.70	973.71
<b>Total operating revenue</b>	<b>19</b>	<b>49,300.66</b>	<b>42,010.88</b>
II. Other income	<b>20</b>	3,157.47	1,196.48
<b>III. TOTAL REVENUE (I +II)</b>		<b>52,458.13</b>	<b>43,207.36</b>
<b>IV. EXPENSES:</b>			
(a) Cost of materials consumed	<b>21</b>	27,822.13	24,306.35
(b) Changes in inventories of finished goods and work-in-progress	<b>22</b>	(58.62)	(524.15)
(c) Employee benefit expenses	<b>23</b>	2,724.56	2,933.06
(d) Finance cost	<b>24</b>	167.43	568.10
(e) Depreciation and amortisation expenses	<b>25</b>	1,899.27	1,646.38
(f) Other expenses	<b>26</b>	9,542.36	8,929.46
<b>Total Expenses (IV)</b>		<b>42,097.13</b>	<b>37,859.20</b>
<b>V. PROFIT BEFORE TAX (III-IV)</b>		<b>10,361.00</b>	<b>5,348.16</b>
<b>VI. TAX EXPENSES:</b>			
(i) Current tax		2,210.06	1,118.19
(ii) Deferred tax (benefit)/expenses		(61.93)	62.39
		<b>2,148.13</b>	<b>1,180.58</b>
<b>VII. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (V-VI)</b>		<b>8,212.87</b>	<b>4,167.58</b>
<b>Earning per equity share (In ₹) Basic and Diluted (Face value of ₹ 2 each)</b>		<b>11.48</b>	<b>5.83</b>
Significant Accounting Policies	<b>2</b>		
Accompanying Notes are an integral part of the financial statements			

As per our report of even date attached

For and behalf of the board

For Manubhai &amp; Shah LLP

Chartered Accountants

FRN 106041W/W100136

Mehul K. Patel

Chairman  
DIN 01772099

Ramkisan Devidayal

Director  
DIN00238853

Mukesh D. Patel

Director  
DIN 00009605

Udayan P. Patel

Director  
DIN 00598313

Ashish Shah

Partner  
Membership No. 103750

Devesh A. Pathak

Director  
DIN 00017515

Himali H. Patel

Whole Time Director and  
Chief Financial Officer  
DIN 07081636Sagar Pandya  
Company Secretary

Place : Mumbai

Date : 26th May, 2016

Place : Vadodara

Date : 26th May, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in Lacs)

PARTICULARS	31st March, 2016	31st March, 2015
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	10,361.00	5,348.16
Adjusted for :-		
Depreciation and amortisation expenses	1,899.27	1,646.38
Finance cost	167.43	568.10
Net unrealised foreign exchange loss (gain)	(15.49)	13.52
Profit on sale of fixed assets	(31.97)	(28.23)
Profit on sale of investment	—	(118.95)
Provision for diminution in value of current investment	3.30	—
Sundry balances write off	2.57	0.29
Foreign exchange gain on redemption of preference shares	(45.57)	(168.41)
Interest income	(451.55)	(198.12)
Dividend income	(2,246.66)	(577.97)
<b>Operating profit before working capital changes</b>	<b>9,642.33</b>	<b>6,484.77</b>
<b>Adjustment for increase/decrease in operating assets/liabilities:-</b>		
Trade and other receivables	(2,329.04)	1,740.99
Inventories	(576.13)	(369.75)
Loans and advances	(11.91)	1,089.29
Other current assets	(105.08)	26.86
Provisions	9.45	(379.03)
Other current liabilities	(186.41)	(26.22)
Trade payable	1,718.31	(1,318.39)
<b>Cash generated from operations</b>	<b>8,161.52</b>	<b>7,248.52</b>
Income Taxes paid (including taxes deducted at source)	(2,187.72)	(1,128.51)
<b>Net cash generated from operating activities (A)</b>	<b>5,973.80</b>	<b>6,120.01</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,301.30)	(911.01)
Sale of fixed assets	63.68	72.32
Purchase of long term investments	—	(412.16)
Sale of non-current investment	—	233.07
Proceed from redemption of preference shares	892.99	3,125.62
Repayment of loan from indirect subsidiary	1,037.85	1,019.10
Repayment of loan (others)	—	2,409.20
Dividend received from subsidiaries	2,232.33	564.26
Dividend received from others	14.33	13.71
Interest received	142.11	168.82
<b>Net cash used in investing activities (B)</b>	<b>3,081.99</b>	<b>6,282.93</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in Lacs)

PARTICULARS	31st March, 2016	31st March, 2015
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Final dividend paid	(1,787.97)	(214.56)
Interim dividend paid	(429.11)	(357.68)
Interest paid	(154.56)	(555.23)
Repayments of long-term borrowings	(2,259.69)	(2,162.82)
Proceeds/(repayments) of short term borrowings (net)	151.50	(6,991.85)
<b>Net cash used in financing activities (C)</b>	<b>(4,479.81)</b>	<b>(10,282.14)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,575.98	2,120.80
Cash and cash equivalents at the beginning of the year	2,749.64	628.84
<b>Cash and cash equivalents at the end of the year</b>	<b>7,325.61</b>	<b>2,749.64</b>
<b>NOTES:</b>		
(a) The cash flow statement has been prepared under “ Indirect Method” as set out in the Accounting Standard 3 “On Cash Flow Statement”.		
(b) Previous year figures have been regrouped and re-arranged, wherever necessary.		
(c) Cash and Cash Equivalent comprises of		
	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>(a) Cash and cash equivalent</b>		
(i) Cash on hand	7.58	8.13
(ii) Balances with banks		
- In current accounts	17.34	54.27
(iii) Deposit with original maturity of less than 3 months	4,145.00	290.20
<b>(b) Other bank balance</b>		
(i) Deposit with original maturity for more than 3 months but less than 12 months	2,981.78	2,156.78
(ii) Unpaid dividend (earmarked balances)	108.41	110.78
(iii) Deposit held as margin money with banks against bank guarantee	65.50	129.48
	<b>7,325.61</b>	<b>2,749.64</b>
Accompanying Notes are an integral part of the financial statements		

As per our report of even date attached

**For Manubhai & Shah LLP**

Chartered Accountants

**FRN 106041W/W100136****Ashish Shah****Partner****Membership No. 103750****Mehul K. Patel**

Chairman

DIN 01772099

**Devesh A. Pathak**

Director

DIN 00017515

**Ramkisan Devidayal**

Director

DIN00238853

**Himali H. Patel**

Whole Time Director and

Chief Financial Officer

DIN 07081636

**Mukesh D. Patel**

Director

DIN 00009605

**Udayan P. Patel**

Director

DIN 00598313

**Sagar Pandya**

Company Secretary

Place : Mumbai

Date : 26th May, 2016

Place : Vadodara

Date : 26th May, 2016



**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**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 radiators. The company caters to both domestic and international market.

**2. SIGNIFICANT ACCOUNTING POLICIES**
**2.1 Basis of accounting**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act") as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets i.e. land which is carried at revalued amounts. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

**2.2 Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and reported amounts of Revenue and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

**2.3 Classification of Current/Non Current Assets and Liabilities**

All other 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 Fixed assets**
**(i) Tangible fixed assets**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation/accumulated impairment losses if any. Acquisition cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Profit or Loss on disposal of tangible assets is recognised in the statement of profit and loss.

**(ii) Intangible fixed assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Acquisition cost of intangible fixed assets comprises of the purchase price and other non-refundable taxes or levies and any attributable cost of bringing the assets to its working condition for its intended use.

**(iii) Capital work in progress and capital advances**

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as long term loans and advances.

**2.5 Depreciation and amortization**

Depreciation on plant and machinery (except electrical installations), computers, laboratory equipment's, machine tools and effluent treatment plant purchased on or after 1<sup>st</sup> October, 1982 has been provided on straight line basis and on other assets on written down value basis over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013. Individual items of fixed assets costing up to ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold land and leasehold improvement are amortized over the primary period of lease.

Intangible assets are amortised on a straight line basis over a period of five years. Purchase cost, user license fees and consultancy fees for major software are amortized over the useful lives of assets as specified in schedule II of the Companies Act, 2013.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**2.6 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.

**2.7 Revenue recognition**

- (i) Sale of products is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. The amount recognized as sales is exclusive of net of returns and discounts excise duty, sales tax/ VAT and other charges. Sales are stated gross of excise duty as well as net of excise duty (on goods manufactured), excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognized separately as part of changes in inventories of finished goods and work-in- progress.
- (ii) Interest income is accounted on time proportionate basis at contractual rates.
- (iii) Dividend income is recognized when the right to receive payment is established.
- (iv) Export incentives in respect of export made under duty drawback and other schemes as per the foreign trade policy are recognized on accrual basis and to the extent of certainty of realization of ultimate collection.

**2.8 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 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, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods and other costs incurred in bringing the inventories to their present location and condition.

**2.9 Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

**2.10 Transactions in foreign currency**
**(i) Initial recognition:**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**(ii) Measurement of foreign currency items at the balance sheet date:**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the statement of profit and loss.

**2.11 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.

**2.12 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.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**2.13 Provisions, contingent liabilities and contingent assets**

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

**2.14 Taxes on Income**

- (i) Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).
- (ii) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.
- (iii) Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

**2.15 Research and development**

- (i) Research and Development expenditure of a revenue nature is expensed out and shown separately as research and development expenses under the respective heads of account in the year in which it is incurred.
- (ii) Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets

**2.16 Employees benefits**

- (i) Provident fund is a defined contribution scheme and the contribution as required by the statute paid to government provident fund 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.
- (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.
- (iv) Actuarial gain and losses are recognised in the statement of profit and loss.

**2.17 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.

**2.18 Proposed Dividend**

Dividend recommended by the board of directors is provided for in the accounts, pending approval at Annual General Meeting.

**2.19 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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 provided 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 the fixed assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 3. SHARE CAPITAL

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Authorised Share Capital</b> 15,20,00,000 (P.Y. 15,20,00,000) Equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up</b> 7,15,18,650 (P.Y. 7,15,18,650) Equity shares of ₹ 2 each fully paid	1,430.37	1,430.37
<b>Total issued, subscribed and fully paid up share capital</b>	<b>1,430.37</b>	<b>1,430.37</b>

## (a) A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31st March 2016 No. of Share in lacs	As at 31st March 2015 No. of Share in lacs
Equity shares at the beginning of the year	715.19	715.19
Add:- share issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>715.19</b>	<b>715.19</b>
	<b>Share Capital ₹ in lacs</b>	<b>Share Capital ₹ in lacs</b>
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. The final dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting.

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. The board of directors at its meeting held on 29th January 2016 declared and paid an interim dividend of ₹ 0.60 (sixty paise only) per equity shares of ₹ 2 each.

A final dividend of ₹ 4/- per equity share has been recommended by Board of Directors at its meeting held on 26th May 2016, subject to the approval by the share holders at the ensuing annual general meeting.

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

Name of share holder	As at 31st March 2016 No. in Lacs (Holding in %)	As at 31st March 2015 No. in Lacs (Holding in %)
1. Vimal K.Patel	55.73 ( 7.79%)	55.73 ( 7.79%)
2. Samir K.Patel	50.17 ( 7.01%)	50.17 ( 7.01%)
3. Mehul K.Patel	56.15 ( 7.85%)	56.15 ( 7.85%)
4. 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, 2016

## 4. RESERVES AND SURPLUS

	As at 31st March 2016 ₹ in lacs	As at 31st March 2015 ₹ in lacs
(a) Capital reserve	0.77	0.77
	<b>0.77</b>	<b>0.77</b>
(b) Security premium reserve	1,200.31	1,200.31
	<b>1,200.31</b>	<b>1,200.31</b>
(c) Revaluation reserve		
As per last balance sheet	54.14	54.14
Add :- Addition during the year	12.59	—
	<b>66.73</b>	<b>54.14</b>
(d) General reserve		
As per last balance sheet	11,517.69	10,860.81
Less:- Depreciation (net of deferred tax of ₹ 22.21 lacs) of those assets on which useful life is over.	—	(43.12)
Add: Transferred from surplus in the statement of profit and loss	700.00	700.00
	<b>12,217.69</b>	<b>11,517.69</b>
(e) Surplus in the statement of profit and loss		
As per last balance sheet	26,699.85	25,484.26
Net profit after tax transferred from statement of profit and loss for the year	8,212.87	4,167.58
Add:- reversal of excess dividend distribution tax provision *	142.71	36.37
<b>Less : Appropriations</b>		
<b>Dividend on Equity Shares</b>		
Interim dividend paid during the year		
<b>(Amount per shares of ₹ 0.60 (P.Y. 0.50 per share) of ₹ 2 each)</b>	(429.11)	(357.59)
Dividend distribution tax on interim dividend *	—	(0.09)
Proposed final dividend		
<b>(Amount per shares ₹ 4 (P.Y. 2.50 per share) of ₹ 2 each)</b>	(2,860.74)	(1,787.97)
Dividend distribution tax on proposed final dividend	(582.40)	(142.71)
Transfer to General Reserve	(700.00)	(700.00)
<b>Closing balance</b>	<b>30,483.18</b>	<b>26,699.85</b>
	<b>43,968.68</b>	<b>39,472.75</b>

\* Dividend distribution tax was adjusted against dividend received from foreign subsidiaries as per provision of Income Tax Act, 1961, which resulted into Nil liabilities during the year on final dividend paid for the year 2014-2015 and on interim dividend paid for the year 2015-2016.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 5. LONG TERM BORROWINGS\*\*

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Secured</b>		
Foreign currency term loan from bank*	—	2,162.19
Less: current portion of long-term borrowing (refer note 10)	—	(1,729.75)
	—	<b>432.44</b>
Indian rupees term loan from bank	—	97.50
Less: current portion of long-term borrowing	—	(97.50)
	—	—
	—	<b>432.44</b>

\* Foreign currency term loan carries interest@ 3M LIBOR plus 2%. The loan is repayable within 4 years on quarterly installments. The loan is secured by hypothecation of specific movable assets of the company by way of first charge. The loan is repaid as of 31st March 2016 and the charge released subsequently within prescribed time.

