

# **BANCO PRODUCTS (INDIA) LIMITED**



**59<sup>th</sup> ANNUAL REPORT  
2019-2020**



**VISION**

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

**CORPORATE MISSION**

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

<b>Board of Directors</b>	:	Mehul K. Patel	Chairman
		Samir K. Patel	Director (upto 03.06.2020)
		Ramkisan Devidayal	Independent Director
		Mukesh D. Patel	Independent Director
		Devesh A. Pathak	Independent Director
		Udayan P. Patel	Independent Director
		Ameeta V Manohar	Independent Woman Director (w.e.f.25.04.2020)
		Rajendra J. Anandpara	Managing Director
		Himali Patel	Whole time Director & CFO
<b>Company Secretary</b>	:	Dinesh Kavthekar	
<b>Bankers</b>	:	State Bank of India	
		Bank of Baroda	
		HDFC Bank Limited	
<b>Auditors</b>	:	Parikh Shah Chotalia & Associates,	
		Chartered Accountants,	
		Vadodara	
<b>Registered Office</b>	:	Bil, Near Bhaili Railway Station,	
		Padra Road, Dist. Vadodara-391 410	
<b>Works</b>	:	At Bil, Near Bhaili Railway Station,	
		Padra Road, Dist. Vadodara-391 410	
		At Jamshedpur	
		At Rudrapur	
		At Waghodia (SEZ Unit)	
		At Zaheerabad	
<b>Listing</b>	:	BSE Limited (500039)	
		National Stock Exchange of India Limited (BANCOINDIA)	
<b>CIN</b>	:	L51100GJ1961PLC001039	
<b>Website</b>	:	www.bancoindia.com	
<b>RTA</b>	:	Link Intime India Pvt. Ltd.	

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## NOTICE

NOTICE is hereby given that the 59th Annual General Meeting of the Company will be held on Tuesday, the 22<sup>nd</sup> September, 2020 at 10.00 a.m.(IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") 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 31.03.2020 including Balance Sheet as at 31.03.2020, the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31.03.2020 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Rajendra Jayantilal Anandpara (DIN 02461259), who retires by rotation and being eligible, offers himself for re- appointment.

### Special Business

3. **To appoint Smt. Ameeta V Manohar (DIN 00903232), as Director (Non Executive Independent Woman Director) of the Company:**

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

"RESOLVED THAT pursuant to the Regulation 17 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), read with Sections 149, 150, 152 and 161 and any other provisions, applicable, if any read with Schedule IV of the Companies Act, 2013 (The Act) and Rules made there under, [including any statutory modification(s) or re-enactment (s) thereof for the time being in force] as also any Laws as the case may be, approval of the members be and is hereby accorded to appoint Smt. Ameeta V Manohar (DIN 00903232) who holds office as an Additional Director upto ensuing Annual General Meeting, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and whose office shall not be liable to retire by rotation as Non-Executive Independent Woman Director of the Company on the Board of the Company w.e.f 25.04.2020 to hold office up to 05 years w.e.f. 25.04.2020."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds and things as may be necessary and expedient to give effect to these resolutions."

4. **To approve payment of commission to Non-Executive Independent Director Smt. Ameeta V Manohar within the overall ceiling limit of 1% of net profits of the Company for a period of five years with effect from 01.04.2020.**

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 other applicable provisions, if any, of the Companies Act, 2013 ("The Act") and approval of Shareholders and such other approvals, if any, as may be required and as amended from time to time, and subject to approval by shareholders in this regards, remuneration by way of commission, in addition to the sitting fees for attending the meetings of the Board of Directors or Committees thereof not exceeding one percent per annum in aggregate of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to all the Non- Executive Independent Directors of the Company but not exceeding Rs. 1,50,000 per annum to Smt. Ameeta V Manohar as remuneration by way commission and such payments shall be made in respect of the profits of the Company for each year, for a period of five years, from the Financial Year ending on 31st March, 2021 onwards."

RESOLVED FURTHER that the above remuneration shall be in addition to all fees payable to such 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."

**5. To approve reappointment and remuneration of Shri Rajendra Jayantilal Anandpara as Managing Director.**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any read with schedule V of the Companies Act, 2013, (The Act) and the rules made there under [including any statutory modification (s) or re-enactment(s) thereof for the time being in force], Shri Rajendra Jayantilal Anandpara (DIN 02461259), be and is hereby reappointed as the Managing Director of the Company for a period from 27.04.2020 to 30.05.2023 subject to requisite approval by Members of the Company, on such remuneration and terms and conditions as set out in the Draft Agreement (placed before the Meeting) to be executed, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the provisions of the said Companies Act, 2013 or any amendment thereto or any reenactment thereof and as may be agreed between the Board of Directors and Shri Rajendra Jayantilal Anandpara.”

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and subject to other consents, if any, and in accordance with the Employment Agreement to be executed with Shri Rajendra Jayantilal Anandpara, the approval of the Company be and is hereby accorded to re-appointment of Shri Rajendra Jayantilal Anandpara at such remuneration and perquisites as detailed below:

**Remuneration:**

Basic Salary, Perquisites and other allowance / benefits up to maximum CTC of ₹ 137.67 Lakhs per annum or such higher amount as may be decided by the Board of Directors of the Company from time to time as per following details.

a) Basic	:	₹ 68.96 Lakhs per annum
b) Perquisites	:	₹ 52.87 Lakhs per annum
c) Others (including variable pay)	:	₹ 15.84 Lakhs per annum
Total	:	<u>₹ 137.67 Lakhs per annum</u>

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company shall pay in respect of such financial year, the remuneration paid for immediately preceding financial year, as minimum remuneration by way of salary, allowances, perquisites and other benefits, the provisions of Sections 196, 197, 198 203 and other applicable provisions, if any pursuant to the Companies Act, 2013, and the rules made there under read with Schedule V to the Act and subject to necessary approvals, if any”.

**6. To ratify Remuneration to Cost Auditor**

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the remuneration payable to M/s. Y.S. Thakar & Co., Cost Accountants, Baroda (FRN : 000318) appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the financial year 2020-21, amounting to Rs. 40,000 /- (Rupees Forty Thousand Only) plus government taxes, as applicable and out-of-pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

Date : 17.07.2020  
Place : Bil

By order of the Board  
Mehul K. Patel -Chairman  
(DIN : 01772099)

**NOTES :**

1. The Explanatory Statement, pursuant to SEBI Listing Regulations and / or Section 102 of the Companies Act, 2013, relating to the Special Businesses enumerated under Item No 03 to 06 of the accompanying Notice are annexed hereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 05.09.2020 to 22.09.2020 (both days inclusive) for record purpose only.
3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and MCA Circulars, the AGM of the Company will be held through VC / OAVM.
4. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website [www.bancoindia.com](http://www.bancoindia.com) website of stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of Link Intime India Private Limited (LIPL) at <https://instameet.linkintime.co.in>
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Participation is restricted upto 1000 members only. It is recommended to join the AGM through laptop for better experience. You are requested to use internet with a good speed to avoid any disturbance during the meeting. Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio / video loss due to fluctuation in their data network. It is therefore recommended to use stable wi-fi or wired connection to mitigate any kind of aforesaid glitches.
7. All the work related to share registry in terms of both physical and electronic, are being conducted by Company's R & T Agents, Link Intime India Pvt. Limited, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Tel: +91 265 2356573 | 6136000, Email Id: [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). The Members are requested to send their communication to the aforesaid address.
8. The Company has designated an exclusive Email Id: [investor@bancoindia.com](mailto:investor@bancoindia.com) for redressal of Shareholders'/Investors' complaints/grievance. In case you have any queries, complaints or grievances, then please write to us at the above mentioned e-mail address.
9. Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting and updation of bank account mandate for receipt of dividend:
  - i. In case shares are held in physical mode, members are requested to contact Company's Registrar & Share Transfer Agent, Link Intime India Private Limited at above address or the Company at above email ID.
  - ii. In case shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants.
10. Voting through Electronic Means and Declaration of Results :  
Pursuant to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, 2015, the Company is

pleased to provide its Members the facility of casting votes using an electronic voting system ("remote e-voting") as well as E-Voting during AGM, through the e-voting services provided by Link Intime India Private Limited (LIPL) on all the resolutions set forth in this Notice.

Shri Mehul K Patel, Chairman of the Company and in his absence Shri Shailesh Thakker – President – Commercial will declare the voting results based on the Scrutinizer's report received on Remote e-voting and voting at the meeting. The voting results along with Scrutinizer's report will be displayed on the:

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

The instructions for casting your vote electronically are as under:

- i. The remote e-voting period begins on 19<sup>th</sup> September, 2020 (9:00 a.m. IST) and ends on 21<sup>st</sup> September 2020 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as at the cut-off date of 15<sup>th</sup> September, 2020 may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on 15<sup>th</sup> September, 2020, may obtain the login Id and password by sending request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in). The remote e-voting module shall be disabled by Link Intime India Private Limited for voting after 21<sup>st</sup> July, 2020 (5.00 p.m. IST).
- ii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iii. Those Members, who will be present in the AGM through VC / OAVM and have not cast their vote through remote e-voting and are otherwise not barred from doing this, shall be eligible to vote through e-voting system during the AGM.
- iv. M/s. J J Gandhi & Co., Practising Company Secretaries, Vadodara has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting during the AGM in a fair and transparent manner.
- v. The details of process and manner of attending the AGM , for remote e-voting during the AGM and e-voting are as under:

**Process and manner for attending the Annual General Meeting through InstaMeet :**

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

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

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

1. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email Id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at [investors@bancoindia.com](mailto:investors@bancoindia.com) in from 14th September, 2020 to 17th September, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when announcement of the name and serial number for speaking is made.