\*\* Default in terms of repayment of principal and interest- NIL

## 6. DEFERRED TAX LIABILITIES (Net)

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Deferred Tax Liabilities</b>		
Fixed assets :- Impact of difference between WDV as per Income Tax Act and as per books of accounts	1,037.13	1,093.47
<b>Deferred Tax Assets</b>		
Disallowance under the Income Tax Act, 1961	110.24	104.65
<b>Closing net deferred tax liability</b>	<b>926.89</b>	<b>988.82</b>
Opening net deferred tax liability	988.82	948.64
Deferred tax adjustment against general reserve	—	(22.21)
Charged to statement of profit and loss	(61.93)	62.39

## 7. LONG TERM PROVISIONS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 28(a to h))	118.50	99.03
Provision for leave encashment (refer note 28(i))	139.62	167.65
	<b>258.12</b>	<b>266.68</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 8. SHORT TERM BORROWINGS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Secured</b>		
Cash credit from banks *	193.95	42.44
	<b>193.95</b>	<b>42.44</b>

\* Rupees loan is in the form of cash credit loans are secured against first charge on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating scheduled banks.

## 9. TRADE PAYABLES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
Trade payables *	4,032.25	2,294.73
	<b>4,032.25</b>	<b>2,294.73</b>

\* Refer note 34 for details of dues to Micro, Small and Medium Enterprises

## 10. OTHER CURRENT LIABILITIES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
(a) Current maturities of long-term debt (Refer note 5)	—	1,827.25
(b) Advance received from customers	31.02	44.35
(c) Unclaimed/unpaid dividend *	108.41	110.78
(d) Interest accrued but not due on borrowings	—	12.87
<b>(e) Other payables</b>		
(i) Statutory payables		
Payable towards central sales tax and VAT	—	2.96
Payable towards provident fund	15.70	16.05
Payable towards professional tax	0.96	0.95
Payable towards TDS under income tax	33.05	25.90
(ii) Payable to employees	238.48	191.16
(iii) Others	845.35	1,041.48
	<b>1,272.97</b>	<b>3,273.75</b>

\* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**11. SHORT TERM PROVISIONS**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(a) Provision for employee benefits</b>		
Provision for gratuity (refer note 28(a to h))	29.66	26.60
Provision for leave encashment (refer note 28(ii))	24.03	9.10
<b>(b) Other provisions</b>		
Proposed final dividend	2,860.74	1,787.97
Dividend distribution tax on proposed final dividend	582.40	142.71
	<b>3,496.83</b>	<b>1,966.38</b>

**12. FIXED ASSETS**
**(₹ in Lacs)**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION					NET BLOCK	
	As at 1st April 2015	Additions	Deduction Others	As at 31st March 2016	As at 1st April 2015	For the year	Deduction Others	Other Adjust- ment	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
I Tangible Assets											
a. Leasehold Land	869.96 (869.96)	- -	- -	869.96 (869.96)	37.70 (28.92)	8.79 (8.79)	- -	- -	46.49 (37.70)	823.46 (832.26)	832.26 (841.04)
b. Freehold Land	197.40 (197.40)	32.55 -	- -	229.95 (197.40)	- -	- -	- -	- -	- -	229.95 (197.40)	197.40 (197.40)
c. Buildings	4,043.12 (4,038.01)	309.62 (5.11)	- -	4,352.74 (4,043.12)	1,428.61 (1,157.38)	267.93 (271.23)	- -	- -	1,696.54 (1,428.61)	2,656.20 (2,614.51)	2,614.51 (2,880.63)
d. Plant and Equipments	16,186.40 (14,756.82)	1,039.53 (1,559.19)	68.90 (122.31)	17,157.03 (16,193.70)	8,063.00 (6,999.39)	1,427.09 (1,116.51)	37.19 (78.93)	- (29.81)	9,452.90 (8,066.78)	7,704.13 (8,126.92)	8,123.40 (7,757.43)
e. Furniture & Fixtures	231.17 (219.20)	- (11.97)	- -	231.17 (231.17)	154.28 (123.55)	18.69 (30.06)	- -	- (0.67)	172.97 (154.28)	58.19 (76.89)	76.89 (95.65)
f. Vehicles	407.72 (409.39)	8.16 (2.62)	2.37 (4.29)	413.51 (407.72)	316.26 (266.01)	38.48 (50.46)	2.37 (3.58)	- (3.37)	352.37 (316.26)	61.14 (91.45)	91.45 (143.38)
g. Office equipment	261.36 (225.32)	11.14 (36.04)	- -	272.50 (261.36)	193.00 (132.44)	24.41 (51.34)	- -	- (9.22)	217.41 (193.00)	55.09 (68.36)	68.36 (92.88)
h. Scientific Research											
1 Building	85.25 (85.25)	23.76 -	- -	109.01 (85.25)	54.21 (51.07)	4.65 (3.14)	- -	- -	58.86 (54.21)	50.15 (31.04)	31.04 (34.18)
2 Plant and Equipments	392.52 (337.38)	189.60 (47.84)	- -	582.12 (385.22)	228.24 (166.56)	47.38 (37.78)	- -	- (20.12)	275.62 (224.46)	306.50 (160.76)	164.28 (170.82)
3 Software	71.89 (60.72)	- (11.18)	- -	71.89 (71.89)	42.95 (26.73)	9.07 (16.22)	- -	- -	52.02 (42.95)	19.86 (28.94)	28.94 (33.99)
4 Office Equipment	4.29 (4.29)	0.17 -	- -	4.46 (4.29)	3.66 (2.85)	0.22 (0.43)	- -	- (0.38)	3.88 (3.66)	0.59 (0.63)	0.63 (1.44)
5 Furniture and Fixture	20.75 (20.75)	- -	- -	20.75 (20.75)	16.62 (14.40)	1.10 (2.22)	- -	- -	17.72 (16.62)	3.03 (4.13)	4.13 (6.35)
i. Others assets	41.82 (39.23)	- (2.59)	- -	41.82 (41.82)	30.05 (21.40)	4.03 (8.24)	- -	- (0.41)	34.08 (30.05)	7.74 (11.77)	11.77 (17.83)
II Intangible Assets											
a. Software	243.93 (243.46)	10.76 (0.47)	- -	254.69 (243.93)	143.08 (91.77)	47.43 (49.96)	- -	- (1.35)	190.51 (143.08)	64.19 (100.85)	100.85 (151.69)
Total	23,057.58	1,625.29	71.27	24,611.60	10,711.66	1,899.27	39.56	-	12,571.37	12,040.23	12,345.92
Previous year	(21,507.17)	(1,677.01)	(126.60)	(23,057.58)	(9,082.47)	(1,646.38)	(82.51)	(65.33)	(10,711.66)	(12,345.92)	(12,424.71)

**Notes:**

- 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 lacs (Previous Year ₹ 8.79 lacs)
- Other assets include Weighing machine, Air Conditioners and other equipments.
- Figures in bracket represent previous year figures.



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 13. NON CURRENT INVESTMENTS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Other Investments:-</b>		
<b>(a) Unquoted fully paid shares in subsidiaries/indirect subsidiaries (note 32)</b>		
25,000 (P.Y.25,000) Ordinary shares of 4.54 Euro each in Netherlands Radiateuren Fabriek BV.	11,194.54	11,194.54
2,259 (P.Y. 2,259) Equity shares of TShs 1,00,000 each in Kilimanjaro Biochem Limited.	80.79	80.79
Nil (P.Y. 14,000 ) Preference shares of US\$ 100 each in Lake Mineral (Mauritius) Limited.	—	847.42
26,750 Equity Shares (P.Y. 26,750) of US\$ 100 each in Lake Mineral (Mauritius) Limited.	1,475.71	1,475.71
35,000,000 (P.Y. 35,000,000) Equity shares of ₹ 10 each in Banco Gaskets (India) Limited.	3,500.00	3,500.00
	<b>16,251.04</b>	<b>17,098.46</b>
<b>(b) Unquoted fully paid equity instrument in company where some of directors are common (note 32)</b>		
620,080 (P.Y.620,080) equity shares in Banco Aluminium Ltd.	25.35	25.35
	<b>25.35</b>	<b>25.35</b>
<b>(c) 1,000 (P.Y.1,000) Equity shares of ₹ 25 each fully paid in Co-Operative Bank of Baroda</b>		
	0.25	0.25
	<b>0.25</b>	<b>0.25</b>
	<b>16,276.64</b>	<b>17,124.06</b>
<b>CURRENT INVESTMENTS :</b>		
<b>(a) Investment in equity and other instruments (quoted) (fully paid up)</b>		
6,588 (P.Y.6,588) India Motor Parts and Accessories Limited. of ₹ 10 each	3.14	3.14
132,700 (P.Y.132,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	13.38	13.38
511 (P.Y.511) NHPC Limited of ₹ 10 each	0.18	0.18
Less :- Provision for diminution of current investment in NHPC Limited	(0.08)	(0.08)
787 (P.Y.787) Oil India Limited of ₹ 10 each	3.31	3.31
400 (P.Y.400) Anand I-Power Ltd. (Formerly known as Perfect Circle I. Ltd.) of Re.1 each	0.01	0.01
17 (P.Y.17) Talbros Engineers Limited of ₹ 10 each having total value of ₹ 426/-	0.004	0.004
	<b>19.94</b>	<b>19.94</b>
<b>(b) Investment in mutual fund-quoted, fully paid up</b>		
200,000 (P.Y.200,000) Baroda Pioneer PSU Equity Fund of ₹ 10 each	20.00	20.00
Less :- Provision for diminution of current investment	(6.64)	(3.34)
	<b>13.36</b>	<b>16.66</b>
	<b>33.30</b>	<b>36.60</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(c) Market value of quoted current investments</b>		
Equity investments	202.68	169.16
Others	13.36	16.66
	<b>216.04</b>	<b>185.82</b>

**14. INVENTORIES**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(At lower of cost and net realisable value)</b>		
(a) Raw materials *	4,746.80	4,283.33
(b) Work-in-progress	1,521.43	1,284.13
(c) Finished goods **	1,344.72	1,516.17
(d) Stores and spares	767.28	745.93
(e) Loose tools	9.56	12.52
(f) Packing materials	133.20	104.78
	<b>8,522.99</b>	<b>7,946.86</b>

\* Raw material includes goods in transit of ₹ 180.78 lacs (P.Y. ₹ Nil lacs)

\*\* Finished goods includes goods in transit of ₹ 100.57 lacs (P.Y. ₹ 374.33 lacs)

**15. TRADE RECEIVABLES**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(Unsecured and considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	315.94	257.84
Others	9,482.44	7,179.37
	<b>9,798.38</b>	<b>7,437.21</b>

**16. CASH AND BANK BALANCES**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(a) Cash and cash equivalent</b>		
(i) Cash on hand	7.58	8.13
(ii) Balances with banks		
- In current accounts	17.34	54.27
(iii) Deposit with original maturity of less than 3 months	4,145.00	290.20
<b>(b) Other bank balances</b>		
(i) Deposit with original maturity for more than 3 months but less than 12 months	2,981.78	2,156.78
(ii) Unpaid dividend (earmarked balances)	108.41	110.78
(iii) Deposit held as margin money with banks against bank guarantee	65.50	129.48
	<b>7,325.61</b>	<b>2,749.64</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 17. LOANS AND ADVANCES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
(i) Long term (unsecured, considered good)		
(a) Capital advances	269.27	309.85
(b) Other advances		
Advance payment of income tax (Net of provision)	310.23	332.58
	<b>579.50</b>	<b>642.43</b>
(ii) Short term (unsecured, considered good)		
(a) Security deposit	37.07	30.56
(b) Current maturities of loan given to Kilimanjaro Biochem Limited	—	1,037.85
(c) Prepaid expenses	80.27	76.43
(d) Balance with statutory authorities	321.16	266.29
(e) Advance to vendors	69.07	126.09
(f) Advance to employees	15.97	12.26
	<b>523.54</b>	<b>1,549.48</b>

## 18. OTHER ASSETS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
Interest accrued on deposit with banks	338.74	29.30
Others	111.58	6.50
	<b>450.32</b>	<b>35.80</b>

## 19. REVENUE FROM OPERATIONS

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Sale of product		
Finished goods (net of returns and discounts)	52,684.35	44,651.42
	<b>52,684.35</b>	<b>44,651.42</b>
Less : Excise duty	4,324.39	3,614.25
	<b>48,359.96</b>	<b>41,037.17</b>
(b) Other operating revenue		
Scrap sales	807.44	913.24
Export incentives	133.26	60.47
	<b>940.70</b>	<b>973.71</b>
	<b>49,300.66</b>	<b>42,010.88</b>
(i) DETAILS OF PRODUCT SOLD		
Copper brass radiators	10,969.37	7,374.78
Aluminium radiators	41,499.19	36,386.43
Others	215.79	890.21
	<b>52,684.35</b>	<b>44,651.42</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**20. OTHER INCOME**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Interest income		
From bank deposits	451.28	39.68
From loan to subsidiaries	64.80	129.07
From others	0.27	29.37
(b) Dividend received		
(i) From non current investments		
- From subsidiaries	2,232.33	564.26
- From others	9.30	9.29
(ii) From current investments	5.03	4.42
(c) Profit on sale of investment (Net)	—	118.95
(d) Profit on sale of fixed assets (Net)	31.97	28.23
(e) Net gain on foreign currency transaction and translation	221.36	—
(f) Insurance claim received	7.20	72.06
(g) Other non operating income	133.93	201.15
	<b>3,157.47</b>	<b>1,196.48</b>

**21. COST OF MATERIALS CONSUMED**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Opening stock	4,388.11	4,657.14
Add : Purchases during the year	28,314.02	24,037.32
	<b>32,702.13</b>	<b>28,694.46</b>
Less : Closing stock	4,880.00	4,388.11
<b>Cost of materials consumed *</b>	<b>27,822.13</b>	<b>24,306.35</b>
*Includes packing material consumption of ₹ 1727.33 lacs (P.Y. ₹ 1522.36 lacs)		
<b>(a) Particulars of materials consumed</b>		
Copper and copper alloys	3,781.27	2,759.39
Steel sheet/plates	151.83	102.00
Aluminium	11,725.00	10,429.69
Others	12,164.03	11,015.27
	<b>27,822.13</b>	<b>24,306.35</b>
<b>(b) Cost of materials consumed</b>		
Imported % to total (Including canalized items at landed cost)	13,758.93	11,997.39
	49.45%	49.36%
Indigenous % to total	14,063.20	12,308.96
	50.55%	50.64%
	<b>27,822.13</b>	<b>24,306.35</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 22. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>Inventories at the end of the year</b>		
Work-in-progress	1,521.43	1,284.13
Finished goods (Including goods in transit)	1,344.72	1,516.17
	<b>2,866.15</b>	<b>2,800.30</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	1,284.13	1,341.33
Finished goods (Including goods in transit)	1,516.17	899.31
	<b>2,800.30</b>	<b>2,240.64</b>
<b>Changes in inventories</b>	(65.85)	(559.66)
<b>Increase/(decrease) in excise duty on finished goods</b>	7.23	35.51
<b>Changes in inventories of finished goods and work in progress</b>	<b>(58.62)</b>	<b>(524.15)</b>

## 23. EMPLOYEE BENEFIT EXPENSES

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Salaries and wages	2,454.44	2,576.54
(b) Contribution to provident and other funds	162.56	251.30
(c) Staff welfare expenses	107.56	105.22
	<b>2,724.56</b>	<b>2,933.06</b>

## 24. FINANCE COST

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Interest expenses		
- Borrowing of banks	53.94	336.80
- Others	2.66	1.74
(b) Bank and other financial charges	37.44	76.44
(c) Net loss on foreign currency transactions and translation	73.39	153.12
	<b>167.43</b>	<b>568.10</b>

## 25. DEPRECIATION AND AMORTIZATION EXPENSES

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>Depreciation</b>		
(a) On tangible assets	1,842.77	1,596.42
(b) On intangible assets	56.50	49.96
	<b>1,899.27</b>	<b>1,646.38</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 26. OTHER EXPENSES

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Consumption of stores and spares	637.10	711.16
Power and fuel	839.05	781.63
Labour charges	3,335.40	2,672.06
Repair and maintenance		
- Plant and machinery	365.14	423.33
- Electric installation	57.91	80.02
- Buildings	236.69	193.17
Sundry repairs	1.14	0.31
Factory general expenses	196.37	187.97
Insurance premium on assets	15.05	20.90
Payment to auditors (refer note 26.1)	17.77	16.85
Rent rates and taxes	77.46	60.25
Postage and courier	43.07	37.75
Telephone expenses	30.14	31.21
Travelling and conveyance	261.10	284.01
Provision for diminution in value of current investment	3.30	—
Miscellaneous expenses	333.30	263.76
Director's sitting fees	8.70	7.98
Expenditure towards corporate social responsibility activities	40.08	150.00
Donation	0.85	8.03
Net loss on foreign currency transaction and translations	—	5.75
Commission and discount	610.52	846.46
Advertisement and sales promotion	13.40	10.02
Other selling expenses	245.66	232.79
Freight and transport (Net)	2,173.16	1,904.05
	<b>9,542.36</b>	<b>8,929.46</b>

## 26.1 PAYMENT TO AUDITORS

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>As auditor :</b>		
Audit fees	10.50	10.50
<b>In other capacity:-</b>		
(i) Other services (certification fees)	3.10	2.90
(ii) Out of pocket expenses	4.17	3.45
	<b>17.77</b>	<b>16.85</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 27. EARNING PER SHARE

Particulars	2015-2016	2014-2015
Profit attributable to shareholders as per statement of profit and loss (₹ In lacs)	8,212.87	4,167.59
Weighted average numbers of equity shares outstanding - Nos. (in lacs)	715.19	715.19
Basic & diluted earnings per share attributable to shareholders in rupees (Face value of ₹ 2 per share)	11.48	5.83

## 28. EMPLOYEE BENEFITS

## a) DEFINED CONTRIBUTION PLAN:

The Company makes contribution towards recognized provident fund to defined contribution retirement benefit plan for qualifying employees. 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 ₹ 96.16 lacs (Previous year ₹ 96.44 lacs) as expenses under the defined contribution plan in the statement of profit and loss for the year ended 31st March, 2016.

## b) DEFINED BENEFIT PLAN:

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

Actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out for the position as of 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 build up the final obligation.

The following table sets out the status of the gratuity plan and the amounts recognized in the company's financial statements as at 31st March, 2016.

## c) RECONCILIATION IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION FOR GRATUITY

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
Opening defined benefit obligation	253.74	218.60
Current service cost	25.99	24.47
Interest cost	19.76	18.86
Benefits paid	(23.11)	(28.27)
Prior year changes	—	1.77
Past service cost	7.95	—
Actuarial losses on obligation	4.26	18.31
<b>Closing defined benefit obligation</b>	<b>288.59</b>	<b>253.74</b>

## d) RECONCILIATION OF FAIR VALUE OF PLAN ASSETS FOR GRATUITY (FUNDED)

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
<b>Opening fair value of plan assets</b>	<b>128.11</b>	<b>114.67</b>
Expected return	12.12	11.42
Contribution by employer	31.20	30.95
Benefits paid	(23.11)	(28.27)
Actuarial gains/(losses)	(0.80)	(0.66)
Adjustment to Opening fund/expenditure on fund	(7.09)	—
<b>Closing fair value of plan assets</b>	<b>140.43</b>	<b>128.11</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**e) RECONCILIATION OF PRESENT VALUE OF OBLIGATION AND FAIR VALUE OF PLAN ASSETS FOR CURRENT AND PREVIOUS FOUR PERIODS**

Gratuity (Funded)	31 <sup>st</sup> Mar 2016 ₹ In lacs	31 <sup>st</sup> Mar 2015 ₹ In lacs	31 <sup>st</sup> Mar 2014 ₹ In lacs	31 <sup>st</sup> Mar 2013 ₹ In lacs	31 <sup>st</sup> Mar 2012 ₹ In lacs
Present Value of Obligation at end of year	288.59	253.74	218.60	192.27	168.92
Fair value of plan assets at end of year	140.43	128.11	114.67	105.26	156.76
Surplus/(deficit)	<b>(148.16)</b>	<b>(125.63)</b>	<b>(103.93)</b>	<b>(87.01)</b>	<b>(12.16)</b>
Actuarial losses on obligation	4.26	18.31	14.66	22.22	22.17
Actuarial gain/(losses) on plan assets	0.80	(0.66)	(0.33)	1.40	(0.23)

**f) EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS**

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
Current service cost	25.99	24.47
Interest cost on benefit obligation	19.76	18.86
Expected return on plan assets	(12.11)	(11.42)
Prior year changes	7.95	1.78
Net actuarial loss recognized in the year	5.06	18.31
Adjustment to opening fund/expenditure on fund	7.08	0.65
<b>Net benefit expenses recognized in the statement of profit and loss</b>	<b>53.73</b>	<b>52.65</b>

**g) THE MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF THE FAIR VALUE AS FOLLOWS:**

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Insurer managed funds (100%)	100%	100%

**h) THE PRINCIPAL ASSUMPTIONS USED IN DETERMINING GRATUITY FOR THE COMPANY'S PLAN AS BELOW:**

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
Expected return on plan assets	7.90%	9.00%
Discount rate	7.90%	8.00%
Salary escalation rate	6.00%	6.00%
Withdrawal rate*	3% to 15%	1% to 5%

Mortality assumption is based on LIC (1994-1996) published table rate

\* 15% at younger ages reducing to 3% at older age

**i) OTHER EMPLOYEE BENEFITS**

The liability for leave encashment based on actuarial valuation as at the year ended on 31<sup>st</sup> March 2016 is ₹ 163.65 Lacs (P.Y. ₹ 176.75 Lacs)

**29. SEGMENT INFORMATION**

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



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

Sales	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Within India	33,767	27,935
Outside India	14,593	13,102

## 30. CONTINGENT LIABILITIES

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
Service tax and excise duty	446.98	396.83
Sales tax	340.16	219.64
Income tax	2.37	1.19
Letter of credit	84.96	178.16
Guarantees issued by banks to third parties	300.42	550.08

The company is contesting the demands and the management, including its tax advisor, believes that its position is likely to be upheld in the appellate process. No tax expenses have been accrued in the financial statements for the demands raised as above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and result of operations.

## 31. CAPITAL AND OTHER COMMITMENTS

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	568.26	941.31
<b>Other commitments</b>	—	—

32. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2016

## (a) Subsidiaries:

## Direct subsidiaries

## Name of the Company

Banco Gaskets (India) limited  
Nederlandse Radiateurs Fabriek B.V.  
Lake Mineral (Mauritius) Limited

## Indirect subsidiaries

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

Kilimanjaro Biochem Limited

## ii) Subsidiary of the wholly owned subsidiary, Nederlandse Radiateurs Fabriek B.V., Netherlands

## Name of the Company

NRF Thermal Engineering BV (Skopimex BV)  
NRF France SARL  
NRF (United Kingdom) Ltd  
NRF Handels GMBH  
NRF Deutschland GMBH  
NRF Espana S.A.  
NRF Poland Sp.z.o.o.  
NRF Italia Srl  
NRF Switzerland AG  
NRF USA

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**(b) Key Managerial Personnel:**

Name	Designation
Mr. Subhasis Dey	Managing Director (with effect from 6 <sup>th</sup> November 2015)
Mr. Kiran Shetty	Whole Time Director (Up to 16 <sup>th</sup> Jan 2016)
Mrs. Himali H. Patel	Whole Time Director and CFO
Mr. Sagar Pandya	Company Secretary (with effect from 6 <sup>th</sup> November 2015)

**(c) Company in which certain directors are common**
**Name of Company-** Banco Aluminium Limited

**Details of related party transactions during the year ended 31<sup>st</sup> March, 2016**

Name of Related Party	Nature of Transaction	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Banco Aluminium Limited	Purchase of goods	452.72	498.40
	Sales of goods	257.77	138.69
	Dividend received	9.31	9.29
	Receipt of rent (including taxes)	20.50	20.22
	Services received	1.00	—
	Receivable/Payable	—	—
Kilimanjaro Biochem Limited	Interest received	46.86	114.80
	Loan installment received	1037.85	1,019.10
	Receivable	—	1,037.85
Nederlandse Radiatoren Fabriek B.V.	Sales of goods	3,546.93	3347.86
	Sales of fixed assets	58.93	—
	Dividend received	1,889.87	295.51
	Reimbursement of expenses	9.87	—
	Purchase of goods	17.11	48.32
	Receivable	59.28	345.51
NRF United Kingdom Limited	Sales of goods	114.64	45.98
	Receivable	17.30	8.58
NRF Espana S.A.	Sales of goods	202.17	75.17
	Receivable	39.88	9.08
NRF Poland S P Z O O	Sales of goods	1,050.55	234.70
	Receivable	254.23	42.92
NRF ITALIA SRL	Sales of goods	398.23	124.67
	Receivable	53.10	37.48
NRF USA	Sales of goods	1187.29	270.90
	Receivable	130.40	270.82
Lake Mineral (Mauritius) Limited	Other reimbursement	—	1.30
	Purchase of shares	—	412.16
	Redemption of Preference Shares	892.99	3,125.63
	Dividend received	342.46	268.75
Banco Gaskets (India) Limited	Sale of goods	44.27	244.11
	Purchase of goods	327.62	264.95
	Loan given	600.00	—
	Repayment of loan	600.00	—
	Interest received	17.94	—
	Reimbursement of expenses- received	39.38	32.92
	Payable	9.74	18.24

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

Remuneration to Key Management Personnel* (Including Perquisite)	Shri Mehul K.Patel (Remuneration recd. up to 31st Mar 2015)	—	415.01
	Shri Kiran Shetty (Upto 16th Jan 2016)	50.29	58.76
	Shri Shailesh Thakker Whole Time Director (Upto 23rd Sept. 2014)	—	36.34
	Shri Sagar Pandya Company Secretary (With effect from 6th November 2015)	1.87	—
	Shri Shubhasis Dey (With effect from 6th November 2015)	35.12	—
	Shri Deep Waghela Company Secretary (With effect from 13th Feb 2015 and up to 7th October 2015)	1.32	0.31
	Shri Dinesh Kavthekar Company Secretary (Upto 30th Sept 2014)	—	6.47
	Himali Patel (With effect from 13th Feb 2015)	11.66	1.40

\*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 AS-15 (Revised) 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.