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

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

On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

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

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

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

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

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

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

**InstaMeet Support Desk**

**Link Intime India Private Limited**

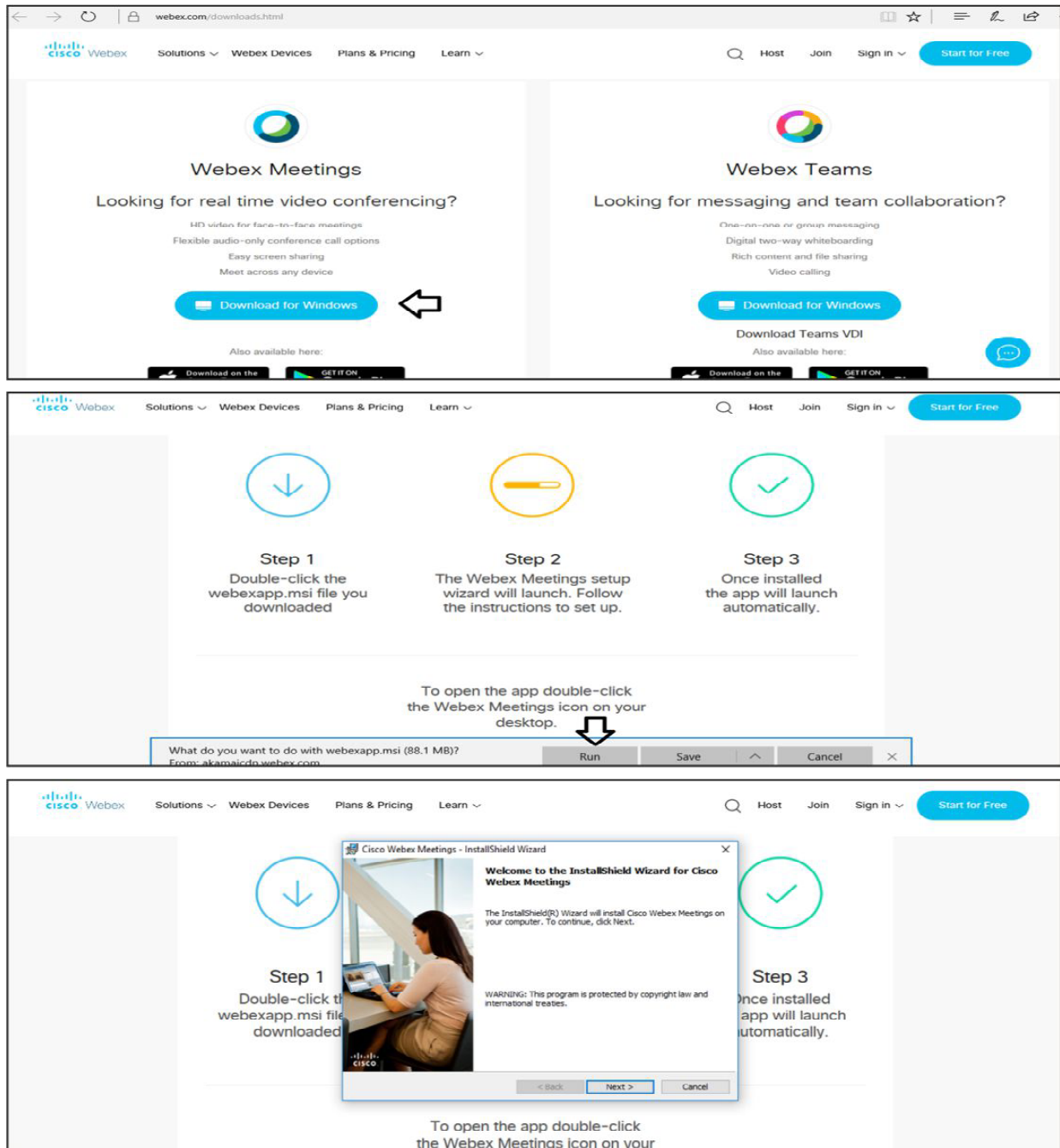


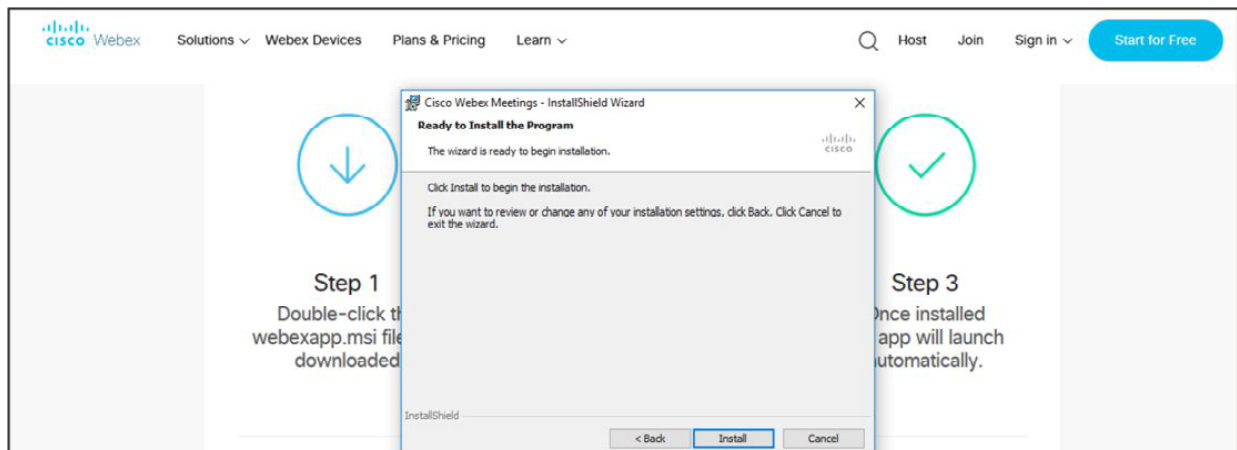
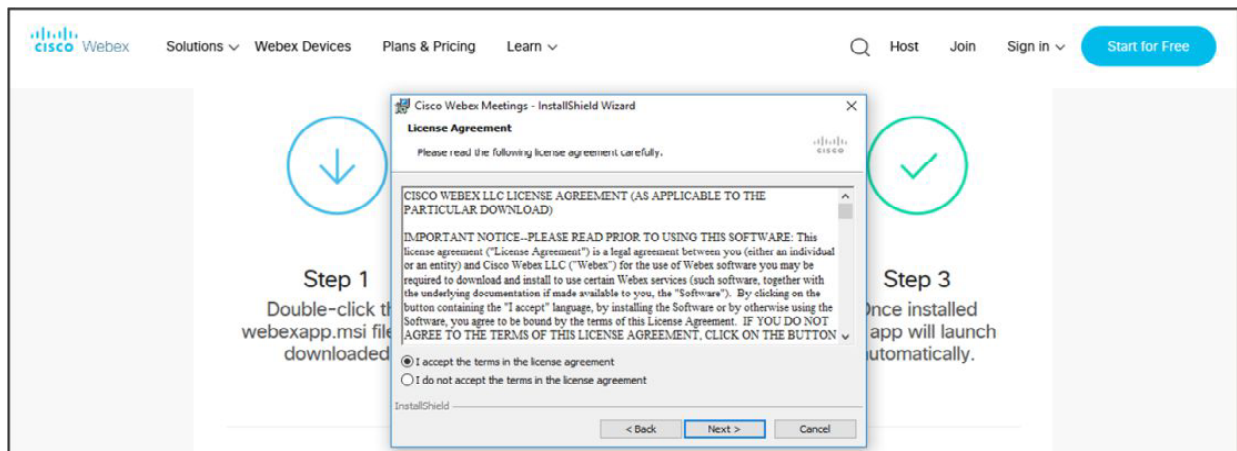
## ANNEXURE

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

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

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





Or

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

#### **Remote e-Voting Instructions for shareholders:**

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

- Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -
  - A. User ID:** Enter your User ID
    - Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/members holding shares in **physical form shall provide Event No + Folio Number** registered with the Company
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- Shareholders/members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/members holding shares in **NSDL demat account shall provide 'D', above**
- Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character(@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or may be referred to : **Rajiv Ranjan Assistant Vice President - e-Voting Link Intime India Pvt. Ltd**

Phone: +91 22 49186000 Extn-2505 Fax: +91 22 49186060 [rajiv.ranjan@linkintime.co.in](mailto:rajiv.ranjan@linkintime.co.in)

contact on: - Tel: 022 –4918 6000.

**InstaVote Support Desk**

**Link Intime India Private Limited**

**Registered Office:**

**Banco Products (India) Limited**

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

CIN : L51100GJ1961PLC001039

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

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

Email : investor@bancoindia.com, sec@bancoindia.com

By Order of the Board,

Date : 17.07.2020

Place : Bil

Mehul K. Patel - Chairman  
(DIN : 01772099)

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

**Item No. 3**

The Board of Directors, in its meeting held on 25.04.2020, in terms of the recommendation of Nomination and Remuneration Committee in its meeting held on 25.04.2020, has approved the appointment of Smt. Ameeta V Manohar (DIN 00903232), as an Additional Director (Non-Executive Independent woman Director) of the Company on the Board of the Company w.e.f 25.04.2020 to hold office up to next Annual General Meeting as an Additional Director and up to 05 years w.e.f. 25.04.2020 subject to approval of members as an Independent Director.

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

In the opinion of the Board, Smt. Ameeta V Manohar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as a Non-Executive Independent woman Director of the Company and is independent of the management.

The Board recommends the resolution in relation to appointment of Smt. Ameeta V Manohar as a Non-Executive Independent Director, for the approval by the shareholders of the Company. Smt. Ameeta V Manohar is not holding any Equity Shares of the Company.

None of the other Directors, Key Managerial Personnel(s) and their relatives, except Smt. Ameeta V Manohar, have any concern or interest, financial or otherwise, in the resolutions set out at Item No. 3 of the Notice.

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

The Board of Directors recommends the Special Resolution set out in Item No. 3 of the accompanying Notice for your approval.

**Item No. 4**

The Board of Directors, in its meeting held on 11.06.2020, in terms of the recommendation of Nomination and Remuneration Committee Meeting held on 11.06.2020, approved payment of Commission to Smt. Ameeta V Manohar (DIN 00903232) (Non-Executive Independent woman Director) 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 2020, 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 2020 as set out in the Resolution at Item No. 4 of the Notice.

The Board recommends the special resolution set out under Item No. 4 of the Notice for approval by the shareholders.

Smt. Ameeta V Manohar is not holding any Equity Shares of the Company.

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. 4 of the Notice except Smt. Ameeta V Manohar the Director of the Company who may be deemed to be concerned or interested in the

resolution set out at Item No. 4 of the Notice to the extent of the remuneration that may be received by her.  
The following are Details of the proposed commission :

Notice Item No.	Name	Amount of Commission not exceeding Rs.per Annum	Period	No of Shares held	Inter se-Relationship, if any
4	Smt. Ameeta V Manohar	1,50,000.00	5 years	NIL	No Inter se-Relationship

#### Item No. 5

Shri Rajendra J Anandpara was appointed as Managing Director of the Company for a period of 3 years from 27.04.2017 to 26.04.2020.

Based on the recommendation of the Nomination and Remuneration Committee, Shri Rajendra Jayantilal Anandpara was re-appointed Managing Director on the Board of the Company for a period from 27.04.2020 to 30.05.2023, in terms of Companies Act, 2013 and Rules made thereunder and in terms of Listing Regulations, subject to the approval of the Members.

Shri Rajendra Jayantilal Anandpara is Production Engineering Graduate and Executive Management qualification from Ross School of Management and IIM Bangalore.

Shri Rajendra Jayantilal Anandpara is having 30+ years experience at Senior Positions with various companies such as SKF Bearings, FAG Bearings India Limited in Multi business and Multi plants with extensive strong experience in Strategic Planning and Development, Sales and Marketing and proven experience in Manufacturing-Operations, Engineering, Project Engineering, Quality, fiscal, strategic and operations leadership and experience of both Indian and Global markets. Earlier he was Managing Director of FAG Bearings India Limited.

His continued association with the Company as a Director would be of great advantage.

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 of the Notice except Shri Rajendra J Anandpara Managing Director of the Company who may be deemed to be concerned or interested in the resolution set out at Item No. 5 of the Notice to the extent of the remuneration that may be received by him.

The material terms and conditions of the agreement including remuneration are as follows:

#### Functions, Duties, Powers and other matters :

Subject to the supervision, direction, superintendence and control of the Board of Directors the Managing Director shall perform such functions as duties as may be assigned to him by the Board of Directors from time to time as are necessary for the purpose of conducting the business and affairs of the Company on such terms and conditions as may be decided from time to time including the following :

- Hours of work shift, weekly holidays, etc shall be regulated by the Company to suit the duties entrusted to him and will be subjected to change as per the requirement of the Company from time to time.
- The Managing Director will devote his full time and attention exclusively to the duties entrusted to him from time to time by the Company and while in the services of the Company, him will not work for any person or Company in any capacity nor do any private business.
- The Managing Director shall not at any time without consent of the Company during the term of employment or thereafter disclose, divulge or make public except under legal obligation, any of the processes, inventions, scientific investigations, or results thereof, problems, practices, new techniques, records, suggestions, discussions, transactions or dealings of the Company which ought not to be disclosed, divulged or made public whether the same may be confided or become known to him during the course of his service or otherwise nor shall he remove from the premises of the Company any property, notes, drawings, or other documents or materials relating to such knowledge and information.
- The Managing Director shall keep the Company informed about the change, if any in his Residential Address.

- e) For any matter not covered specifically above, he will abide by the rules and / or customs, and practices of the Company in force and as modified from time to time.
- f) The Managing Director shall have necessary powers for the efficient management and conduct of the profitable business and affairs of the Company as are vested in him by the Board of Directors from time to time.
- g) The Managing Director shall perform his duties and exercise his powers within the limits prescribed in the Articles of Association of the Company and as diligently as is necessary in the best interest of the Company.
- h) The Managing Director shall not during the period of his employment, and without the previous consent in writing of the Board, engage or interest himself either directly or indirectly in the business or affairs of any other person, firm, Company, body corporate or concern or in any undertaking or business of a nature similar to or competing with the Company's business and further shall not, in any manner, whether directly or indirectly, use, apply or utilise his knowledge or experience for or in the interest of any such person, firm, Company, body corporate or concern as aforesaid or any such competing undertaking or business as aforesaid.
- i) The Managing Director shall not, during the continuance of his employment or any time thereafter, divulge or disclose to any person, firm, Company, body corporate or concern, whatsoever or make any use whatever for his own or for whatever purpose of any confidential information or knowledge obtained by him during his employment of the business or affairs of the Company or of any trade secrets or secret processes of the Company and the Managing Director shall, during the continuance of his employment hereunder, also use his best endeavors to prevent any other person, firm, Company, body corporate or concern from doing so.

Rajendra J Anadpara is not holding any Equity Shares of the Company.

Your Directors therefore recommend the resolution as set out in item no. 5 of the accompanying notice as a Special Resolution. for your approval.