**33. CAPITALIZATION OF EXPENDITURE**

During the previous year, the company has capitalized the following expenses of revenue nature to capital work-in-progress. Consequently expenses disclosed under respective notes are net of amount capitalized.

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Administrative and others	—	20.01
Interest	—	12.06
Salary and wages	—	5.98
	—	<b>38.05</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

34. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2015-2016, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIER" REGARDING THEIR STATUS UNDER THE ACT.

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
Principal amount remaining unpaid.	571.60	289.86
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	—	—

35. In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the Company to any material extent as at the Balance sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".
36. In compliance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income", the Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s).
37. **DIVIDEND RECEIVED FROM SUBSIDIARY COMPANIES**

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Nederlandse Radiateuren Fabriek B.V.	1,889.87	295.51
Lake Mineral (Mauritius) Limited	342.46	268.75
	<b>2,232.33</b>	<b>564.26</b>

38. **VALUE OF IMPORTS ON CIF BASIS**

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Raw materials	12,277.97	9,915.81
Components and spares parts	564.68	440.91
Capital goods	382.08	1,651.35
	<b>13,224.73</b>	<b>12,008.07</b>

39. **EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Professional fees	5.31	1.67
Commission on exports	19.31	389.33
Foreign travelling	21.92	61.98
Others	101.35	87.17
	<b>147.89</b>	<b>540.15</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## 40. NET DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	2015-2016			2014-2015		
	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ in Lacs)	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ in Lacs)
Final Dividend 2013-2014	—	—	—	392	32,981,150	88.50
Interim Dividend 2014-2015	—	—	—	405	36,172,193	143.46
Final Dividend 2014-2015	383	32,042,194	717.28	—	—	—
Interim Dividend 2015-2016	427	31,708,001	170.35	—	—	—

## 41. AS AT BALANCE SHEET DATE, UNHEDGED FOREIGN CURRENCY RECEIVABLES AND PAYABLES ARE AS BELOW

Currency	Payable (In'000) FC		Receivable (In'000) FC		Payable ₹ In lacs		Receivable ₹ In lacs	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
USD	1,319	2,844	2,413	3,452	878	1,789	1,607	2,171
EURO	18	(72)	1,173	1,550	13	(49)	888	1,057
GBP	—	—	32	12	13	—	30	11
CHF	3	—	—	—	2	—	—	—
JPY	3,481	—	—	—	20	—	—	—

## 42. THE DETAILS OF REVENUE AND CAPITAL EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT IS AS BELOW

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>Capital expenditure:</b>		
Plant and machinery	189.60	47.84
Buildings	23.76	—
Office equipments	0.17	—
Software	—	11.18
<b>Total Capital expenditure</b>	<b>213.53</b>	<b>59.02</b>
<b>Revenue expenditure:</b>		
Salary and wages	179.50	167.50
Raw material consumed	115.18	78.58
Administrative and manufacturing expenses	93.79	66.58
Finance cost	0.01	0.05
Depreciation	62.42	59.79
<b>Total Revenue expenditure</b>	<b>450.90</b>	<b>372.50</b>
<b>Total Research and Development expenditure</b>	<b>664.43</b>	<b>431.52</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**
**43. EARNING IN FOREIGN CURRENCY**

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Revenue from exports on FOB basis	13,563.14	12,626.33
Interest on loans	46.86	129.07
Others	89.72	79.80

**44. PURSUANT TO THE ACCOUNTING STANDARD (AS-19) LEASE, THE FOLLOWING INFORMATION IS GIVEN:**
**Assets given on operating leases**

- a) The company has given on lease a land to a company in which certain directors are common for a period of 5 Years. The lease rentals are payable monthly in advance.
- b) Future lease rentals receivable as at 31st March 2016 as per the lease agreement

Particulars	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Not later than one year	18.00	18.00
Later than one year and not later than five years	15.96	33.96

**45. 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 by the company during the year ₹ 127.81 lacs (P.Y. ₹ 149.75 lacs)

- b. Amount spent during the year on:

**₹ In Lacs**

Sr. No.	Nature	In cash	Yet to be Paid in Cash	Total
i.	Construction / acquisition of assets	— (—)	— (—)	— (—)
ii.	Other purposes *	40.08 (150.00)	— (—)	40.08 (150.00)

\*Figure in bracket represent for previous year

46. As far as balances of trade payables and trade receivables are concerned, the company has done reconciliation with major parties, pending formal confirmation.

47. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

As per our report of even date attached		For and behalf of the board			
<b>For Manubhai &amp; Shah LLP</b>		<b>Mehul K. Patel</b>	<b>Ramkisan Devidayal</b>	<b>Mukesh D. Patel</b>	<b>Udayan P. Patel</b>
Chartered Accountants		Chairman	Director	Director	Director
<b>FRN 106041W/W100136</b>		DIN 01772099	DIN00238853	DIN 00009605	DIN 00598313
<b>Ashish Shah</b>		<b>Devesh A. Pathak</b>	<b>Himali H. Patel</b>	<b>Sagar Pandya</b>	
Partner		Director	Whole Time Director and	Company Secretary	
<b>Membership No. 103750</b>		DIN 00017515	Chief Financial Officer		
			DIN 07081636		
<b>Place : Mumbai</b>		<b>Place : Vadodara</b>			
<b>Date : 26th May, 2016</b>		<b>Date : 26th May, 2016</b>			

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Banco Products (India) Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities the selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2016, their consolidated Profit and their consolidated Cash Flows for the year ended on that date.

### Other Matter:

We did not audit the financial statements of Subsidiary companies as mentioned in "Annexure A" to this report, whose financial statements reflect total Assets of ₹ 60630.39 lacs as at 31 March 2016, total revenues of ₹ 78606.91 lacs and net cash flow outflows amounting to ₹ 2.65 lacs for the year ended on that date, as considered in the consolidated financial statements. These Financial statements have been audited by the 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 the subsidiary companies and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies, is based solely on the reports of the other auditors.

Our Opinion on the Consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of section 143 of the Act, based on our audit and on the consideration of reports of the other auditors on the separate financial statements of subsidiaries, as noted in the 'other matter' paragraph, 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 purpose of our audit of aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 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 control over financial reporting of the Group, incorporated in India and the operating effectiveness of such control, refer to our separate report in "**Annexure B**" and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiary companies:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note:-28 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

**For MANUBHAI & SHAH LLP**

**Chartered Accountants**

**FRN: 106041W/W100136**

**Ashish Shah**

**Partner**

**M. No: 103750**

**Place: Mumbai**

**Date: 26.05.2016**

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our report on even date)

The Following Subsidiaries have not been audited by Manubhai & Shah LLP, which are considered for the Consolidation of Banco Product (India) Limited.

### (a) Subsidiaries:

#### Direct subsidiaries

Name of the Company	Country of Incorporation	% of Holding as on 31 <sup>st</sup> March 2016
Banco Gaskets (India) limited	India	100%
Nederlandse Radiateuren Fabriek B.V.	Netherlands	100%
Lake Mineral (Mauritius) Limited	Mauritius	100%



**Indirect subsidiaries**

- **Subsidiary of the wholly owned subsidiary, Lake Mineral (Mauritius) Limited, Mauritius**

Name of the Company	Country of Incorporation	% of Holding as on 31 <sup>st</sup> March 2016
Kilimanjaro Biochem Limited	Tanzania	95%

- **Subsidiary of the wholly owned subsidiary, Nederlandse Radiatoren Fabriek B.V., Netherlands**

Name of the Company	Country of Incorporation	% of Holding as on 31 <sup>st</sup> March 2016
NRF Thermal Engineering BV (SkopimexBV)	Uden	100%
NRF France SARL	France	100%
NRF (United Kingdom) Ltd.	England	100%
NRF Handels GMBH	Austria	100%
NRF Deutschland GMBH	Germany	100%
NRF Espana S.A.	Spain	100%
NRF Poland Sp.z.o.o.	Poland	100%
NRF Italia Srl	Italy	100%
NRF Switzerland AG	Switzerland	100%
NRF USA	USA	100%

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in 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 Consolidate financial statements of **Banco Product (India) Limited** ("the Holding Company") as of and for the year ended 31 March 2016, we have audited the internal financial control over financial reporting of the Holding Company, and its Subsidiary Company, incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that

a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor of the Subsidiary company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, 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, the Holding Company and its subsidiary company 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 31 March 2016, 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.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one Subsidiary company, incorporated in India, is based on the corresponding report of the auditor of such companies incorporated in India.

**For MANUBHAI & SHAH LLP**  
**Chartered Accountants**  
**FRN: 106041W/W100136**

**Ashish Shah**  
**Partner**  
**M. No: 103750**  
**Place: Mumbai**  
**Date : 26.05.2016**

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

(₹ in Lacs)

PARTICULARS	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds:</b>			
(a) Share capital	3	1,430.37	1,430.37
(b) Reserves and surplus	4	67,356.66	60,545.07
		<b>68,787.03</b>	<b>61,975.44</b>
<b>2 Non current liabilities:</b>			
(a) Long term borrowings	5	—	778.49
(b) Deferred tax liabilities (Net)	6	2,097.06	2,295.08
(c) Long term provisions	7	389.19	387.09
		<b>2,486.25</b>	<b>3,460.66</b>
<b>3 Current liabilities:</b>			
(a) Short term borrowings	8	3,628.43	955.87
(b) Trade payables	9		
(A) Total outstanding dues of micro enterprises and small enterprises		630.51	361.54
(B) Total outstanding of creditors other than micro enterprises and small enterprises		11,589.85	6,152.44
(c) Other current liabilities	10	5,622.79	7,310.95
(d) Short term provisions	11	3,509.63	1,976.44
		<b>24,981.21</b>	<b>16,757.24</b>
<b>TOTAL</b>		<b>96,254.49</b>	<b>82,193.34</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets:</b>			
(a) Fixed assets			
(i) Tangible assets	12	21,876.07	22,362.41
(ii) Intangible assets		250.85	299.85
(iii) Capital work in progress		270.63	1,060.22
		<b>22,397.55</b>	<b>23,722.48</b>
(b) Non-current investments	13	25.60	25.60
(c) Deferred tax assets (Net)	6	618.46	294.65
(d) Long-term loans and advances	17	3,679.55	3,201.29
		<b>4,323.61</b>	<b>3,521.54</b>
<b>2. Current assets:</b>			
(a) Current investments	13	33.30	36.60
(b) Inventories	14	32,734.98	25,586.62
(c) Trade receivables	15	22,093.19	17,557.83
(d) Cash and bank balances	16	10,873.81	6,300.48
(e) Short-term loans and advances	17	3,314.39	5,431.58
(f) Other current assets	18	483.66	36.21
		<b>69,533.33</b>	<b>54,949.32</b>
<b>TOTAL</b>		<b>96,254.49</b>	<b>82,193.34</b>
Significant Accounting Policies	2		
Accompanying Notes are an integral part of the financial statements			