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

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

The Board of Directors of the Company, has on the recommendation of Audit Committee, approved the appointment and remuneration of M/s. Y.S. Thakar & Co., Cost Accountants, Baroda, to conduct the audit of the cost records of the Company for the financial year 2020-2021.

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

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

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

## ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

## ANNEXURE A

## Profile of Directors

Name	Smt. Ameeta V Manohar
Birth Date / Age	17.09.1965/ 55 Yrs
Date of appointment on the Board	25.04.2020
Qualifications	B.Com, FCA
Nature of expertise & experience	Mrs. Ameeta V. Manohar is commerce Graduate from The University of Bombay and Fellow Member of the Institute of Chartered Accountants of India with more than 28 years of Professional experience and has passed The Information System Audit (L.S.A.) examination conducted by the Institute of Chartered Accountants of India. After short stint in a Company, she started her own Practice from October 1990 as a proprietor and later since July 1998, she had joined Vikas A. Manohar & Co Chartered Accountants, as partner handling various professional assignments such as Statutory Bank Branch Audits, Statutory Audits of ECGC Ltd and the Divisional Offices of the New India Assurance Co Ltd., Statutory Audits and Tax Audits varying from Engineering, Educational, Chemicals, Medical, Service sectors, Internal Audits of branches of ECGC Ltd, Concurrent Audits, Revenue Audits, Systems Audits of various branches of Nationalized banks, Conducted Stock Inspections on behalf of various banks for large borrower accounts.
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	None
Terms and conditions of Appointment or Re- Appointment	Terms of appointment as per the resolution at Item No.03 of the Notice dated 17.07.2020 of Annual General Meeting read with respective Explanatory Statement and not liable to retire by rotation.
Remuneration last drawn (commission and sitting fees)	Nil
No. of meetings of the Board attended for the period from 01.04.2019 to 31.03.2020	NIL
Directorships held in other Companies	Vital Corporate Services Private Limited
Details of Membership in Committees	NIL
No. of Shares held	NIL



Name of the Director	Shri Rajendra Jayantilal Anandpara
Date of Birth/Age	02.08.1957/63
Date of Re-appointment on the Board	27.04.2020
Specialised Expertise / Brief Profile	Shri Rajendra Jayantilal Anandpara is having 30+ years experience at Senior Positions with various companies such in Multi business and Multi plants with extensive strong experience in Strategic Planning and Development, Sales and Marketing and proven experience in Manufacturing-Operations, Engineering, Project Engineering, Quality, fiscal, strategic and operations leadership and experience of both Indian and Global markets.
Qualifications	Production Engineering Graduate and Executive Management qualification from Ross School of Management and IIM Bangalore
No. of meetings of the Board attended for the period from 01.04.2019 to 31.03.2020	6
Directorships in other Companies as on 31.03.2020	None
Chairman / Member of other Committee of Companies as on 31.03.2020	None
Shareholding of Director as on 31.03.2020	None
Relationship between Director inter-se	None

## BOARD'S REPORT

To,  
The Members of  
Banco Products (India) Limited

Your Directors have the pleasure in presenting the 59th Annual Report together with the Audited Financial Statements of Banco Products (India) Limited ("the Company") and its subsidiaries for the financial year ended on 31.03.2020.

At the outset, we hope and pray for the safe health of yours and that of your families. COVID-19 pandemic has caused enormous disruption to human lives. During these unprecedented and uncertain times, your Company's immediate priorities has been a. to safeguard health, safety and well-being of our employees and of communities around, b. to initiate effective measures towards rebooting of our operations and thus ensuring business continuity. Covid 19 has not just affected human health; it has caused devastating impact on the economy and on the society in general. It is impossible for an organization to escape the risks of a crisis with such a magnitude- at least in the short term. The adversities tests an Organization's true character and strength- At Banco, we are doing everything possible- and are confident – we will survive and emerge stronger post the current crisis.

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

The economic scenario during FY 19-20 remained challenging. Overall, the economic growth in India slowed down considerably during the year under review. Production in the automotive sector- one of the largest users of your Company's products -was unimpressive during the year. Production of Commercial vehicles declined by 33%; while other sectors namely Passenger Cars, Two Wheelers and Agriculture tractors- all saw decline in production by an average of 15%. In the last weeks of March 2020, the sales of the Company were also impacted due to COVID-19 related lockdown.

The challenging economic environment as above has affected your Company's financial performance. After posting healthy growth in business during previous two years (FY 17-18 and FY 18-19), we saw deceleration in our business during FY 19-20.

Total Income from operations during the year for the standalone entity was placed at INR 644.9 crores (previous year INR 819.3 crores). Net profit before tax was lower at INR 100.6 crores (previous year INR 173.9 crores). For the consolidated entity, the total income from operations was placed at INR 1447.2 crores (previous year INR 1577.1 crores) while Net profit before tax declined to INR 111.5 crores (previous year INR 152.5 crores).

The uncertain and challenging business environment also pushed us to deliver our best in terms of our core strength i.e. Innovation. Changes in emission norms to BS-VI in the automotive industry and BS-IV in the construction machinery and off-highway sectors led to large number of new development projects that our engineers managed successfully. The customer expectations in terms of emission norms, thermal efficiency, product compactness-lower weights and lowest possible Total Cost of Ownership (TCO) have been growing like never before.

Our R&D has been successful in responding to these challenges through our Bespoke Engineering approach. By continuously improving, testing and proving the efficiency of cooling elements, we have delivered to our customers, optimized solutions - which are not only efficient but are capable of delivering best in class field performance under challenging operating conditions.

It was thus heartening when two of our Key Customers recognized BANCO for its Innovation capabilities. During the year FY 2019-20 Cummins India recognized BANCO with Best Supplier Innovation Award while JCB also presented us with Best Supplier Award for co-creating the advanced and efficient Engine Cooling Modules suitable for BS-IV norms.

In the export market, the Company's business remained flat during the year. We will continue to focus on expanding our product portfolio in export market while realizing steady progress on growing global OEM business.

Your Company, as a part of its strategy to be best in its class, has always been investing ahead of times towards up gradation of Technology and Capacity Enhancement. During FY 2019-20 we made capital investment of approximately INR 18 crores, mainly in modern plant equipment.

Continuous improvement is at the very core of our Company's culture. During the year our engineers,

implemented a number of de-bottle-necking, Quality improvement and Efficiency improvement projects in our plants successfully. With relentless focus on operational excellence, and costs, we keep our operations flexible and efficient. During the year, your Company's employees won several awards in Quality Circle Competition organized by QCFI (Quality Circle Forum India).

In-terms of cost of raw materials, high depreciation in Indian Rupee was partly compensated by moderate commodity prices. Your Company follows prudent financial practices to manage Cash and Working Capital efficiently

It is yet unclear how the economy, which is currently under strain of the disruption caused by the pandemic, will recover during the year FY 2020-21. Overall, global political and economic scenario is getting very complex, uncertain and volatile; and this does not allow a good and clear visibility into the future... As a Company, we are preparing ourselves for the best and the worst that the coming times may bring. Under our initiative "Resilient BANCO", we are preparing our organization to remain lean and agile in-order to quickly respond to both – the opportunities and the challenges of the future.

In the medium term, we believe that markets will recover and growth will return- We still will have to get prepared to cyclic impact and unknown disruptions. Your Company is preparing itself well to manage its business continuity plans while keeping sight on its long-term strategy of profitable growth on the foundation of Innovation, Technology and People.

## 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 31.03.2020	Year ended on 31.03.2019	Year ended on 31.03.2020	Year ended on 31.03.2019
<b>Total Turnover</b>	<b>582.00</b>	<b>715.00</b>	<b>1,400.00</b>	<b>1,537.00</b>
<b>Profit Before Taxation</b>	<b>101.00</b>	<b>174.00</b>	<b>111.00</b>	<b>152.00</b>
<b>Less:-Tax Expenses</b>	<b>31.00</b>	<b>51.00</b>	<b>35.00</b>	<b>69.00</b>
<b>Profit After Tax</b>	<b>70.00</b>	<b>123.00</b>	<b>76.00</b>	<b>83.00</b>
Profit/(Loss) from discontinued operations				-14.00
Balance Brought forward from P.Y.	500.00	456.00	523.00	533.00
<b>Profit available for Appropriation</b>	<b>570.00</b>	<b>579.00</b>	<b>599.00</b>	<b>602.00</b>
Appropriations:				
- Reclassification of Profit on Sale of Quoted Investment measured at FVTOCI	3.00	-	3.00	-
Dividend and Dividend Tax	-194.00	-79.00	-198.00	-79.00
<b>Balance Carried to Balance Sheet</b>	<b>379.00</b>	<b>500.00</b>	<b>404.00</b>	<b>523.00</b>

## 3. Dividend:

Your Directors had declared and paid Interim Dividend during the year at 1000% i.e Rs. 20/- per equity share of Rs. 2/- each absorbing Rs. 143/- Crores as Dividend for the financial year ended on 31.03.2020 as compared to Rs. 8/- per equity shares of Rs. 2.00 each (400% during previous year). The aforesaid payment of Interim Dividend may be treated as Final Dividend.

## 4. Reserve:

The Company has not transferred any amount to reserve.

## 5. Operations and State of Affairs:

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

Our Research and Development capabilities, including test equipments and design software are being

improved in line with modern practices. Our R&D spend, during the year was placed at 00.70 % of turnover. Sales and Profit for Banco Products (India) Ltd. stood at: (₹ In Crores)

Particulars	Year ended on 31.03.2020	Year ended on 31.03.2019
Sales (Net) Profit after Tax (PAT)	582	715
Profit after Tax (PAT)	70	123

#### Domestic Sales:

During the period under review, the Company's Domestic sales stood at ₹ 437/- crores as against ₹ 557/- crores in the previous year representing a 21.54% decline.

#### Export Sales:

During the period under review, the Company's Export sales stood at ₹ 145/- crores as against ₹ 158/- crores in the previous year, despite growing global competition.

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

### 6. Management Discussion and Analysis:

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

### 7. Corporate Social Responsibility:

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

In compliance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility Committee. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report forming part of the Annual Report.

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

### 8. Conservation of Energy, Technology Absorption and Foreign exchange:

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

### 9. Directors' Responsibility Statement:

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

- that in the preparation of the annual financial statements for the year ended 31st March, 2020, 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 31st March, 2020 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;
- that the annual financial statements have been prepared on a going concern basis;
- that the proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 10. Directors and Key Managerial Personnel:

### 10.A STATEMENT WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTORS

Your directors are of the opinion that Independent Directors of the Company are of high integrity and suitable expertise and experience (including proficiency).

In accordance with the provision of the Act and rules made there under, Shri Rajendra Jayantilal Anandpara (DIN 02461259) retires by rotation at the forth coming Annual General Meeting and being eligible offers himself for reappointment.

The Board has reappointed Shri Rajendra Anandpara as Managing Director for a period from 27.04.2020 to 30.05.2023 in terms of the Companies Act, 2013 and Rules made there under and in terms of the Listing Regulations on the recommendation of Nomination and Remuneration Committee.

The Board of Directors has appointed Mrs. Ameeta V. Manohar w.e.f 25.04.2020 as an Additional Director to hold office upto next Annual General Meeting and as a Non Executive Independent Woman Director w.e.f 25.04.2020 for the period of five years subject to approval of the members of the Company.

Upon resignation, Shri Samir K. Patel ceased to be Non-Executive Non Independent Director w.e.f 04.06.2020. The Board placed on records, its appreciation of services rendered by Shri Samir K. Patel during his tenure of Directorship.

### 10.1 Performance Evaluation:

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

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

### 10.2 Policy on Directors' Nomination, Appointment and Remuneration:

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

### 10.3 Disclosure of Remuneration paid to Directors:

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

## 11. Number of Board Meetings:

The details of 07 Board Meetings held during the financial year 2019 – 20 are provided in the Report on Corporate Governance and forms part of this report.

## 12. Audit Committee:

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

## 13. Vigil Mechanism / Whistle Blower Policy:

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment. A Vigil Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provides for direct access to the Chairman of the Company / Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism / Whistle Blower Policy are available on Company's website at [http://www.bancoindia.com/wp-content/uploads/2017/06/Vigil\\_Mechanism.pdf](http://www.bancoindia.com/wp-content/uploads/2017/06/Vigil_Mechanism.pdf)

**14. Risk Management Policy:**

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

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

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

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

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

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

**15. Corporate Governance:**

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

**16. Extract of Annual Return:**

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

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

M/s. Parikh Shah Chotalia & Associates, Chartered Accountants (PSCA), Vadodara (Firm Registration No. 118493W), were appointed as Statutory Auditors of the Company for a term of Five consecutive years at the conclusion of 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting, in place of retiring Auditors M/s Manubhai & Shah LLP, Chartered Accountants upon end of their term. The Auditor's Report for financial year 2019-20 does not contain any qualification, reservation or adverse remark. The Auditors have conveyed their confirmation about their eligibility to continue as Statutory Auditors of the Company.