As per our report of even date attached

For and behalf of the board

For Manubhai &amp; Shah LLP

Chartered Accountants

FRN 106041W/W100136

Mehul K. Patel

Chairman

DIN 01772099

Ramkisan Devidayal

Director

DIN00238853

Mukesh D. Patel

Director

DIN 00009605

Udayan P. Patel

Director

DIN 00598313

Ashish Shah

Partner

Membership No. 103750

Devesh A. Pathak

Director

DIN 00017515

Himali H. Patel

Whole Time Director and

Chief Financial Officer

DIN 07081636

Sagar Pandya

Company Secretary

Place : Mumbai

Date : 26th May, 2016

Place : Vadodara

Date : 26th May, 2016

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

(₹ in Lacs)

PARTICULARS	Note No.	2015-16	2014-15
<b>I. Revenue from operations</b>		124,563.97	115,920.57
Less :- Excise duty		5,776.89	4,764.98
		<b>118,787.08</b>	<b>111,155.59</b>
Other operating revenues		1,642.35	1,720.25
<b>Total operating revenue</b>	<b>19</b>	<b>120,429.43</b>	<b>112,875.84</b>
<b>II. Other income</b>	<b>20</b>	1,104.41	5,290.99
<b>III. TOTAL REVENUE (I +II)</b>		<b>121,533.84</b>	<b>118,166.83</b>
<b>IV. EXPENSES:</b>			
(a) Cost of materials consumed	<b>21</b>	67,776.22	60,921.93
(b) Changes in inventories of finished goods & work-in-progress	<b>22</b>	(4,944.04)	337.51
(c) Employee benefit expenses	<b>23</b>	15,616.98	16,200.21
(d) Finance cost	<b>24</b>	323.82	837.67
(e) Depreciation and amortisation expenses	<b>25</b>	3,467.40	3,382.87
(f) Other expenses	<b>26</b>	27,347.13	25,202.49
<b>TOTAL EXPENSES (IV)</b>		<b>109,587.51</b>	<b>106,882.68</b>
<b>V. PROFIT BEFORE TAX (III-IV)</b>		11,946.33	11,284.15
<b>VI. TAX EXPENSES:</b>			
(i) Current tax		3,479.22	2,746.53
(ii) Deferred tax (benefit)/expenses		(521.82)	(227.60)
		<b>2,957.40</b>	<b>2,518.93</b>
<b>VII. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (V-VI)</b>		<b>8,988.93</b>	<b>8,765.22</b>
<b>Earning per equity share (In ₹ ) Basic and Diluted</b>			
<b>(Face value of ₹ 2 each)</b>		<b>12.57</b>	<b>12.26</b>
Significant Accounting Policies	<b>2</b>		
Accompanying Notes are an integral part of the financial statements			

As per our report of even date attached

**For Manubhai & Shah LLP**

Chartered Accountants

**FRN 106041W/W100136****Ashish Shah****Partner****Membership No. 103750****Mehul K. Patel**

Chairman

DIN 01772099

**Devesh A. Pathak**

Director

DIN 00017515

**Ramkisan Devidayal**

Director

DIN00238853

**Himali H. Patel**

Whole Time Director and

Chief Financial Officer

DIN 07081636

**Mukesh D. Patel**

Director

DIN 00009605

**Udayan P. Patel**

Director

DIN 00598313

**Sagar Pandya**

Company Secretary

Place : Mumbai

Date : 26th May, 2016

Place : Vadodara

Date : 26th May, 2016

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

(₹ in Lacs)

PARTICULARS	31st March, 2016	31st March, 2015
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	11,946.33	11,284.15
Adjusted for :-		
Depreciation and amortisation expenses	3,467.40	3,382.87
Finance cost	323.82	837.67
Effect of exchange rate change (unrealised)	—	19.26
(Profit)/loss on sale of fixed assets (Net)	(67.14)	2.17
(Profit)/loss on sale of investment	—	(3,702.63)
Interest income	(716.88)	(379.49)
Provision for diminution of investment-write back	—	(3.35)
Provision for diminution in value of current investment	3.30	—
Sundry balances write off	2.57	0.29
Provision for doubtful debts	83.36	64.16
Effect of exchange rate difference in translation	1,539.61	(2,221.40)
Dividend income	(14.33)	(13.71)
<b>Operating profit before working capital changes</b>	<b>16,568.04</b>	<b>9,269.98</b>
<b>Adjustment for increase/decrease in operating assets/liabilities:-</b>		
Trade and other receivables	(4,621.29)	3,761.62
Inventories	(7,148.37)	1,880.94
Loans and advances	1,420.17	1,276.08
Provisions	22.83	115.30
Other current liabilities	(1,710.37)	(2,418.31)
Trade payable	5,706.38	(2,641.67)
<b>Cash generated from operations</b>	<b>10,237.39</b>	<b>11,243.95</b>
Income Taxes paid (including taxes deducted at source)	(3,387.76)	(2,759.68)
<b>Net cash generated from operating activities (A)</b>	<b>6,849.65</b>	<b>8,484.27</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (net of currency translation)	(2,289.82)	(2,433.74)
Sale of fixed assets	227.07	77.41
Sale of non-current investment	—	10,724.78
Dividend income received from investment	14.33	13.71
Interest received	396.73	423.54
<b>Net cash used in investing activities (B)</b>	<b>(1,651.69)</b>	<b>8,805.70</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016**

(₹ in Lacs)

	31st March, 2016	31st March, 2015
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interim and final dividend paid (Including applicable dividend distribution tax)	(1,787.97)	(572.15)
Income tax (dividend distribution tax) paid on dividend	(429.11)	(0.09)
Interest and finance charges paid	(301.61)	(902.06)
Proceed /(repayment) in long-term borrowings	(778.49)	(2,146.71)
Proceed /(repayment) in short-term borrowings	2,672.55	(10,024.45)
<b>Net cash used in financing activities (C)</b>	<b>(624.63)</b>	<b>(13,645.46)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4,573.33	3,644.51
Cash and cash equivalents at the beginning of the year	6,300.48	2,655.96
<b>Cash and cash equivalents at the end of the year</b>	<b>10,873.81</b>	<b>6,300.48</b>
<b>NOTES:</b>		
(a) The cash flow statement has been prepared under " Indirect Method" as set out in the Accounting Standard 3 "On Cash Flow Statement".		
(b) Previous year figures have been regrouped and re-arranged, wherever necessary.		
(c) Cash and Cash Equivalent comprises of		
	<b>As at</b>	<b>As at</b>
	<b>31st March 2016</b>	<b>31st March 2015</b>
<b>(a) Cash and cash equivalents</b>	38.02	44.73
(i) Cash on hand		
(ii) Balances with banks	3,344.61	3,560.09
- In current accounts		
(iii) Deposit with original maturity of less than 3 months	4,145.00	290.20
<b>(b) Other bank balances</b>		
(i) Deposit with original maturity for more than 3 months but less than 12 months	3,171.78	2,156.78
(ii) Unpaid dividend (earmarked balances)*	108.41	110.78
(iii) Deposit held as margin money with banks against bank guarantee	65.99	137.90
	<b>10,873.81</b>	<b>6,300.48</b>
* Includes towards unclaimed dividend of ₹ 103.50 lacs (P.Y. ₹ 110.78 lacs)		
Accompanying Notes are an integral part of the financial statements		

As per our report of even date attached

**For Manubhai & Shah LLP**

Chartered Accountants

**FRN 106041W/W100136****Ashish Shah****Partner****Membership No. 103750****Place : Mumbai****Date : 26th May, 2016**

For and behalf of the board

**Mehul K. Patel**

Chairman

DIN 01772099

**Ramkisan Devidayal**

Director

DIN00238853

**Mukesh D. Patel**

Director

DIN 00009605

**Udayan P. Patel**

Director

DIN 00598313

**Devesh A. Pathak**

Director

DIN 00017515

**Himali H. Patel**

Whole Time Director and

Chief Financial Officer

DIN 07081636

**Sagar Pandya**

Company Secretary

**Place : Vadodara****Date : 26th May, 2016**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**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 radiators. The company caters to both domestic and international market.

**2. SIGNIFICANT ACCOUNTING POLICIES**
**2.1 Basis of accounting**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act") as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets i.e. land which is carried at revalued amounts. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.

**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/Unaudited financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the company i.e., 31<sup>st</sup> March 2016.
- (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 Accounting Standard (AS) 21 – Consolidated Financial Statements.
- (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 statement 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/un-audited financial statements of subsidiary companies have been prepared in accordance with the generally accepted accounting principal (GAAP) of its country of incorporation. The difference between accounting policies of the company and its subsidiary companies are not material.
- (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)
<b>1</b>	<b>Nederlandse Radiatoren Fabriek BV</b>	Netherlands	100%	31 <sup>st</sup> March 2016
<b>1.1</b>	NRF Thermal Engineering BV (Skopimex BV)	Uden	100%	31 <sup>st</sup> March 2016
<b>1.2</b>	NRF France SARL	France	100%	31 <sup>st</sup> March 2016
<b>1.3</b>	NRF (United Kingdom) Ltd	England	100%	31 <sup>st</sup> March 2016
<b>1.4</b>	NRF Handels GMBH	Austria	100%	31 <sup>st</sup> March 2016
<b>1.5</b>	NRF Deutschland GMBH	Germany	100%	31 <sup>st</sup> March 2016
<b>1.6</b>	NRF Espana S.A.	Spain	100%	31 <sup>st</sup> March 2016
<b>1.7</b>	NRF Poland Sp.z.o.o.	Poland	100%	31 <sup>st</sup> March 2016
<b>1.8</b>	NRF Italia Srl	Italy	100%	31 <sup>st</sup> March 2016
<b>1.9</b>	NRF Switzerland AG	Switzerland	100%	31 <sup>st</sup> March 2016
<b>1.10</b>	NRF USA	USA	100%	31 <sup>st</sup> March 2016
	Note : Sr. No.1.1 to 1.10 are subsidiaries of Nederlandse Radiatoren Fabriek BV			
<b>2</b>	<b>Lake Mineral (Mauritius) Ltd.</b>	Mauritius	100%	31 <sup>st</sup> March 2016
<b>2.1</b>	Kilimanjaro Biochem Ltd	Tanzania	95 %	31 <sup>st</sup> March 2016
	Note : Sr. No. 2.1 is Subsidiary of Lake Mineral (Mauritius) Ltd.			
<b>3</b>	<b>Banco Gaskets (India) Ltd.</b>	India	100%	31 <sup>st</sup> March 2016

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 2.3 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

### 2.4 Classification of Current/Non Current Assets and Liabilities

All other 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 Fixed assets and depreciation/amortization

#### (i) In respect of Banco Products (India) Limited

##### (a) Tangible fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation/ accumulated impairment losses if any. Acquisition cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Profit or Loss on disposal of tangible assets is recognised in the statement of profit and loss.

##### (b) Intangible fixed assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Acquisition cost of intangible fixed assets comprises of the purchase price and other non-refundable taxes or levies and any attributable cost of bringing the assets to its working condition for its intended use.

##### (c) Capital work in progress and capital advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as long term loans and advances.

##### (d) Depreciation/Amortization

Depreciation on plant and machinery (except electrical installations), computers, laboratory equipment's, machine tools and effluent treatment plant purchased on or after 1<sup>st</sup> October, 1982 has been provided on straight line basis and on other assets on written down value basis over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013. Individual items of fixed assets costing up to ₹ 5,000 are fully depreciated in the year of purchase.

Leasehold land and leasehold improvement are amortized over the primary period of lease.

Intangible assets are amortised on a straight line basis over a period of five years. Purchase cost, user license fees and consultancy fees for major software are amortized over the useful lives of assets as specified in schedule II of the Companies Act, 2013.

#### (ii) In respect of Banco Gaskets (India) limited

Depreciation on tangible assets except Plant and Machinery has been provided on written down value method over the useful lives of the assets prescribed under Part C of 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 prescribed under Part C of Schedule II to the Companies Act, 2013. Depreciation on additions/deletion during the year is provided on pro-rata basis. For assets costing ₹ 5000/- or less depreciation @ 100% is provided in the year of purchase.

Intangible assets are amortized over the period of five years.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

(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%

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

Buildings & Civil Works	:	5%
Plant & Machinery	:	10%
Motor Vehicles	:	20%
Office Equipments	:	25%
Furniture & Fittings	:	25%
Computers	:	25%

**2.6 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.

**2.7 Revenue recognition**

- (i) Sale of products is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. The amount recognized as sales is exclusive of net of returns and discounts excise duty, sales tax/ VAT and other charges. Sales are stated gross of excise duty as well as net of excise duty (on goods manufactured), excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognized separately as part of changes in inventories of finished goods and work-in- progress.
- (ii) Interest income is accounted on time proportionate basis at contractual rates.
- (iii) Dividend income is recognized when the right to receive payment is established.
- (iv) Export incentives in respect of export made under duty drawback and other schemes as per the foreign trade policy are recognized on accrual basis and to the extent of certainty of realization of ultimate collection.
- (v) In respect of Nederlandse Radiateuren Fabriek B.V. Income from supply of goods is recognized as soon as all substantial rights and risks relating to the title of the goods are transferred to the customer.