**17.2 Internal Auditors:**

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

**17.3 Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act, read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. J.J. Gandhi & Co., Practicing Company Secretaries. Vadodara as Secretarial Auditors of the Company. The Secretarial Audit

Report for the Financial Year ended on 31.03.2020 is annexed herewith as per Annexure “E” to this Report. Regarding the observation of the Secretarial Auditor for late submission of Shareholding pattern as on 30.06.2019, it is informed that the delay was inadvertent and unintentional.

#### **17.4 Cost Auditors**

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

The proposals for retification of other remuneration by way of Ordinary Resolution, to conduct the audit of the Cost Records of the Company for the financial year 2020-21, in terms of the recommendation of the Audit Committee is included in the Notice of the ensuing Annual General Meeting.

#### **18. Subsidiary Companies:**

##### **18.1 Nederlandse Radiateurs Fabrik B.V - Netherlands:**

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

##### **18.2 Banco Gaskets (India) Limited – Vadodara:**

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

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

The determination of Material Subsidiary is in compliance with LODR.

#### **19. Particulars of Employees:**

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

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

#### **20. Related Party Transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year ended on 31.03.2020 were in the ordinary course of business and on basis of arms length pricing and do not attract the provisions of Section 188 of the Act, 2013. Thus disclosure in form AOC 2 is not applicable.

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

The information on Related Party Transactions, forming part of this Report, is provided in Note 37 of Annual Financial Statement for the Financial Year ended on 31.03.2020.

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

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

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

#### **22. Share Capital:**

As on 31st March, 2020, 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 2019-20 is as under:

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

**24. Deposits :**

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

**25. Insurance :**

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

**26. Industrial Relations :**

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

**27. Internal Financial Control :**

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

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

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

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

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

The details of programmes for familiarization of Independent Directors and training with the Company, their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at <http://www.bancoindia.com/wpcontent/uploads/2017/06/FamiliarizationProgrammsforIndependentDirectors.pdf>

**30. Human Resources :**

Many initiatives have been taken to support business through organizational efficiency and various employee engagement programmes which have helped the Organization achieve higher productivity levels. A significant effort have also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

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

**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 is being duly taken care.



**33. Web Links**

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

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

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

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

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

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

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

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

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

**38. Covid -19 Impact**

S. No.	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	The Company's manufacturing facilities remained shut from March 23, 2020 due to lockdown and partially re-opened w.e.f. April 21, 2020, which has impacted its operations during April and May' 2020. Some of the Company's pending orders are on hold as per requirements of buyers. However, upon opening of factories we are in process of dispatch of some of our export orders to USA and Europe.
2.	Ability to maintain operations including the factories/units/office spaces functioning and dosed down;	The Company has restarted operations at some of the locations in due compliance of the applicable regulatory Guidelines/ Rules and as per available workforce, since April 21, 2020, adhering to the safety norms prescribed by Government of India.
3.	Steps taken to ensure smooth functioning of operations	The Company is taking utmost care of its staff and work force like sanitisation, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene of all the Work force, visitors etc. Supply chains being monitored to ensure availability of material. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.
4.	Estimation of the future impact of CoVID-19 on its operations	April-June' 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. However, we are optimistic the business situation to improve over a period during coming quarters.

**39. 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 all others Stake Holders, Employees at all levels during the year.

By the order of the Board,

Date : 17.07.2020

Place: Bil

Mehul K. Patel - Chairman  
(DIN : 01772099)

## ANNEXURE “A” MANAGEMENT DISCUSSION AND ANALYSIS

### Introduction:

Banco Products (India) Ltd. is a leading manufacturer and supplier of engine cooling modules and systems for automotive and industrial applications. We combine the power of innovation and commitment to quality to create high - performance solutions for our customers. With over five decades of successful experience, Banco is now India's leading brand in automotive and industrial sectors.

### Our Products:

We design, develop and manufacture Engine Cooling Modules such as Radiators, Charged Air Coolers, Fuel Coolers, Oil Coolers and Condensers. We offer both Copper Brass coolers as well as the more contemporary Aluminum coolers .OEM customers increasingly prefer complete multi-cooler assemblies.

### Applications

Engine Cooling Modules are considered very critical for efficient performance of Internal Combustion Engines with wide ranging applications such as Passenger Cars, Light Commercial Vehicles, Medium and Heavy Commercial Vehicle, Agricultural Tractors, High Performance Bikes, Harvesters, Construction Machineries, Power Generation Equipment, Traction Rail locomotives, and other similar equipment.

### Our Markets:

**OEM:** We design, develop, and deliver efficient engine cooling modules for OEM customers. With successful record of accomplishment of accomplishments and long-term relationship with our Key Customers, we aim to become the most preferred development partners of our customers.

### Aftermarket:

We meet growing service demand in the automotive aftermarket through our extensive network of dealers and distributors pan India.

### Exports:

BANCO has developed a comprehensive service range of automotive and tractor engine cooling modules for European, US and other top vehicle applications. We collaborate with leading distribution houses to market our product program globally.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Trends in user industries have large influence on your company's business.

#### Automotive industry:

The industry is rapidly changing, in terms of its size and technology. With effect from April 2020, the Indian automotive industry implemented new BS-VI emission norms. BANCO has developed its new “Smart Core” solutions, which help our customers meet BS-VI emission requirements successfully

#### Off highway sector:

The construction machinery and agriculture tractors of higher hp will undergo change to emission norms of BS-IV/ Trem IV from H2 2020-21. BANCO has been collaborating with its customers to develop BS-IV/ Trem-IV complaint engine cooling modules.

#### Power Generation:

The Indian Government is in discussion with the Industry to implement new CPCB norms. Here again BANCO has initiated joint development projects with our key customers to develop successful and contemporary solutions well ahead of the emission norms change deadline.

#### Demand development:

Demand development of your company's products is directly dependent on the development in the user industries.

#### Automotive:

Developments in Automotive industry, during the last year, have been less impressive compared to estimates. Commercial Vehicle sector was worst affected with sharp decline in production of trucks and buses. Passenger

Car and two wheeler segments- too - have not been able to maintain a growth trend. As it seems now, it is unlikely that automotive industry can regain its pre Covid 19 volumes back this year.

Overall, economic development and growing trend towards personal mobility are some of the factors that can lead to revival of this important sector. To some extent, policy support from Government in terms of a clear vehicle scrappage policy and measures to boost consumption can provide an impetus for growth of this sector during the medium and long term.

**Agriculture:**

The Indian Government has been supporting accelerated development of agriculture sector. This will lead to steady development of demand from this sector, though the sector is known for cyclic upturns and downturns.

**Industrial:**

Development of industrial sector is linked with the Government's priorities and investment in infrastructure development projects. Covid crisis has thrown new challenges for these sectors – such as delays and disruption in cash cycle, shortage of labor due to issues related to migrant labor, possibilities of less availability of Government funds for infrastructure due to current priorities for health and social sectors etc. Experts opine that it is unlikely that these sectors will regain their volumes in FY 2020- 2021. In the long term, though, development of Industrial sector is critical for overall economic and infra structural growth. That gives us hope that these sectors will rebound in 2021.

In summary, current trend suggests that volatility and uncertainties in demand across Automotive and Industrial sectors will continue in FY 2020 -21 and the demand rebound is likely in 2021. At Banco, we continue to watch economic and sectoral trends closely to adjust our strategic approach from time to time

**Our Bespoke Engineering approach:**

With innovation at the core of our strategy, we invest our resources to develop excellent R&D competence. Instead of overemphasizing on standardization, our engineers follow bespoke solution approach. With this approach, we co-create best in class - solutions which are efficient and deliver very reliable performance under challenging operating environment. Our engineers' competence to understand application environment "beyond" the drawings and specifications enables us to proactively respond to field challenges through design innovations. We believe that our competence in designing and delivering customized solutions will be a key differentiator in OEM markets.

**Electric Vehicles:**

The development of electrical vehicle in India is at nascent stage. In particular, two wheeler industry, passenger car industry and commuter bus industry has shown some progress towards the development of electric vehicles. It is our view that these developments will take long time before necessary ecosystem and infrastructure are available for commercial success of electric vehicles. BANCO's enjoys broad based customer portfolio. The sectors where we have our strengths such as agriculture tractors, construction machineries, and power generation etc. are likely to have only limited impact of EV trend.

At the same time, BANCO has initiated first basic steps towards the development of cooling solutions for electric powertrain.

**OPERATIONS:**

With our integrated manufacturing strategy, we have invested to develop full depth of production.

We believe that a good engineering solution requires High Quality manufacturing to realize the design goals in the field. That is why; we have been regularly investing in advanced manufacturing technologies that keep us abreast with the best in the world.

As a result our focus on customized solutions, and as a full range provider to the aftermarket, we build and expand a comprehensive product portfolio. This requires a balanced focus between high volume manufacturing and low volume range production in our operations. Our production lines are designed to have the necessary flexibility to deliver this balanced portfolio with good productivity.

Continuous skill upgrading of our work force is another approach that we use to successfully manage complexities in operations.

**STRENGTHS:**

Our strengths include:

- Over five decade of successful entrepreneurial experience
- Balance customer and product portfolio with presence in OEM, Aftermarket and Exports
- Competent research, design and test capabilities
- Innovative solutions for contemporary emissions norms.
- Integrated manufacturing approach
- Prudent financial management

Your company will continue to invest in R&D and advanced manufacturing technologies to further strengthen the above attributes.

**WEAKNESS:**

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

- Complexities resulting from large product range
- Low OEM presence in some of the sectors
- Downward trend in Industrial activity or Automotive Sector directly affects the company performance.
- Absence of adjacent product lines.

While it may not be possible to address all the weakness in short term, the company continues its efforts to broad base its customer –product portfolio and focuses on development of superior products to strengthen its market position. We have also initiated a drive to improve operational efficiency

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

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

**New Market Sectors:**

In addition to BANCO's focus, market sectors there are several other sectors, which may require cooling systems. BANCO will aim to explore and expand business opportunities in new market sectors.

**Global OEM Projects:**

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

**Product range extension:**

With strong brand name, BANCO has opportunities to extend its product scope in Aftermarket.

**Strengthening export business:**

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

**THREATS:**

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

- Growing competition both from domestic and global players
- Preference of some customers towards MNC suppliers over Indian suppliers
- High dependence on imported raw material.
- Volatility in metal prices and fluctuations in Foreign Exchange
- Rising cost of utilities.
- Cyclic demand changes in some market sectors
- Technology disruption in customer's markets- for example- disproportionate expansion of Electric vehicles.

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

#### TECHNOLOGY:

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

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

Keeping with the current trend, we are re-engineering and re-energizing our processes for increased digitalization.

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

In general, Banco believes that developing economy like India will continue to offer opportunities for growth. At Banco, we continuously strive to strengthen our competitiveness and thus remain successful and sustainable. We have also implemented processes to identify and mitigate all kinds of risks.

#### Internal Control and its Adequacy:

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

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

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

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

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

#### Segment-Wise Performance

- 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 with India includes sales to customers located within India
  - Revenue outside India includes sales to customers located outside India

Rs. Crores

Sales	2019-20	2018-19
Within India	437.00	557.00
Outside India	145.00	158.00

#### Information Technology:

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

**Financials performance with respect to operational performance:**

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

Particulars	2019-20	2018-19
Net Profit to Sales (PBT) (%)	17	24
Earnings Per Share (EPS) (Rs.)	10	17
Cash earnings per Share (Rs)	13	20
Return on Net worth (PAT) (%)	13	19
Dividend Payout Ratio (Including Dividend Tax) (%)	237	63
Retained Earnings (Rs. in crores)	379	500
Retained Earnings (%)	-179	37
Debtors Turnover	3.97	5.2
Inventory Turnover	5.60	5.6
Interest Coverage Ratio	347	145
Current Ratio	4.7	4.5
Debt Equity Ratio	0.004	0.004

**Human Resources:**

The industrial relations in all the units of the Company during the financial year 2019-20 were peaceful and harmonious.

Experienced and motivated employees have been the backbone of the Company. There were 596 peoples employed in the Company as on 31.03.2020.

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

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

**Future Strategy / Outlook :**

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

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

**Cautionary Statement:**

Certain statement made in this report, are forward looking statements and actual results may differ from such expectations or projections about the future, as several factors would make significant difference to the Company's operations such as economic conditions affecting demand and supply, government's regulations, level of competitions prevailing at the relevant time, etc. The Company assumes no responsibility publicly to amend, modify or revise any such statements on the basis of subsequent developments, information or events.

By the order of the Board,

Mehul K. Patel – Chairman  
(DIN : 01772099)

Date : 17.07.2020

Place : Bil

## Annexure "B"

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

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

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

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

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

The Company's Average Net Profit for the last three financial years comes to ₹ 8471.24 Lakh

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

The Company is required to spend ₹ 175.87 Lakh for the financial year ended on 31.03.2020.

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

- (a) Total amount to be spent for the financial year: ₹ 175.87 Lakh
- (b) Total Amount Spent During the year ended on 31.03. 2020 ₹ 174.17 Lakhs
- (c) Amount unspent: ₹ 1.70 Lakh.
- (d) Manner in which the amount spent during the financial year is detailed below. (₹ in Lakh)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered Projects or programs	Projects or Programmes (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period Amount spent:	Direct or through implementing Agency *
01	National Employment Enhancement Mission (NEEM) Neem Project	Promotion of Education Providing Skill development	Vadodara, Bhaili and SEZ at Pipaliya Village Gujarat	161.90	160.20	160.20	Direct
02	Banco Product Trust	Promotion of Education Providing Skill development	Bil, Dist Vadodara Gujarat	00.02	00.02	00.02	Through Implementing Agency*

03	Banco Product Trust	Promotion of Education Construction of Anganwadi	Bil, Dist Vadodara Gujarat	3.50	3.50	3.50	Through Implementing Agency*
04	Charutar Arogya Mandal	Promotion of Health,	Bil, Dist Vadodara Gujarat	2.51	2.51	2.51	Through Implementing Agency**
05	Street Lights	Promotion of General Sanitation	Jambusar Gujarat	0.23	0.23	0.23	Direct
06	Note Books distribution	Promotion of Education	Bil, Dist Vadodara Gujarat	7.71	7.71	7.71	Direct

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

\*\* Charutar Arogya Mandal

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

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

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 : 11-06-2020  
Place: Bil

Mehul K. Patel  
Chairman

Rajendra J. Anandpara  
Managing Director



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

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

**A. CONSERVATION OF ENERGY :**

- 1) In line with the Company's commitment towards conservation of energy, the Company continued with 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 street light fixture, 28 watt At Boundaries of plant Installed
  - Led false ceiling light fixture 36w 230v At Standard Room & Lab Installed
  - Led flood light 100w At FGS Rack Area Installed
  - Led tube light, 2 feet At Final Inspection Area Installed
  - Motion sensors at washrooms installed to save energy.
  - LED round and 20 watt LED at parking areas.
  - Led lights 4 feet installed in plant side by replacing old fixtures
  - Led high bay light 80 w At Cu Br Plant Installed

The capital Investment on energy conservation equipments during the financial year 2019-20 ₹ 6.729 Lakhs.
- 2) Muratec turret machines installed saving in energy as the induction motors have been replaced with servo systems and no more oil sumps and operations eliminated with reduction in material and manpower. Capital investment of 1.43 crores.
- 3) Energy saving through power trading and wind power. Yearly investment ₹ 89,998 /-

**B. Technology Absorption :**

**Research and Development :**

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

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

Expenditure on R&D	2019-2020	2018-2019
1. Capital	35.77	49.30
2. Recurring	468.39	472.29
3. <b>Total</b>	<b>504.16</b>	<b>521.59</b>
4. Percentage of R&D Expenditure to Total Turnover	00.87%	0.70%

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :** (₹ In Lakh)

	2019-2020	2018-2019
1. Foreign Exchange earned in terms of Actual Inflows	<b>18,826.00</b>	19,475.91
2. Foreign Exchange outgo in terms of Actual Outflows	<b>19,538.00</b>	20,433.42

By the order of the Board,

Date : 17.07.2020

Place: Bil

Mehul K. Patel – Chairman  
(DIN : 01772099)

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

as on financial year ended on 31.03.2020

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

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

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Aluminum Radiator	374.8	85.82
2	Copper Brass Radiator	374.8	14.18

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

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

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

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

Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% 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	1867548	0	1867548	2.6112	1867548	0	1867548	2.6112	0.0000
(b) Central Government/State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Any Other (Specify)									
Bodies Corporate	1788990	0	1788990	2.5014	1788990	0	1788990	2.5014	0.0000
Sub Total (A)(1)	3656538	0	3656538	5.1127	3656538	0	3656538	5.1127	0.0000
[2] Foreign									
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	14416225	0	14416225	20.1572	14416225	0	14416225	20.1572	0.0000
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
Persons acting in concert (PAC)	3567269	0	3567269	4.9878	3567269	0	3567269	4.9878	0.0000
Bodies Corporate	26909960	0	26909960	37.6265	26909960	0	26909960	37.6265	0.0000
Sub Total (A)(2)	44893454	0	44893454	62.7716	44893454	0	44893454	62.7716	0.0000
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	48549992	0	48549992	67.8844	48549992	0	48549992	67.8844	0.0000
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	2778587	0	2778587	3.8851	1930087	0	1930087	2.6987	-1.1864
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Foreign Portfolio Investor	593017	0	593017	0.8292	515114	0	515114	0.7203	-0.1089
(f) Financial Institutions / Banks	24637	2000	26637	0.0372	45569	2000	47569	0.0665	0.0293
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Any Other (Specify)									
Sub Total (B)(1)	3396241	2000	3398241	4.7515	2490770	2000	2492770	3.4855	-1.2660
[2] Central Government/State Government(s)/ President of India									
Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	10627983	574660	11202643	15.6639	11776473	487240	12263713	17.1476	1.4837
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	920090	63550	983640	1.3754	897551	63550	961101	1.3438	-0.0316
(b) NBFCs registered with RBI	2450	0	2450	0.0034	0	0	0	0.0000	-0.0034
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
IEPF	575388	0	575388	0.8045	632369	0	632369	0.8842	0.0797
Trusts	140	0	140	0.0002	0	0	0	0.0000	-0.0002
Foreign Nationals	3600	0	3600	0.0050	3600	0	3600	0.0050	0.0000

Category of Shareholders	No of share held at the beginning of the year				No of share held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Hindu Undivided Family	588286	0	588286	0.8226	731806	0	731806	1.0232	0.2006
Foreign Companies	131361	0	131361	0.1837	0	0	0	0.0000	-0.1837
Non Resident Indians (Non Repat)	1958767	4480	1963247	2.7451	2000741	4480	2005221	2.8038	0.0587
Other Directors	586034	0	586034	0.8194	586034	0	586034	0.8194	0.0000
Non Resident Indians (Repat)	953723	365050	1318773	1.8440	972637	320550	1293187	1.8082	-0.0358
Overseas Bodies Corporates	900000	0	900000	1.2584	900000	0	900000	1.2584	0.0000
Clearing Member	145986	0	145986	0.2041	75225	0	75225	0.1052	-0.0989
Bodies Corporate	1167269	1600	1168869	1.6344	1022032	1600	1023632	1.4313	-0.2031
Sub Total (B)(3)	18561077	1009340	19570417	27.3641	19598468	877420	20475888	28.6301	1.2660
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	21957318	1011340	22968658	32.1156	22089238	879420	22968658	32.1156	0.0000
Total (A)+(B)	70507310	1011340	71518650	100.0000	70639230	879420	71518650	100.0000	0.0000
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Total (A)+(B)+(C)</b>	<b>70507310</b>	<b>1011340</b>	<b>71518650</b>	<b>100.0000</b>	<b>70639230</b>	<b>879420</b>	<b>71518650</b>	<b>100.0000</b>	

## (ii) Sharholding of Promoters includes Promoter Group

Sr No	Shareholder's Name	Shareholding at the beginning of the year – 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		No.of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No.of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	OVERSEAS PEARL LIMITED	26909960	37.6265	0	26909960	37.6265	0	0
2	MEHUL KANUBHAI PATEL	5019052	7.0178	0	5019052	7.0178	0	0
3	VIMAL KANUBHAI PATEL	4976506	6.9583	0	4976506	6.9583	0	0
4	SAMIR KANUBHAI PATEL	4420667	6.1811	0	4420667	6.1811	0	0
5	HASUMATI KANUBHAI PATEL	1867548	2.6113	0	1867548	2.6113	0	0
6	BANCO ALUMINIUM LIMITED	1788990	2.5014	0	1788990	2.5014	0	0
7	GAYATRI MEHUL PATEL	1202378	1.6812	0	1202378	1.6812	0	0
8	MONAL SAMIRBHAI PATEL	1182806	1.6538	0	1182806	1.6538	0	0
9	PRITTY VIMAL PATEL	1182085	1.6528	0	1182085	1.6528	0	0
	<b>Total</b>	<b>48549992</b>	<b>67.8844</b>	<b>0</b>	<b>48549992</b>	<b>67.8844</b>	<b>0</b>	<b>0</b>

**(iii) Change In Promoters' Shareholding**

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	OVERSEAS PEARL LIMITED	26909960	37.6265			26909960	37.6265
	AT THE END OF THE YEAR					26909960	37.6265
2	MEHUL KANUBHAI PATEL	5019052	7.0178			5019052	7.0178
	AT THE END OF THE YEAR					5019052	7.0178
3	VIMAL KANUBHAI PATEL	4976506	6.9583			4976506	6.9583
	AT THE END OF THE YEAR					4976506	6.9583
4	SAMIR KANUBHAI PATEL	4420667	6.1811			4420667	6.1811
	AT THE END OF THE YEAR					4420667	6.1811
5	HASUMATI KANUBHAI PATEL	1867548	2.6113			1867548	2.6113
	AT THE END OF THE YEAR					1867548	2.6113
6	BANCO ALUMINIUM LIMITED	1788990	2.5014			1788990	2.5014
	AT THE END OF THE YEAR					1788990	2.5014
7	GAYATRI MEHUL PATEL	1202378	1.6812			1202378	1.6812
	AT THE END OF THE YEAR					1202378	1.6812
8	MONAL SAMIRBHAI PATEL	1182806	1.6538			1182806	1.6538
	AT THE END OF THE YEAR					1182806	1.6538
9	PRITTY VIMAL PATEL	1182085	1.6528			1182085	1.6528
	AT THE END OF THE YEAR					1182085	1.6528

**Note:**

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

**(iv) Shareholding Pattern of top ten Shareholders**

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	1918887	2.6831			1918887	2.6831
	AT THE END OF THE YEAR					1918887	2.6831
2	BHARTIBALA RAMESHCHANDRA PATEL	990000	1.3843			990000	1.3843
	AT THE END OF THE YEAR					990000	1.3843
3	PALATE STAR INVESTMENTS LIMITED	900000	1.2584			900000	1.2584
	AT THE END OF THE YEAR					900000	1.2584

4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	575388	0.8045			575388	0.8045
	Transfer			27 Sep 2019	60750	636138	0.8895
	Transfer			11 Oct 2019	131	636269	0.8897
	Transfer			25 Oct 2019	(3900)	632369	0.8842
	AT THE END OF THE YEAR					632369	0.8842
5	RAMKISAN DEVIDAYAL	586034	0.8194			586034	0.8194
	AT THE END OF THE YEAR					586034	0.8194
6	LALITABEN CHANDUBHAI PATEL	418740	0.5855			418740	0.5855
	AT THE END OF THE YEAR					418740	0.5855
7	ASHIT CHANDUBHAI PATEL	418740	0.5855			418740	0.5855
	AT THE END OF THE YEAR					418740	0.5855
8	SAILESHKUMAR PATEL	180000	0.2517			180000	0.2517
	AT THE END OF THE YEAR					180000	0.2517
9	SANJIV VINUBHAI PATEL	291913	0.4082			291913	0.4082
	AT THE END OF THE YEAR					291913	0.4082
10	GANPATH FINVEST SERVICES PVT LTD	181095	0.2532			181095	0.2532
	AT THE END OF THE YEAR					181095	0.2532
11	HDFC SMALL CAP FUND	848500	1.1864			848500	1.1864
	Transfer			12 Apr 2019	(34200)	814300	1.1386
	Transfer			19 Apr 2019	(20800)	793500	1.1095
	Transfer			26 Apr 2019	(3500)	790000	1.1046
	Transfer			27 Sep 2019	(10700)	779300	1.0896
	Transfer			30 Sep 2019	(19000)	760300	1.0631
	Transfer			11 Oct 2019	(26000)	734300	1.0267
	Transfer			18 Oct 2019	(101300)	633000	0.8851
	Transfer			25 Oct 2019	(178100)	454900	0.6361
	Transfer			01 Nov 2019	(111000)	343900	0.4809
	Transfer			08 Nov 2019	(47135)	296765	0.4149
	Transfer			22 Nov 2019	(113300)	183465	0.2565
	Transfer			29 Nov 2019	(74200)	109265	0.1528
	Transfer			06 Dec 2019	(109265)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**Note:**