**2.8 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 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, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods and other costs incurred in bringing the inventories to their present location and condition.

**2.9 Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 2.10 Transactions in foreign currency

#### (i) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

#### (ii) Measurement of foreign currency items at the balance sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the statement of profit and loss.

#### (iii) Translation of financial statements of foreign entities

In case of foreign subsidiaries, being Non-Integral Foreign Operations, income and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. The resultant translation gains and losses are disclosed as 'Foreign Currency Translation Reserve' under 'Reserves and Surplus'

### 2.11 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.

### 2.12 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.

### 2.13 Provisions, contingent liabilities and contingent assets

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

#### (i) In respect of Banco Products (India) Limited and Banco Gaskets (India) limited from Note 2.14 to Note 2.20.

### 2.14 Taxes on Income

- (i) Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).
- (ii) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.
- (iii) Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date to reassess realisation.

### 2.15 Research and development

- (i) Research and Development expenditure of a revenue nature is expensed out and shown separately as research and development expenses under the respective heads of account in the year in which it is incurred.
- (ii) Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****2.16 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.

**2.17 Proposed Dividend**

Dividend recommended by the board of directors is provided for in the accounts, pending approval at Annual General Meeting.

**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 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.
- (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 at the end of each financial year, using the projected unit credit method.
- (iv) Actuarial gain and losses are recognised in the statement of profit and loss.

**2.19 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) 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 provided 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 the fixed assets.

**Assets acquired on operating lease:**

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the statement of profit and loss.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**3. SHARE CAPITAL**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Authorised share capital</b>		
15,20,00,000 (P.Y. 15,20,00,000) Equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up</b>		
7,15,18,650 (P.Y. 7,15,18,650) Equity shares of ₹ 2 each fully paid	1,430.37	1,430.37
	<b>1,430.37</b>	<b>1,430.37</b>

**(a) A reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period**

	No. of Shares in Lacs	Share Capital (₹ In lacs)
<b>Balance at the beginning of the year</b>	715.19	1,430.37
Issued during the year	—	—
<b>Balance at the end of the year</b>	<b>715.19</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. The final dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting. 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. The board of directors at its meeting held on 29th January 2016 declared and paid an interim dividend of ₹ 0. 60 (sixty paise only) per equity shares of ₹ 2 each. A final dividend of ₹ 4/-per equity share has been recommended by Board of Directors at its meeting held on 26th May 2016, subject to the approval by the share holders at the ensuing annual general meeting.

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

Name of share holder	As at 31st March 2016 No. in Lacs (Holding in %)	As at 31st March 2015 No. in Lacs (Holding in %)
1. Vimal K.Patel	55.73 ( 7.79%)	55.73 ( 7.79%)
2. Samir K.Patel	50.17 ( 7.01%)	50.17 ( 7.01%)
3. Mehul K.Patel	56.15 ( 7.85%)	56.15 ( 7.85%)
4. Overseas Pearl Limited	269.10 ( 37.63%)	269.10 ( 37.63%)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 4. RESERVE AND SURPLUS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
(a) Capital reserve on acquisition	9,617.24	9,617.24
	<b>9,617.24</b>	<b>9,617.24</b>
(b) Capital reserve	0.77	0.77
	<b>0.77</b>	<b>0.77</b>
(c) Security premium reserve	1,200.31	1,200.31
	<b>1,200.31</b>	<b>1,200.31</b>
(d) Revaluation reserve		
As per last balance sheet	54.14	54.14
Add :- Addition during the year	12.59	—
	<b>66.73</b>	<b>54.14</b>
(e) General reserve		
As per last balance sheet	11,517.69	10,860.81
Less:- Depreciation (net of deferred tax of ₹ 22.21 lacs) of those assets on which useful life is over.	—	(43.12)
Add: Transferred from surplus in the statement of profit and loss	700.00	700.00
	<b>12,217.69</b>	<b>11,517.69</b>
(f) Translation adjustment reserve		
At the beginning of the year	763.22	4,129.18
Adjustment during the year	1,539.61	(3,365.96)
At the end of the year	<b>2,302.83</b>	<b>763.22</b>
(g) Surplus in the statement of profit and loss		
As per last balance sheet	37,391.70	31,578.49
Net profit after tax transferred from statement of profit and loss for the year	8,988.93	8,765.22
Add:- reversal of excess dividend distribution tax provision *	142.71	36.37
<b>Less : Appropriations</b>		
<b>Dividend on Equity Shares</b>		
Interim dividend paid during the year		
<b>(Amount per shares of ₹ 0.60 (P.Y. ₹ 0.50 per share) of ₹ 2 each)</b>	(429.11)	(357.59)
Dividend distribution tax on interim dividend *	—	(0.09)
Proposed final dividend		
<b>(Amount per shares ₹ 4 (P.Y. ₹ 2.50 per share) of ₹ 2 each)</b>	(2,860.74)	(1,787.97)
Dividend distribution tax on proposed final dividend	(582.40)	(142.71)
Transfer to General Reserve	(700.00)	(700.00)
<b>Closing balance</b>	<b>41,951.09</b>	<b>37,391.70</b>
	<b>67,356.66</b>	<b>60,545.07</b>

\* Dividend distribution tax not paid during the year on account of dividend received from foreign subsidiaries as per provision of Income Tax Act, 1961 which resulted into Nil liabilities during the year on final dividend paid for the year 2014-2015 and on interim dividend paid during the year 2015-2016.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**5. LONG TERM BORROWINGS\*\***

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Secured</b>		
(a) Foreign currency secured term loan from bank*	—	2,162.19
Less: current portion of long-term borrowing (Refer note 10)	—	(1,729.75)
	—	<b>432.44</b>
(b) Loans from bank	—	346.05
	—	<b>346.05</b>
(c) Indian rupees secured term loan from bank	—	97.50
Less: current portion of long-term borrowing	—	(97.50)
	—	—
	—	<b>778.49</b>

\* Foreign currency term loan carries interest@ 3M LIBOR plus 2%. The loan is repayable within 4 years on quarterly installments. The loan is secured by hypothecation of specific movable assets of the company by way of first charge. The loan is repaid as of 31st March 2016 and the charged released subsequently within prescribed time.

\*\* Default in terms of repayment of principal and interest- NIL

**6. DEFERRED TAX LIABILITIES (Net)**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Deferred tax liability</b>		
Fixed assets :- Impact of difference between WDV as per Income Tax Act and as per books of accounts	2,097.06	2,295.08
<b>Deferred tax assets</b>		
Disallowance under the Income Tax Act, 1961	618.46	294.65
	<b>1,478.61</b>	<b>2,000.43</b>
Opening net deferred tax liability	2,000.43	2,228.04
Deferred tax adjustment against general reserve	—	22.21
Charged to statement of profit and loss	(521.82)	(227.61)

**7. LONG TERM PROVISIONS**

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note 31(a to f))	222.76	186.57
Provision for leave encashment (Refer note 31 (g))	166.43	200.52
	<b>389.19</b>	<b>387.09</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 8. SHORT TERM BORROWINGS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>Secured</b>		
Cash credit from banks	1,352.33	261.11
Short-term loan from banks	2,276.10	194.76
<b>Unsecured</b>		
Short-term loan from banks	—	500.00
	<b>3,628.43</b>	<b>955.87</b>

- (i) Rupees loan in the form of cash credit loans are secured against first charge on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating scheduled banks.
- (ii) Foreign currency loan represent short term working capital loan by way of hypothecation of stock and receivables carrying interest rate LIBOR plus 135 basis points per annum.
- (iii) Short term loans from bank carries interest rate @ 9% to 12% p.a. during the year.

## 9. TRADE PAYABLES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
Trade payables*	12,220.36	6,513.98
	<b>12,220.36</b>	<b>6,513.98</b>

\* Includes due to Micro, Small and Medium Enterprises of ₹ 630.51 lacs (Previous year ₹ 361.54 lacs)

## 10. OTHER CURRENT LIABILITIES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
(a) Current maturities of long-term debt (Refer note 5)	—	1,827.25
(b) Advance received from customers	116.82	158.52
(c) Unclaimed/Unpaid dividend *	108.41	110.78
(d) Interest accrued but not due on borrowings	5.09	17.12
(e) Other payables		
(i) Statutory payables		
Payable towards central sales tax and VAT	136.41	128.74
Payable towards provident fund	19.84	16.05
Payable towards professional tax	1.33	0.95
Payable towards TDS under income tax	39.37	25.90
(ii) Payable to employees	313.55	338.28
(iii) Others	4,881.97	4,687.36
	<b>5,622.79</b>	<b>7,310.95</b>

\* This figure does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 11. SHORT TERM PROVISIONS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(a) Provision for employee benefits</b>		
Provision for gratuity (refer note 31(a to f))	38.45	34.90
Provision for leave encashment (refer note 31(g))	28.04	10.86
<b>(b) Other provisions</b>		
Proposed final dividend	2,860.74	1,787.97
Dividend distribution tax on proposed final dividend	582.40	142.71
	<b>3,509.63</b>	<b>1,976.44</b>

### 12 FIXED ASSETS

(₹ in Lacs)

	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK		
	As at 1 April 2015	Additions	Transl- ation Difference	Deduction Others	As at 31 March 2016	As at 1 April 2015	Additions	Transl- ation Difference	Deduction Others	Other Adjust- ment	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
<b>I Tangible Assets</b>													
a. Leasehold Land	869.96 (869.96)	- -	- -	- -	869.96 (869.96)	36.50 (27.72)	8.79 (8.79)	- -	- -	- -	45.29 (36.50)	824.67 (833.46)	833.46 (842.23)
b. Freehold Land	939.93 (1,139.85)	32.55 (29.79)	32.91 94.75	18.09 (134.96)	987.29 (939.93)	- (0.09)	- -	- -	- 0.09	- -	- (939.93)	987.29 (939.93)	939.93 (1,139.76)
c. Buildings	13,293.40 (14,537.68)	316.32 (465.45)	636.95 1,709.72	123.38 -	14,123.29 (13,293.40)	7,335.73 (7,973.79)	417.91 (592.22)	598.97 1,230.28	- -	- -	8,352.61 (7,335.73)	5,770.68 (5,957.67)	5,957.67 (6,563.89)
d. Plant and Equipments	38,695.15 (40,708.78)	1,319.86 (2,075.35)	1,340.03 3,885.33	70.54 (203.66)	41,284.50 (38,695.15)	25,272.79 (26,858.93)	2,516.54 (2,122.24)	1,565.42 3,481.49	749.51 259.65	- (29.81)	28,605.24 (25,269.84)	12,679.25 (13,425.31)	13,425.31 (13,897.07)
e. Furniture & Fixtures	3,055.63 (3,508.28)	241.74 (148.77)	309.86 601.42	- -	3,607.23 (3,055.63)	2,603.19 (2,908.37)	142.43 (215.98)	268.49 521.83	- -	- (0.67)	3,014.12 (2,603.19)	593.11 (452.44)	452.44 (128.83)
f. Vehicles	1,015.28 (1,002.26)	79.41 (83.72)	(39.56) 66.41	6.03 (4.29)	1,049.11 (1,015.28)	569.76 (428.10)	125.19 (170.65)	(12.62) 38.66	4.51 3.58	- (3.37)	677.83 (559.88)	371.28 (455.40)	455.40 (574.56)
g. Office equipment	318.89 (252.56)	19.62 (70.36)	(3.52) 4.03	- -	334.99 (318.89)	324.02 (259.62)	34.33 (63.62)	(2.20) 2.94	- -	- (9.22)	356.15 (329.52)	(21.16) 10.63	(10.63) (481.92)
h. Scientific Research	-	-	-	-	-	-	-	-	-	-	-	-	-
1 Building	85.25 (85.25)	76.16 -	- -	- -	161.41 (85.25)	54.21 (51.07)	7.99 (3.14)	- -	- -	- -	62.20 (54.21)	99.21 (31.04)	31.04 (34.18)
2 Plant and Equipments	445.57 (397.73)	386.81 (47.84)	- -	- -	832.38 (445.57)	231.11 (176.17)	61.93 (37.78)	- -	- -	- (20.12)	293.04 (234.07)	539.34 (211.50)	211.50 (174.34)
3 Software	71.90 (60.72)	- (11.18)	- -	- -	71.90 (71.90)	42.95 (26.73)	9.07 (16.22)	- -	- -	- -	52.02 (42.95)	19.88 (28.95)	28.95 (33.99)
4 Office equipment	29.48 (29.48)	2.51 -	- -	- -	31.99 (29.48)	6.66 (3.00)	12.00 (0.43)	- -	- -	- (0.38)	18.66 (3.81)	13.33 (25.67)	25.67 (1.44)
5 Furniture and Fixture	21.36 (21.36)	1.91 -	- -	- -	23.27 (21.36)	16.81 (14.44)	1.78 (2.22)	- -	- -	- -	18.59 (16.66)	4.68 (4.70)	4.70 (6.35)
i. Others assets	60.70 (58.11)	8.67 (2.59)	- -	- -	69.37 (60.70)	42.99 (24.96)	12.01 (17.66)	- -	- -	- (0.41)	55.00 (43.03)	14.37 (17.67)	17.67 (33.21)
<b>II Intangible Assets</b>													
a. Technical Knowhow	130.55 (150.59)	- (0.47)	10.08 20.51	- -	140.63 (130.55)	47.94 (15.74)	27.44 (35.74)	3.43 3.54	- -	- -	78.81 (47.94)	61.82 (82.61)	82.61 (134.85)
b. Software	443.20 (435.11)	35.54 (39.53)	18.19 31.44	- -	496.93 (443.20)	229.32 (151.64)	89.98 (96.19)	8.48 12.52	- -	- (1.35)	327.79 (236.66)	169.14 (206.54)	206.54 (290.74)
<b>Total</b>	<b>59,476.25</b>	<b>2,521.09</b>	<b>2,304.94</b>	<b>218.05</b>	<b>64,084.24</b>	<b>36,813.99</b>	<b>3,467.40</b>	<b>2,429.96</b>	<b>754.02</b>	<b>-</b>	<b>41,957.32</b>	<b>22,126.92</b>	<b>22,662.26</b>
<b>Previous year</b>	<b>(63,257.72)</b>	<b>(2,975.05)</b>	<b>6,413.62</b>	<b>(342.91)</b>	<b>(59,476.25)</b>	<b>(38,920.36)</b>	<b>(3,382.87)</b>	<b>5,291.26</b>	<b>263.32</b>	<b>(65.33)</b>	<b>(36,813.99)</b>	<b>(22,662.26)</b>	<b>(24,337.35)</b>