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

**V. Indebtedness**

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

(₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	268.39	-	-	268.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Additions	(10.87)			(10.87)
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	257.52	-	-	257.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-

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

(₹ In Lakh)

Sr. No.	Particulars of Remuneration	Name of the MD/WTM/Manager		Total
		<b>Rajendra J. Anandpara (Managing Director)</b>	<b>Himali Patel – (Whole time Director and CFO)</b>	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	136.41	19.29	155.70
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	00.38	00.23	00.61
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	5 Others, please specify	-	-	-
	<b>Total (A)</b>	136.79	19.52	156.31
	<b>Ceiling as per the Act</b>			439.70

**B. Remuneration to other directors:**

(₹ In Lakh)

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Ramkisan Devidayal	Mukesh Patel	Devesh Pathak	Udayan Patel	
	(a) Fee for attending board, committee meetings	3.08	3.08	3.08	2.64	11.88
	(b) Commission	3.00	3.00	1.00	1.00	8.00
	(c) Others, please specify	-	-	-	-	-
	<b>Total(1)</b>	6.08	6.08	4.08	3.64	20.88
2	Other Non- Executive Directors	-	-	-	-	-
	(a) Fee for attending board, committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total(2)</b>	-	-	-	-	-
	<b>Total B = (1+2)</b>	6.08	6.08	4.08	3.64	20.88

**VI Remuneration to Key Managerial Personnel other than MD/WTD/manager**

(₹ In Lakh)

Sl. No	Particulars of Remuneration	Dinesh Kavthekar Company Secretary
1	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	8.12
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	00.21
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission as % of profit	-
5	Others, please specify	-
	<b>Total</b>	8.33



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

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

By the order of the Board,

Date : 17.07.2020  
Place : Bil

Mehul K. Patel – Chairman  
(DIN : 01772099)

**ANNEXURE “E”**  
**Secretarial Audit Report**  
**(For the Financial year ended on 31st March, 2020)**

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

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

Dear Sirs,

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

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020**, 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, 2020**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB). – As reported to us there were no FDI, ODI and ECB transactions in the Company during the financial year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’).
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issued nor listed any debt securities during the financial year under review.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - The Company is not registered as Registrar to Issue and Share Transfer Agent.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.

6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;

1. The Environment (Protection) Act, 1986
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Water (Prevention and Control of Pollution) Act, 1974

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above *except that there is delay in submission of Shareholding Pattern for the quarter ended on 30/06/2019, which was submitted on 13/08/2019 and fine raised by BSE and NSE was paid.*

**We further report that;**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Pursuant to provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 20 & 22 of the Companies (Management and Administration) rules, 2014, the shareholders have approved special resolution through Postal Ballot for sale/transfer /disposal of assets of subsidiary(ies) of the Company or disposal of investments in subsidiary (ies) of the Company.

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

(J. J. Gandhi)  
Proprietor

**Place: Vadodara**  
**Date: 9<sup>th</sup> June, 2020**

**FCS No. 3519 and CP No. 2515**  
**UDIN number F003519B000323817**

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

**Annexure to Secretarial Audit Report**

Date: 9<sup>th</sup> June, 2020

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. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**for J. J. Gandhi & Co.**  
**Practising Company Secretaries**  
**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

**ANNEXURE - "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**

Sr. No.	Name of Subsidiary Company	Reporting Period ended on	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (except investments in the subsidiary)	Turnover/ income *	Profit / (Loss) before taxation *	Provision for Taxation *	Profit / (Loss) after taxation *	Proposed Dividend	% of Share Holding	Date of acquisition
1	Nederlandse Radiatoren Fabrik BV (NRF)	31st March 2020	93	31,449	41,984	10,442	-	44,784	-2,598	661	-1,937	-	100%	23.02.2010
1.1	NRF Thermal Engineering BV (Skopinex BV)	31st March 2020	13	284	1,127	830	-	8,918	-1	0	-1	-	100%	
1.2	NRF France SARL	31st March 2020	152	293	6,767	6,322	-	9,837	-344	-	-344	-	100%	
1.3	NRF United Kingdom Ltd	31st March 2020	1,476	-546	930	0	-	-	-13	-	-13	-	100%	
1.4	NRF Deutschland GMBH	31st March 2020	84	271	669	313	-	-	401	-86	315	-	100%	
1.5	NRF Espana S.A.	31st March 2020	2,764	2,155	9,198	4,279	-	13,791	375	-109	266	-	100%	
1.6	NRF Poland Sp.z.o.o.	31st March 2020	15	5,069	17,626	12,542	-	37,781	3,897	-824	3,073	-	100%	
1.7	NRF Italia Srl	31st March 2020	8	1,122	3,578	2,447	-	5,582	-88	-	-88	-	100%	
1.8	NRF Switzerland AG	31st March 2020	50	74	346	223	-	703	8	-2	7	-	100%	
1.9	NRF USA	31st March 2020	1,948	-1,835	883	570	-	2,119	-635	-	-635	-	100%	
2.	Banco Gaskets (India) Limited	31st March 2020	3,500	2,329	7,972	2,142	-	12,105	609	162	446	-	100%	26.08.2011

**Note:**

1. Sr. 1.1 to 1.9 are subsidiaries of NRF.
2. Names of Subsidiaries which have been liquidated or sold during the year- (1) Sub Subsidiary - NRF (United Kingdom) Ltd
3. Exchange rate used for conversion of figures in Euro (1 to 1.9 of NRF group) ₹ 82.14 Per Euro (31st March 2019, ₹ 76.30 Per Euro)
4. Banco Gaskets (India) Limited is an Indian Subsidiary using Indian Rupees as functional currency
5. Names of Subsidiaries which are yet to commence Operations- 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 on behalf of the Board,**

Date : 17.07.2020  
Place : Bil

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

**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, 2014**

- (1) The Percentage Increase in remuneration of each Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial year 2019-20. The ratio of the remuneration of each Director/ KMP to the median remuneration of the employee of the Company for the Financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(₹ in Lakhs)

Sr. No.	Name of the Director / KMP	Designation	Remuneration for the Financial year 2019-20	% increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Directors/ KMP to median remuneration of Employees
01	Rajendra J. Anandpara	Managing Director	136.79	-11.83	0
02	Himali Patel	Whole-time Director & CFO	19.52	+9.60	0
03	* Dinesh Kavthekar	Company Secretary	8.33	-8.46	0

# 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 ₹ 3.18 Lakh PA.  
 (3) In the Financial year, there was an reduction of 8.75% in the median remuneration of the employees.  
 (4) There was 596 Nos of Employees was on roll of the Company as on 31.03.2020.  
 (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was Nil.  
 (6) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and Behalf of the Board,

Date : 17.07.2020  
 Place: Bil

Mehul K. Patel – Chairman  
 (DIN : 01772099)

**ANNEXURE "H"**  
**Particulars of Investment made by the Company**

Nature of Transaction	Date	Name of the person whose securities have been acquired	Address of the person whose securities have been acquired	Amount Rs. In Lakhs	Purpose of Investment
Investment in Mutual Fund	03.05.2019	AXIS Liquid Fund - Monthly Dividend - Direct Plan	Axis House, 1 <sup>st</sup> Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025.	500.00	For temporary deployment of surplus funds
	30.12.2019	SBI Magnum Low Duration Fund- Monthly Dividend - Direct Plan	9 <sup>th</sup> Floor, Crescenzo, C-38 and 39, G Block, Bandra-Kurla Complex, Mumbai, Maharashtra India-400051.	700.00	
	31.12.2019	SBI Magnum Low Duration Fund- Monthly Dividend - Direct Plan		400.00	
	28.02.2020	SBI Liquid Fund - Growth Option- Direct Plan		500.00	
	24.01.2020	HDFC Liquid Fund - Monthly Dividend-Direct Plan	"HUL House", 2nd Floor, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400020.	500.00	
	27.01.2020	HDFC Liquid Fund - Monthly Dividend-Direct Plan		1000.00	
	24.02.2020	HDFC Liquid Fund - Growth Option- Direct Plan		500.00	
	28.02.2020	HDFC Liquid Fund - Growth Option- Direct Plan	One India Bulls Centre, Tower 1, 17 <sup>th</sup> Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013.	500.00	
	17.01.2020	ABSL Liquid Fund - Weekly Dividend - Direct Plan		500.00	
	30.12.2019	ABSL Money Manager Fund - Daily Dividend - Direct Plan-Reinv		705.56	
	23.01.2020	ABSL Savings Fund - Weekly Dividend - Direct Plan	27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	1000.00	
	23.01.2020	Kotak Liquid Fund - Weekly Dividend-Direct Plan		1000.00	
	24.01.2020	Kotak Liquid Fund - Weekly Dividend-Direct Plan		500.00	
	28.02.2020	Kotak Liquid Fund - Growth Option- Direct Plan	One BKC, A- Wing 13 <sup>th</sup> Floor, Bandra Kurla Complex, Bandra (East), Mumbai-400051.	500.00	
	30.12.2019	ICICI Prudential Savings Fund - Monthly Dividend - Direct Plan		700.00	
	23.01.2020	L&T Ultra Short Term Fund - Weekly Dividend - Direct Plan	6 <sup>th</sup> Floor, Brindavan Plot No 177, CST Road, Kalina, Santacruz (E), Mumbai - 400098.	1000.00	
	24.01.2020	L&T Ultra Short Term Fund - Weekly Dividend - Direct Plan		500.00	
	27.01.2020	IDFC Cash Fund - Monthly Dividend - Direct Plan	One India Bulls Centre, 6 <sup>th</sup> Floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.	1000.00	



## 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 31.03.2020.

### 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, 2020, the Board of Directors comprises of 8 (Eight) Directors. There are 4 (Four) Non-Executive Independent Directors, 2 (Two) Executive Non-Independent Directors and 2 (Two) Non-Executive Promoter Non-Independent Directors. A brief resume of the directors being appointed / re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board is annexed to the Notice.

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

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Regulation 26 of LODR, across all the Companies in which he / she is a Director.

Necessary disclosure regarding the Committee position in other Public Companies as at 31.03.2020 have been made by the Directors.

The details of the names and categories of the Directors, their attendance at Board Meetings, Annual General Meetings, Number of Directorships in other Companies and Committee Meetings etc. are given below.

#### Board Training and Induction

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

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

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

#### Board Procedures

The Board Meetings are governed by structured Agenda. The Agenda along with detailed background notes are circulated in advance before each meeting to all the Directors for facilitating effective discussion and

decision making. The Board members may bring up any matter for consideration of the Board, in consultation with Chairman. The information as specified in Part A of Schedule II of LODR is regularly made available to the Board.

#### Details of Board Meeting

During the year under review, the Board met 7 (Seven) times on 30.05.2019, 09.08.2019, 22.08.2019, 11.11.2019, 07.12.2019, 14.02.2020 and 11.03.2020. The gap between any two Board Meetings did not exceed 120 days.

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

Name of Director	Category	No of Board Meeting Attended / Held during 2019-2020	Whether attended last AGM	No of Directorship held in other Indian public companies	Independent Director of other Listed Companies	@Committee Position	
						Chairman	Member
Shri Mehul K. Patel DIN 01772099	Non Executive Chairman & Promoter (Relative of Shri Samir K. Patel)	7/5	Yes	1		1	2
Shri Samir K. Patel DIN 00161448	Non-Executive & Promoter (Relative of Shri Mehul K. Patel)	7/3	Yes	1		--	2
Shri Ramkisan Devidayal DIN 00238853	Non-Executive Independent	7/7	Yes	3	1. Munjal Auto Industries Ltd. 2. 20 Microns Ltd.	3	4
Shri Mukesh D. Patel DIN 00009605	Non-Executive Independent	7/7	Yes	3	1. Punjab Chemicals and Crop Protection Ltd. 2. Shilchar Technologies Ltd	5	3
Shri Devesh Pathak DIN 00017515	Non-Executive Independent	7/7	Yes	2	NIL	1	4
Shri Udayan Patel DIN 00598313	Non-Executive Independent	7/6	Yes	-		-	2
Mr. Rajendra J. Anandpara DIN 02461259	Managing Director	7/6	Yes	-		-	-
Ms. Himali Patel DIN 07081636	Whole time Director and CFO	7/7	Yes	-		-	-

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

Shareholding of Directors	No. of Shares held as on 31.03.2020
Shri Mehul K. Patel	50,19,052 (7.02%)
Shri Samir K. Patel	44,20,667 (6.18%)
Shri Ramkisan Devidayal	5,86,034 (0.82%)

The Board is of the opinion that the independent directors fulfil the conditions specified in these regulations and are independent of the management.

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

Appropriate size and Mix of Executive and Non- Executive Director. Yes.

Sr. No.	skills/ experience/ competence	Availability with current board	Shri Mehul K.Patel	Shri Samir K.Patel	Shri Ramkisan Devidayal	Shri Mukesh D Patel	Shri Devesh A Pathak	Shri Udayan P Patel	Shri Rajendra J Anandpara	Smt. Himali Patel
01	Productive discussions and interactions	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
02	Discharge of workload effectively	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
03	Appropriate Mix of Board of Directors such as Skill Experience Background	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
04	Assessment of Skill	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
05	Succession Plan for plans are in place for orderly succession for appointment to the board of directors key managerial personnel and senior management	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
06	Consideration of changes to come in Short to medium terms.	Available	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

1. Appropriate size and Mix of Executive and Non- Executive Director. Yes.
2. Productive discussions and interactions.
3. Discharge of workload effectively.
4. Succession plans are in place for orderly succession for appointment to the Board of Directors key managerial personnel and senior management

5. Appropriate Mix of Board of Directors such as –
  - Skill
  - Experience
  - Background
6. Assessment of Skill
7. Consideration of changes to come in Short to medium terms.

#### 4. Audit Committee :

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

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act, and LODR. Some of the terms of reference stipulated by the Board of

Directors for the Audit Committee include:

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of Internal Auditors and Statutory Auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters to be included in the Directors' Responsibility Statement for the inclusion in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of Related Party Transactions.
  - vii. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
8. Approval to or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Looking, into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Review of the functioning of the Whistle Blower mechanism / Vigil Mechanism.
19. Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**B. The audit committee shall mandatorily review the following information:**

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

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

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

During the financial year 2019-2020, 6 (Six) Audit Committee meetings were held on 30.05.2019, 09.08.2019, 22.08.2019, 11.11.2019, 07.12.2019 and 14.02.2020. The details of Members' attendance at the meetings of Audit Committee are as under:

Name of the Member	Number of Meetings held	Meetings attended
Shri Ramkisan Devidayal	6	6
Shri Mukesh D. Patel	6	6
Shri Devesh A. Pathak	6	6
Shri Udayan P. Patel	6	5
Shri Mehul K. Patel	6	4

## 5. Nomination and Remuneration Committee :

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

The primary objective of the Nomination and Remuneration Committee is to review and recommend the remuneration of Executive Directors and evaluate the performance of whole Board as per defined assessment criteria. The Company's Remuneration Policy is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

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

### Role of the Nomination and Remuneration Committee:

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

### Remuneration Policy:

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

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

##### i. Fixed pay:

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

##### ii. Variable pay:

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

##### iii. Minimum Remuneration:

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

##### iv. Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior sanction of the Central

Government, where ever required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company may waive recovery of such sum refundable in accordance with the Act.

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

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

**i. Remuneration / Commission:**

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

**iii. Commission:**

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

**iv. Stock Options:**

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

During the financial year 2019-20, 01 (One) Nomination and Remuneration Committee meetings was held on 30.05.2019. The details of Members' attendance at the meetings of Nomination and Remuneration Committee are as under:

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

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

The details of remuneration paid to Executive Directors during the financial year 2019-20 are as under:

(₹ in Lakh)

Sr. No.	Name of the Directors	Designation	Total Remuneration paid by way of Salary & Perquisites
1	Shri Rajendra J. Anandpara	Managing Director	136.79
2	Ms. Himali H. Patel	Whole time Director & CFO	19.52

The details of sitting fees and commission paid to Non-Executive Directors during the financial year 2019- 20 are as under:

Sr. No	Name of the Director	Designation	Sitting Fees (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
1	Shri Ramkisan Devidayal,	Non-Executive – Independent	3.08	3.00	6.08
2	Shri Mukesh D. Patel	Non-Executive – Independent	3.08	3.00	6.08
3	Shri Devesh A. Pathak,	Non-Executive – Independent	3.08	1.00	4.08
4	Shri Udayan P. Patel	Non-Executive – Independent	2.64	1.00	3.64

## 6. Stakeholders Relationship Committee :

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

### Role of Stakeholders Relationship Committee

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.]

During the financial year 2019-2020, 1 (One) Stakeholders Relationship Committee meeting was held on 30.05.2019.

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

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

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

The details of the Shareholders' complaints during the Year ended on 31.03.2020.

Sr. No.	Particulars	Information
01	Number of shareholders' complaints received	9
02	Number of complaints solved to the satisfaction of the shareholders;	7
03	Number of pending complaints.	2*

\*As on date there is no pending complaint.

No grievances / complaints are outstanding and no requests for share transfers and / or requests for dematerialization were pending for approval as on 31.03.2020.

## 7. Corporate Social Responsibility Committee :

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

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

### Role of the Corporate Social Responsibility Committee:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.



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

During the financial year 2019-20 1(one) Corporate Social Responsibility Policy meeting was held on 30.05.2019

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

Name of the Member	Number of Meetings held	Meetings attended
Shri Mehul K. Patel	1	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 Financial year ended on 31.03.2020, one Separate Meeting of Independent Directors' was held on 30.05.2019.

The meeting interalia discussed :

- a. Criteria for Performance Evaluation of the Board of Directors of the Company and Performance Evaluation by the Independent Directors.
- b. Criteria for Performance Evaluation of the Non-Independent Directors of the Company and Performance Evaluation by the Independent Directors.
- c. Criteria for Performance Evaluation of the Independent Directors of the Company and Performance Evaluation by the Board of Directors.

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

Name of the Director	Number of Meetings held	Meetings attended
Shri Ramkisan Devidayal	1	1
Shri Mukesh D. Patel	1	1
Shri Devesh A. Pathak	1	1
Shri Udayan P. Patel	1	1

#### 9. General Body Meetings :

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

Financial Year	Location	Date	Time	No. of Special Resolutions passed
2016-17	Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410	23.09.2017	10.00 a m	1
2017-18	Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410	22.09.2018	10.00 a m	1
2018-19	Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara - 391 410	23.09.2019	10.00 a m	9

- whether any special resolution passed last year through postal ballot - **Yes**

- whether any special resolution is proposed to be conducted through postal ballot - **Yes**

The details of the Postal Ballot Results are as under :

Sr. No.	Description of Resolution	For		Against		Percentage (%)	
		Voter Count (No. of Share-holders)	Vote Count (No. votes)	Voter Count (No. of Share-holders)	Vote Count (No. votes)	FOR	AGAINST
1	Sale / transfer / disposal of assets subsidiaries / material subsidiary of the Company or disposal of investment in subsidiaries / material subsidiary	84	35060252	8	277417	99.21 %	00.79%

#### 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 Indian Accounting Standard (Ind AS 24). These 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 a Policy on Whistle Blower / Vigil Mechanism which is also posted on the website of the Company and no personnel has been denied access to the Audit Committee.
- g. There are no amounts pending for transfer to the Investor Education and Protection Fund under Section 125 of the Act.
- h. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- i. 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 : Tuesday, the 22nd September, 2020 at 10:00 a.m. through Video Conference (VC) / Other Audio Visual Means (OAVM)

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

**Financial Calendar:**

Unaudited Financial Results for:	
Quarter ending 30.06.2020	By end of July, 2020 or within statutory time limit
Quarter ending 30.09.2020	By end of October, 2020 or within statutory time limit
Quarter ending 31.12.2020	By end of January, 2021 or within statutory time limit
Audited Results for the year ending on 31.03.2021	By end of May, 2021 or within statutory time limit

**13. Book Closure Dates for record purpose only**

For the financial year ended 31.03.2020, the Register of Members and Share Transfer Books of the Company will remain closed from 05.09.2020 to 22.09.2020 (both days inclusive) for record purpose only.

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

- a. BSE Limited; and
- b. National Stock Exchange of India Limited

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

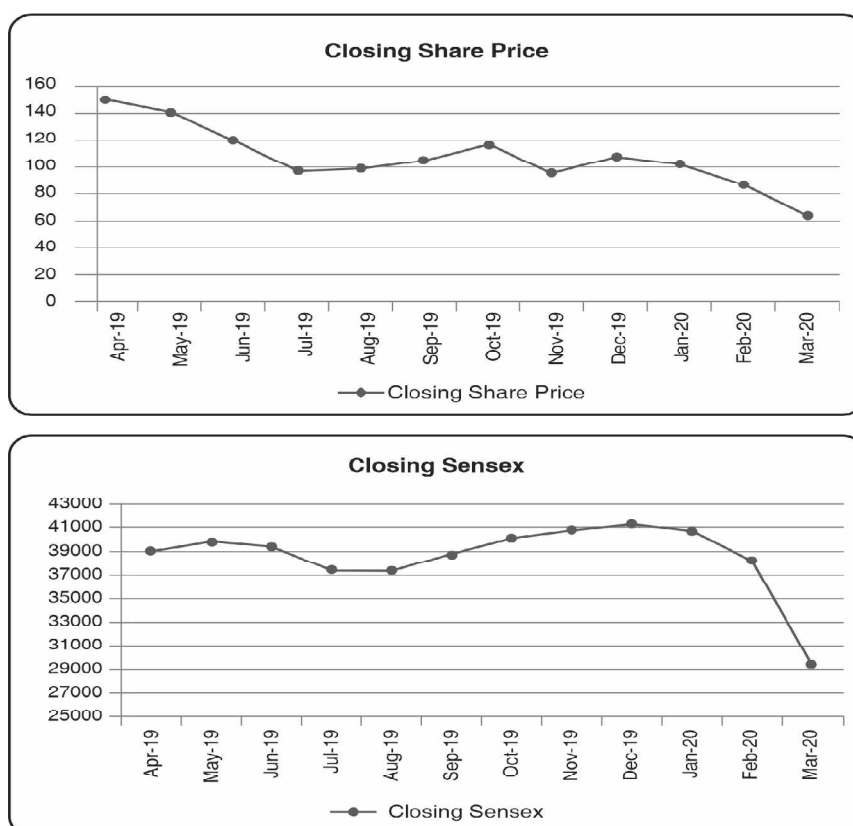
**Stock Code:**

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

**Stock Market Data:**

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

Month	BSE			NSE		
	High	Low	No. of Shares Traded	High	Low	No. of Shares Traded
April, 2019	159.8	148.55	90528	158.95	148	461438
May, 2019	158	135	87552	157	135.3	544555
June, 2019	142	116	77994	143.85	117.8	399529
July, 2019	124.7	95.1	78576	124.8	94.05	466016
August, 2019	104.55	91	88439	104.95	91	401860
September, 2019	116.5	93.2	328829	116.45	93.3	1265671
October, 2019	120.9	92.1	236661	121.05	92	1686293
November, 2019	120.15	93.75	181459	120.05	93.3	1221242
December, 2019	114.4	90	193808	114.9	92	1437201
January, 2020	113.5	100	155047	113.6	100	987741
February, 2020	104.3	85	93328	107.15	85	703654
March, 2020	106.9	55	562803	104.4	54.1	4587624

**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 2019-20.

**15. Commodity price risk or foreign exchange risk and hedging activities**

The raw materials of the Company are subject to domestic price variations and in case of imported raw material the same is subject to price variation as well as fluctuations in foreign exchange rates. In case of imported raw materials the Company has in place appropriate hedging policy. Further details, if any, are provided in Financial Statements in terms of applicable SEBI Listing Rules and Regulations.