#### Notes:

- The Company has acquired Leasehold land on 16th December 2010 on Lease for 99 years. The amortisation per year on the same is ₹ 8.80 Lacs
- Other Assets include Weighing Machine, Air Conditioner and other Equipments
- Figure in bracket represent previous year figures.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 13. NON CURRENT INVESTMENTS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b><u>Other Investments:</u></b>		
(a) <b>Unquoted fully paid equity instrument in company where some of directors are common</b>		
620,080 (P.Y.620,080) equity shares in Banco Aluminium Ltd.	25.35	25.35
	<b>25.35</b>	<b>25.35</b>
(b) 1,000 (P.Y.1,000) Equity shares of ₹ 25 each fully paid in Co-Operative Bank of Baroda	0.25	0.25
	<b>0.25</b>	<b>0.25</b>
	<b>25.60</b>	<b>25.60</b>
<b><u>CURRENT INVESTMENTS</u></b>		
(a) <b>Investment in equity and other instruments (quoted) (fully paid up)</b>		
6,588 (P.Y.6,588) India Motor Parts & Accessories Limited. of ₹ 10 each	3.14	3.14
132,700 (P.Y.132,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	13.38	13.38
511 (P.Y.511) NHPC Limited of ₹ 10 each	0.18	0.18
Less :- Provision for diminution of Investment in NHPC Ltd.	(0.08)	(0.08)
787 (P.Y.787) Oil India Limited of ₹ 10 each	3.31	3.31
400 (P.Y.400) Anand I-Power Limited ( Formerly known as Perfect Circle India Limited) of Re.1 each	0.01	0.01
17 (P.Y.17) Talbros Eng Limited of ₹ 10 each having total value of ₹ 426 (P.Y. ₹ 426)	0.004	0.004
	<b>19.94</b>	<b>19.94</b>
(b) <b>Investment in mutual fund-quoted, fully paid up</b>		
200,000 (P.Y.200,000) Baroda Pioneer PSU Equity Fund of ₹ 10 each	20.00	20.00
Less :- Provision for diminution of Investment	(6.64)	(3.34)
	<b>13.36</b>	<b>16.66</b>
	<b>33.30</b>	<b>36.60</b>
(c) <b>Market value of quoted current investments</b>		
Equity Investments	202.68	169.16
Others	13.36	16.66
	<b>216.04</b>	<b>185.82</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 14. INVENTORIES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(At lower of cost and net realisable value)</b>		
(a) Raw materials *	11,740.37	9,518.36
(b) Work-in-progress	3,030.49	2,281.58
(c) Finished goods **	16,849.46	12,624.27
(d) Stores and spares	889.73	865.47
(e) Loose tools	12.74	102.52
(f) Packing materials	212.19	194.42
	<b>32,734.98</b>	<b>25,586.62</b>

\* Raw material includes goods in transit of ₹ 214.52 lacs (P.Y. ₹ 20.82 lacs)

\*\* Finished goods includes goods in transit of ₹ 175.76 lacs (P.Y. ₹ 515.51 lacs)

## 15. TRADE RECEIVABLES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(Unsecured and considered good)</b>		
Outstanding for a period exceeding six months from the date they are due for payment	345.78	337.63
Others	21,747.41	17,220.20
	<b>22,093.19</b>	<b>17,557.83</b>

## 16. CASH AND BANK BALANCES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(a) Cash and cash equivalents</b>		
(i) Cash on hand	38.02	44.73
(ii) Balances with banks		
- In current accounts	3,344.61	3,560.09
(iii) Deposit with original maturity of less than 3 months	4,145.00	290.20
<b>(b) Other bank balances</b>		
(i) Deposit with original maturity for more than 3 months but less than 12 months	3,171.78	2,156.78
(ii) Unpaid dividend (earmarked balances)	108.41	110.78
(iii) Deposit held as margin money with banks against bank guarantee	65.99	137.90
	<b>10,873.81</b>	<b>6,300.48</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 17. LOANS AND ADVANCES

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
<b>(i) Long term (Unsecured, considered good)</b>		
(a) Capital advances	307.84	377.23
(b) Other advances		
(i) Loan given to others	3,037.62	2,398.51
(ii) Advance payment of income tax (Net of provision)	334.09	425.55
	<b>3,679.55</b>	<b>3,201.29</b>
<b>(ii) Short term (Unsecured, considered good)</b>		
(a) Security deposit	49.77	32.46
(b) Current maturities of loan	682.76	1,257.44
(c) Prepaid expenses	1,790.55	686.67
(d) Balance with statutory authorities	365.94	769.16
(f) Advance to vendors (trade)	310.47	315.63
(g) Other advances	114.90	2,370.22
	<b>3,314.39</b>	<b>5,431.58</b>

## 18. OTHER CURRENT ASSETS

	As at 31st March 2016 ₹ In lacs	As at 31st March 2015 ₹ In lacs
Interest accrued on deposit with banks	349.86	29.71
Others	133.80	6.50
	<b>483.66</b>	<b>36.21</b>

## 19. REVENUE FROM OPERATIONS

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>(a) Sale of products</b>		
Finished goods (net of returns and discounts)	124,563.97	115,920.57
Less : Excise duty	5,776.89	4,764.98
	<b>118,787.08</b>	<b>111,155.59</b>
<b>(b) Other operating revenue</b>		
Scrap sales	1,354.70	1,573.92
Export incentives	287.65	146.33
	<b>1,642.35</b>	<b>1,720.25</b>
	<b>120,429.43</b>	<b>112,875.84</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**20. OTHER INCOME**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Interest income		
From bank deposits	453.32	40.64
From others	263.56	338.85
(b) Dividend received		
(i) From non current investments	9.30	9.29
(ii) From current investments	5.03	4.42
(c) Profit on sale of investment (Net)	—	3,702.63
(d) Profit on sale of fixed assets (Net)	67.14	—
(e) Net gain on foreign currency transaction and translations	76.74	841.34
(f) Insurance claim received	9.03	73.00
(g) Other non operating income	220.29	280.82
	<b>1,104.41</b>	<b>5,290.99</b>

**21. COST OF MATERIALS CONSUMED**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Opening stock	9,712.78	11,474.84
Add : Purchases during the year	70,016.00	59,159.87
	<b>79,728.78</b>	<b>70,634.71</b>
Less : Closing stock	11,952.56	9,712.78
<b>Cost of materials consumed*</b>	<b>67,776.22</b>	<b>60,921.93</b>

\*Includes packing material consumption of ₹ 2085.70 lacs  
(P.Y. ₹ 1896.55 lacs)

**22. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>Inventories at the end of the year</b>		
Work in progress	3,030.49	2,281.58
Finished goods (Including goods in transit)	16,849.46	12,624.27
	<b>19,879.95</b>	<b>14,905.85</b>
<b>Inventories at the beginning of the year</b>		
Work in progress	2,281.58	2,845.29
Finished goods (Including goods in transit)	12,624.27	12,363.76
	<b>14,905.85</b>	<b>15,209.05</b>
<b>Changes in inventories</b>	(4,974.10)	303.20
<b>Increase/(decrease) in excise duty on finished goods</b>	30.06	34.31
<b>Changes in inventories of finished goods and work in progress</b>	<b>(4,944.04)</b>	<b>337.51</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**23. EMPLOYEE BENEFIT EXPENSES**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Salaries wages and bonus	12,732.10	12,980.32
(b) Contribution to provident and other funds	2,724.40	2,858.64
(c) Staff welfare expenses	160.48	361.25
	<b>15,616.98</b>	<b>16,200.21</b>

**24. FINANCE COST**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
(a) Interest expenses		
- On borrowing	103.68	503.92
- Others	7.83	1.74
(b) Net loss on foreign currency transactions and translation	73.39	153.43
(c) Bank and other financial charges	138.92	178.58
	<b>323.82</b>	<b>837.67</b>

**25. DEPRECIATION AND AMORTIZATION EXPENSES**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>Depreciation</b>		
(i) On tangible assets	3,340.92	3,270.94
(ii) On intangible assets	126.48	111.93
	<b>3,467.40</b>	<b>3,382.87</b>

**26. OTHER EXPENSES**

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Consumption of stores and spares	959.09	924.06
Power and fuel	2,320.87	2,376.13
Labour charges	7,013.81	6,229.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Repair and maintenance		
- Plant and machinery	1,295.50	1,361.13
- Electric installation	61.16	80.02
- Buildings	327.19	320.28
Sundry repairs	1.14	1.08
Factory general expenses	457.65	514.49
Insurance premium on assets	93.54	64.23
Payment to auditors (refer note 26.1)	207.06	195.78
Rent rates and taxes	867.29	735.86
Postage and courier	55.43	57.48
Telephone expenses	186.29	203.04
Travelling and conveyance	1,293.29	1,358.25
Director Sitting fees	8.70	7.98
Provision for diminution in value of current investment	3.30	—
Miscellaneous expenses	907.63	754.92
Donation	0.85	10.14
Expenditure towards corporate social responsibility activities	55.58	161.00
Loss on sale of assets (Net)	—	2.17
Insurance	15.66	71.43
Commission and discount	5,625.01	4,558.36
Advertisement and sales promotion	453.89	521.55
Other selling expenses	388.10	437.11
Provision for doubtful debts	83.36	64.16
Freight and transport (net)	4,665.74	4,192.25
	<b>27,347.13</b>	<b>25,202.49</b>

## 26.1 PAYMENT TO AUDITORS

	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
<b>As auditor :</b>		
Audit fees	100.34	93.64
<b>In other capacity:-</b>		
(i) Other services (certification fees)	102.47	98.61
(ii) Out of pocket expenses	4.25	3.53
	<b>207.06</b>	<b>195.78</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 27. CAPITAL AND OTHER COMMITMENTS

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
<b>Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account	569.01	1169.78
Other commitments	—	—

## 28. CONTINGENT LIABILITIES

Particulars	31 <sup>st</sup> March 2016 ₹ In lacs	31 <sup>st</sup> March 2015 ₹ In lacs
Service tax and excise duty	508.80	458.65
Sales tax	340.16	219.64
Income tax	9.51	1.19
Letter of credit	149.45	352.03
Guarantees issued by banks to third parties	300.42	550.08

The company is contesting the demands and the management, including its tax advisor, believes that its position is likely to be upheld in the appellate process. No tax expenses have been accrued in the financial statements for the demands raised as above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and result of operations.

29. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016

## (a) Key Managerial Personnel:

Name	Designation
Mr. Subhasis Dey	Managing Director (with effect from 6 <sup>th</sup> November 2015)
Mrs. Himali H. Patel	Whole Time Director and CFO
Mr. Kiran Shetty	Whole Time Director (Up to 16 <sup>th</sup> January 2016)
Mr. Sagar Pandya	Company Secretary (with effect from 6 <sup>th</sup> November 2015)

## (b) Company in which certain directors are common

Name of Company- Banco Aluminium Limited

Name of Related Party	Nature of Transaction	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
Banco Aluminium Limited	Purchase of goods	452.72	498.40
	Sales of goods	257.77	138.69
	Dividend received	9.31	9.29
	Receipt of rent (including taxes)	20.50	20.22
	Service received	1.00	—
	Closing balance	—	—
Remuneration to Key Management Personnel (Including Perquisite)	Shri Mehul K. Patel (Upto 31st Mar 2015)	—	128.10
	Shri Kiran Shetty (Upto 16th Jan 2016)	50.29	58.76
	Shri Shailesh Thakker- Whole Time Director (Upto 23rd Sept. 2014)	—	36.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Name of Related Party	Nature of Transaction	2015-2016 ₹ In lacs	2014-2015 ₹ In lacs
	Shri Sagar Pandya Company Secretary (With effect from 6th November 2015)	1.87	—
	Shri Shubhasis Dey (With effect from 6th November 2015)	35.12	—
	Shri Deep Waghela Company Secretary (With effect from 13th Feb 2015 & upto 7th October 2015)	1.32	0.31
	Shri Dinesh Kavthekar Company Secretary (Upto 30th Sept 2014)	—	6.47
	Himali Patel (With effect from 13th Feb 2015)	11.66	1.40

## 30. EARNING PER SHARES

	2015-2016	2014-2015
Profit available for equity shareholders (₹ in Lacs)	8,988.93	8,765.22
Weighted average paid up equity shares – Nos.in Lacs	715.19	715.19
Earning per equity share (Basic and Diluted) (In ₹)	12.57	12.26

## 31. DISCLOSURE IN RESPECT OF GRATUITY AS REQUIRED UNDER AS-15 EMPLOYEE BENEFITS

## a) RECONCILIATION IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION

Particulars	31 <sup>st</sup> Mar 2016 ₹ In lacs	31 <sup>st</sup> Mar 2015 ₹ In lacs
Opening defined benefit obligation	366.44	328.08
Current service cost	34.27	32.02
Interest cost	28.40	28.56
Benefits paid	(31.89)	(54.23)
Actuarial (gains)/losses on obligation	6.47	32.01
Prior year changes	12.12	—
<b>Closing defined benefit obligation</b>	<b>415.81</b>	<b>366.44</b>

## b) RECONCILIATION OF FAIR VALUE OF PLAN ASSETS FOR GRATUITY (FUNDED)

Particulars	31 <sup>st</sup> Mar 2016 ₹ In lacs	31 <sup>st</sup> Mar 2015 ₹ In lacs
<b>Opening fair value of plan assets</b>	<b>144.98</b>	<b>148.75</b>
Expected return	13.82	14.88
Contribution by employer	39.40	39.81
Benefits paid	(31.89)	(54.23)
Actuarial gains/(losses)	(4.62)	(4.22)
Adjustment to opening funds/expenditure on fund	(7.09)	—
<b>Closing fair value of plan assets</b>	<b>154.60</b>	<b>144.98</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**c) RECONCILIATION OF PRESENT VALUE OF OBLIGATION AND FAIR VALUE OF PLAN ASSETS FOR CURRENT AND PREVIOUS FOUR PERIODS**

<b>Gratuity (Funded)</b>	<b>31<sup>st</sup> March 2016 ₹ In lacs</b>	<b>31<sup>st</sup> March 2015 ₹ In lacs</b>	<b>31<sup>st</sup> March 2014 ₹ In lacs</b>	<b>31<sup>st</sup> March 2013 ₹ In lacs</b>	<b>31<sup>st</sup> March 2012 ₹ In lacs</b>
Present Value of Obligation at end of year	415.81	366.44	328.08	307.57	168.92
Fair value of plan assets at end of year	154.60	144.98	148.75	150.99	156.76
Surplus/(Deficit)	<b>(261.21)</b>	<b>(221.46)</b>	<b>(179.33)</b>	<b>(156.58)</b>	<b>(12.16)</b>
Actuarial (gains)/Losses on Obligation	6.47	30.26	17.27	37.58	22.17
Actuarial gain/(losses) on Plan Assets	(4.62)	(4.22)	(0.33)	1.40	(0.23)

**d) EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS**

<b>Particulars</b>	<b>31<sup>st</sup> Mar 2016 ₹ In lacs</b>	<b>31<sup>st</sup> Mar 2015 ₹ In lacs</b>
Current service cost	34.27	32.02
Interest cost on benefit obligation	28.40	28.56
Expected return on plan assets	(13.82)	(14.88)
Prior year changes	12.12	—
Net actuarial (gain)/loss recognized in the year	18.19	78.67
<b>Net benefit expenses</b>	<b>79.16</b>	<b>124.37</b>

**e) THE MAJOR CATEGORIES OF PLAN ASSETS AS A PERCENTAGE OF THE FAIR VALUE AS FOLLOWS:**

<b>Particulars</b>	<b>31<sup>st</sup> Mar 2016</b>	<b>31<sup>st</sup> Mar 2015</b>
Insurer managed funds (100%)	100%	100%

**f) THE PRINCIPAL ASSUMPTIONS USED IN DETERMINING GRATUITY FOR THE COMPANY'S PLAN AS BELOW:**

<b>Particulars</b>	<b>31<sup>st</sup> Mar 2016</b>	<b>31<sup>st</sup> Mar 2015</b>
Expected rate of return on plan assets	7.90%	9.00%
Discount rate	7.90%	8.00%
Salary escalation rate	6.00%	6.00%
Withdrawal rate*	3% to 15%	1% to 5%

Mortality assumption is based on LIC (1994-1996) published table rate

\* 15% at younger ages reducing to 3% at older age

**g) OTHER EMPLOYEE BENEFITS:**

The liability for leave encashment based on actuarial valuation at the year ended on 31<sup>st</sup> March 2016 is ₹ 194.47 lacs (P.Y. ₹ 211.38 lacs).

32. The Company has identified manufacturing of automobile components as its sole primary segment. Thus the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.
33. In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the company to any material extent as at the Balance Sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**34. 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 by the Company during the year. ₹ 143.22 lacs (P.Y. 160.75 lacs)

b. Amount spent during the year on: ₹ In Lacs

Sr. No.	Nature	In cash	Yet to be Paid in Cash	Total
i.	Construction / acquisition of Assets (Specify)	—	—	—
ii.	Other Purposes (Specify)	55.57 (161.00)	—	55.57 (161.00)

**35. ADDITIONAL INFORMATIONS AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT TO SCHEDULE III TO THE COMPANIES ACT, 2013**

Name of the Enterprises	2015-2016				2014-2015			
	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ In Lacs)	As % of consolidated net assets	Amount (₹ In Lacs)	As % of consolidated net assets	Amount (₹ In Lacs)	As % of consolidated net assets	Amount (₹ In Lacs)
<b>Parent :-</b>								
Banco Products (India) Limited	53.24%	45,399.05	68.96%	8,212.87	50.72%	40,903.12	43.62%	4,167.58
<b>Subsidiaries</b>								
<b>Indian</b>								
Banco Gaskets (India) Limited	6.50%	5,964.72	8.13%	968.97	6.20%	4,995.75	5.00%	477.23
<b>Foreign</b>								
Lake Mineral (Mauritius) Limited	7.69%	7,055.68	6.06%	722.05	9.38%	7,566.08	25.88%	2,472.28
Nederlandse Radiateuren Fabriek B.V.	32.57%	29,869.82	16.85%	2,007.28	33.70%	27,171.02	25.50%	2,435.63
<b>Total</b>	<b>100.00%</b>	<b>88,289.27</b>	<b>100.00%</b>	<b>11,911.17</b>	<b>100.00%</b>	<b>80,635.97</b>	<b>100.00%</b>	<b>9,552.72</b>
<b>Adjustment arising out of consolidation</b>		<b>(19,502.22)</b>		<b>(2,922.24)</b>		<b>(18,660.53)</b>		<b>(787.50)</b>
<b>Minority Interest in all subsidiaries</b>	—	—	—	—	—	—	—	—
<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>		<b>68,787.03</b>		<b>8,988.93</b>		<b>61,975.44</b>		<b>8,765.22</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

36. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

As per our report of even date attached		For and behalf of the board		
<b>For Manubhai &amp; Shah LLP</b> Chartered Accountants <b>FRN 106041W/W100136</b>	<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Ramkisan Devidayal</b> Director DIN00238853	<b>Mukesh D. Patel</b> Director DIN 00009605	<b>Udayan P. Patel</b> Director DIN 00598313
<b>Ashish Shah</b> <b>Partner</b> <b>Membership No. 103750</b>	<b>Devesh A. Pathak</b> Director DIN 00017515	<b>Himali H. Patel</b> Whole Time Director and Chief Financial Officer DIN 07081636	<b>Sagar Pandya</b> Company Secretary	
<b>Place : Mumbai</b> <b>Date : 26th May, 2016</b>	<b>Place : Vadodara</b> <b>Date : 26th May, 2016</b>			

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.**

[illegible]

## 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. 0265-2680220-21-22-23 • Website: [www.bancoindia.com](http://www.bancoindia.com)  
E-Mail : [investor@bancoindia.com](mailto: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 55th Annual General Meeting of Banco Products (India) Limited to be held on 17.09.2016 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 Financial Statements for the year ended 31st March, 2016 and the Report of the Board of Directors and Auditors thereon.
2.	To declare final dividend on Equity Shares.
3.	To appoint a Director in place of Shri Mehul K. Patel (DIN 01772099), who retires by rotation and being eligible, offers himself for reappointment.
4.	To consider the ratification of Statutory Auditor.
	<b>Special Business</b>
5.	To consider payment of commission to Shri Ramkisan Devidayal
6.	To consider payment of commission to Shri Mukesh Patel
7.	To consider payment of commission to Shri Devesh Pathak
8.	To consider payment of commission to Shri Udayan Patel
9.	To consider to approve appointment of and remuneration to Shri Subhasis Dey (DIN: 07306884) as a Managing Director for the Period from 6th November, 2015 to 30th April, 2016.

Signed this.....day of .....2016

Signature of the Shareholder(s)

Signature of Proxy holder(s)

Please affix  
Re. 1/-  
Revenue  
Stamp

### Notes:

- 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.
- For the resolutions, Explanatory Statement and Notes please refer Notice of the Annual General Meeting.
- 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. 0265-2680220-21-22-23 • Website: [www.bancoindia.com](http://www.bancoindia.com)  
E-Mail : [investor@bancoindia.com](mailto:investor@bancoindia.com).

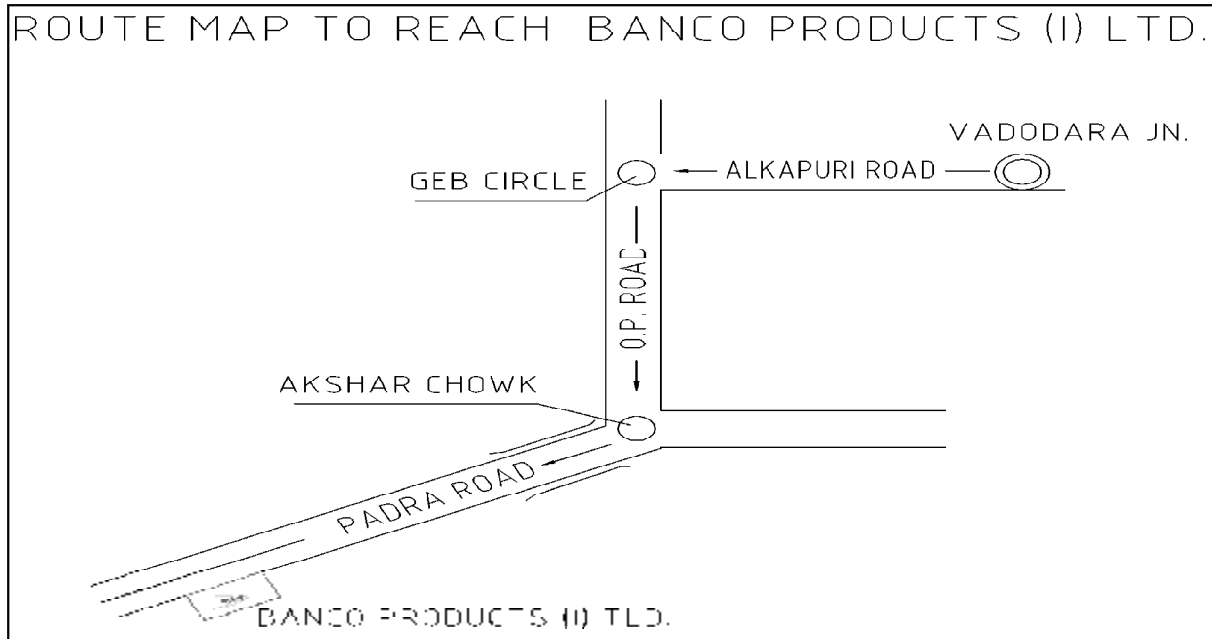
Name of the Member(s)/Proxy	
Folio No.	
DP ID - Client ID	
No of Shares Held	

I hereby record my presence at the 55th Annual General Meeting of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara - 391 410 on 17.09.2016.

Signature of the Member(s)/Proxy

**Note:**

1. The members/proxy holders are requested to bring the attence slip with them when they come to the meeting and hand it over at the gate affixing their signature on it.
2. Members are requested to bring their copies of Annual Report at the AGM.



### **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 :

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

CIN : L51100GJ1961PLC001039

Tel Nos.: (0265) 2680220/21/22, 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)