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

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

**17. 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.

**18. Distribution of Share as on 31.03.2020 :**

No of Share Holding	No of Shareholders	No of Shares	% to Total Paid-up Capital
1 – 500	22,599	29,36,744	4.1063
501 – 1000	2,327	19,26,694	2.6940
1001 – 2000	1,220	19,18,635	2.6827
2001 – 3000	569	15,37,182	2.1493
3001 – 4000	224	8,14,990	1.1395
4001 – 5000	156	7,42,654	1.0384
5001 – 10000	268	19,20,193	2.6849
10001 and above	183	5,97,21,558	83.5049
<b>Total</b>	<b>27,546</b>	<b>7,15,18,650</b>	<b>100.000</b>

**19. Distribution of Shareholding Pattern as on 31.03.2020 :**

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	47,569	0.07
Bodies Corporate	10,23,632	1.43
Non-Residents Indians	32,98,408	4.61
Mutual Funds	19,30,087	2.70
Public	1,66,68,962	23.31
Total	7,15,18,650	100.00

**20. Dematerialization of Shares as on 31.03.2020:**

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

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

**21. Credit Rating**

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

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

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

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

The details are as under:

Sr. No.	Particulars	Number of Share-holders	Number of Equity Shares of Face Value of Rs. 2/- per Share
a.	Aggregate Number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	20	17950
b.	Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year.	00	00
c.	Total Shares lying in Unclaimed Suspense Account at the end of the year	20	17950

The voting rights on the aforesaid shares outstanding in the Suspense Account as on 31.03.2020 shall remain frozen till the rightful owner of such shares claim the shares.

**24. Plant Locations:**

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

**25. Details Fees to the Statutory Auditors**

The Company and its subsidiaries, on a consolidated basis, has not paid any fees to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**26. Sexual Harassment :** As per the details are provided in the Directors Report.

**27. Address for Correspondence:**

For transfer/dematerialisation of shares, transmission, etc	For payment of dividend and other queries of the Company
Registrar to an issue and share transfer agent: Link Intime India Pvt. Ltd. B – 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020 Phone : (0265) 2356573, Fax : (0265) 2356791 Email : vadodara@linkintime.co.in	Secretarial Department: Banco Products (India) Limited Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda - 391 410 Phone : (0265) 2318226 Email : sec@bancoindia.com, investor@bancoindia.com

For and on behalf of the Board,

Date : 17.07.2020  
Place : Bil

Mehul K. Patel - Chairman  
(DIN : 01772099)

**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 31.03.2020 received from the Board Members and Senior Management Personnel, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management means the Chief Financial Officer, Chief Executive Officer,

Company Secretary, Managing Director and other employees in the Assistant General Manager cadre as on 31.03.2020.

For Banco Products (India) Limited

Date : 17.07.2020  
Place: Bil

Mehul K. Patel  
Chairman  
DIN : 01772099

**Confirmation regarding Independent Directors**

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

For Banco Products (India) Limited

Date : 17.07.2020  
Place: Bil

Mehul K. Patel  
Chairman  
DIN : 01772099

**COMPLIANCE CERTIFICATE**

To  
The Board of Directors  
Banco Products (India) Limited

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

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended on 31.03.2020 and that to the best of our knowledge and belief, We state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that We had evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and had disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
- d. We had indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For Banco Products (India) Limited

Date : 17.07.2020  
Place : Bil

Mehul K. Patel  
Chairman  
(DIN : 01772099)

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



**CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of the conditions of Corporate Governance by Banco Products (India) Limited (hereinafter referred to as the Company), for the financial year ended 31st March, 2020 as prescribed in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and the implementation process adopted by the Company for ensuring compliance of the conditions of Corporate Governance. This Certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

**Place: Vadodara**  
**Date: 17<sup>th</sup> July, 2020**

**(J. J. Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**  
**UDIN Number F003519B000484989**

## INDEPENDENT AUDITORS' REPORT

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

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

#### Opinion

We have audited the accompanying standalone financial statements of **Banco Products (India) Limited** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2020**, the Statement of Profit and Loss (including other comprehensive income) and Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

We draw your attention to Note 2.4 of the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### Key audit matters

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

Key audit matters	Auditors' response
<b>Revenue recognition</b>	
The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and	<p>Audit procedures included the following:</p> <ul style="list-style-type: none"> <li>* Considered the adequacy of the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>* Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> </ul>

<p>discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue is not recognized in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the Standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>* Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the incoterms in accordance with Ind AS 115.</li> <li>* Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying supporting documents.</li> <li>* Assessed the relevant disclosures made in the Standalone Ind AS financial statements.</li> </ul>
<b>Litigations and claims provisions and contingent liabilities</b>	
<p>As disclosed in Note 32 [Capital Commitments and Contingent Liabilities] to the standalone financial statements, the Company is involved in direct and indirect tax litigations amounting to ₹ 1182.72 lakhs that are pending with various tax authorities.</p> <p>Whether a liability is recognized or disclosed as a contingent liability in the standalone financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgments in respect to these demands against the Company.</p> <p>Determining the amount, if any, to be recognized or disclosed in the standalone financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the standalone financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>* Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>* Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts</li> <li>* Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved.</li> <li>* Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents in similar cases;</li> <li>* Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities.</li> <li>* Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Company, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management.</li> <li>* Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</li> </ul>

**Information other than the financial statements and auditor's report thereon**

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone

financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditors' responsibility**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be

influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "**Annexure- B**" attached herewith.
  - (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement. Refer Note 32 of the Standalone Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts; for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 118493W**

**CA RAHUL PARIKH**  
 PARTNER  
 Membership No. 105642  
 UDIN: 20105642AAAAES5842  
 VADODARA, 11<sup>th</sup> June, 2020

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

**(Referred to in paragraph 2 under “report on other legal and regulatory requirements of the independent auditors’ report of even date)**

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

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- II. The inventory, except goods-in-transit and stock lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stock and book records were not material and have been properly dealt with in books of account.
- III. According to the information and explanations given to us, the Company has not granted any loans Secured or unsecured to companies, firm, Limited liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ‘the Act’.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security as applicable.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any other relevant provision of the act and the rules framed there under. Accordingly, Paragraph 3(v) of the order is not applicable to the Company.
- VI. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribe by the central government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax/value added tax, goods and service tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, goods and service tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us, dues that have not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature of Dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty, Service Tax and Custom Duty	1090.71	F.Y. 2006-07 till F.Y. 2018-19	- ₹ 246.99 lakhs pending with CESTAT, Ahmedabad. - ₹ 24.43 lakhs pending CESTAT, Mumbai. - ₹ 593.68 lakhs pending with Commisioner, Central Excise and Custom (Appeal). - ₹ 0.21 lakhs pending with Superintendent, Central Excise and Custom (Appeal). - ₹ 11.78 lakhs pending with Commisioner (Appeal) Customs, Mumbai. - ₹ 213.62 lakhs pending with High Court (Gujarat).
Sales Tax Act	VAT/CST	80.92	F.Y. 2008-09 till 2012-13	- ₹ 50.83 lakhs pending with Apellate Tribunal, Ahmedabad. - ₹ 29.35 lakhs pending with Commissioner (Appeal), Ranchi. - ₹ 0.74 lakhs pending with Deputy Commissioner
CGST Act , and SGST Act under UP GST Act.	CGST/ SGST	1.79	F.Y. 2017-18	Pending GST Authority
Income Tax Act, 1961	Income Tax	9.30	F.Y. 2011-12 (i.e. A.Y. 2012-13)	CIT (Appeal).

- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to the financial institution, banks and government. The Company did not have any outstanding debentures during the year.
- IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- XI. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- XII. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- XIV. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of Section 42 of the Companies Act, 2013 are not applicable to the Company.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- XVI. According to the information and explanations give to us The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Paragraph 3(xvi) of the order is not applicable to the Company.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 118493W**

**CA RAHUL PARIKH**  
**PARTNER**  
 Membership No. 105642  
 UDIN: 20105642AAAAES5842  
 VADODARA, 11<sup>th</sup> June, 2020

## ANNEXURE - "B" TO INDEPENDENT AUDITORS' REPORT

### Report on the internal financial controls over financial reporting under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")

We have audited the internal financial controls over the financial reporting of **Banco Products (India) Limited** ("the Company"), as on 31<sup>st</sup> March, 2020 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") issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of internal financial controls over financial reporting

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

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

#### Inherent limitations of internal financial controls over financial reporting

Because of inherent limitations of internal financial controls over financial reporting, including the possibility of



collusion or improper managements override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 118493W**

**CA RAHUL PARIKH**  
PARTNER  
Membership No. 105642

VADODARA, 11<sup>th</sup> June, 2020

# **STANDALONE FINANCIAL STATEMENTS**

BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2020

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3	12,036.36	13,079.15
Capital work-in-progress		151.39	170.03
Right of use assets	3	788.31	-
Other intangible assets	3	5.24	15.56
Financial assets			
Investments	4	15,537.85	16,474.77
Other financial assets	5	225.23	160.70
Income tax assets (net of provision)	6	755.31	1568.18
Other non-current assets	7	330.93	522.67
		<b>29,830.62</b>	<b>31,991.06</b>
<b>Current assets</b>			
Inventories	8	10,243.96	12,694.70
Financial assets			
Investments	9	0.004	5,000.32
Trade receivables	10	14,669.10	13,146.60
Cash and cash equivalents	11a	4,700.26	13.41
Balances with banks other than 11a above	11b	1,350.36	11,858.51
Other financial assets	12	112.49	189.40
Other current assets	13	381.71	592.01
		<b>31,457.88</b>	<b>43,494.95</b>
		<b>61,288.50</b>	<b>75,486.01</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	1,430.37	1,430.37
Other equity	15	52,054.12	64,922.10
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Provisions	16	469.93	430.50
Deferred tax liabilities (net)	6	607.70	351.16
Other non-current liabilities	17	24.41	25.39
		<b>54,586.53</b>	<b>67,159.52</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
<b>Borrowings</b>	18	257.52	268.39
Trade payables	19		
(A) due to micro and small enterprise		651.43	999.23
(B) due to others		5,117.07	6,242.00
Other financial liabilities	20	401.23	417.08
Other current liabilities	21	195.33	324.32
Provisions	22	79.39	75.47
		<b>6,701.97</b>	<b>8,326.49</b>
		<b>61,288.50</b>	<b>75,486.01</b>
<b>Total equity and liabilities</b>			
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements.			

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN :20105642AAAAES5842

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Devesh A. Pathak**  
Director  
DIN 00017515

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Ramkisan Devidayal**  
Director  
DIN 00238853

**Ameeta Manohar**  
Director  
DIN 00903232

**Dinesh Kavthekar**  
Company Secretary

**Mukesh D. Patel**  
Director  
DIN 00009605

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

(₹ in Lakhs)

PARTICULARS	Note No.	2019-20	2018-19
Revenue from operations	23	59,838.13	73,632.30
Other income	24	4,649.41	8,301.66
<b>Total income</b>		<b>64,487.54</b>	<b>81,933.96</b>
<b>Expenses</b>			
Cost of materials consumed	25	35,857.98	47,121.52
Changes in inventories of finished goods and work-in-progress	26	950.84	(740.15)
Employee benefits expenses	27	3,796.67	3,845.59
Finance costs	28	34.87	143.80
Depreciation/amortisation expenses	3	2,000.04	1,819.25
Other expenses	29	11,791.15	13,283.76
<b>Total expenses</b>		<b>54,431.55</b>	<b>65,473.77</b>
<b>Profit before exceptional items and tax</b>		<b>10,055.99</b>	<b>16,460.19</b>
Exceptional items	30	-	933.12
<b>Profit before tax</b>		<b>10,055.99</b>	<b>17,393.31</b>
<b>Tax expense</b>	6		
Current tax		1,890.18	3,593.89
Income tax for prior years	44	527.19	614.60
Deferred tax		687.05	893.68
<b>Total tax expenses</b>		<b>3,104.42</b>	<b>5,102.17</b>
<b>Profit for the year</b>		<b>6,951.57</b>	<b>12,291.14</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to statement of profit and loss</b>			
(i) Remeasurement benefit of defined benefit plans		(14.04)	(13.51)
Income tax expenses on remeasurement benefit of defined benefits plans		4.91	4.72
(ii) Net fair value (loss) / gain on investment in equity instruments through OCI		(575.56)	428.02
Income tax expenses on			
Net fair value (loss) / gain on investment in equity instruments through OCI		149.59	(93.28)
<b>Total other comprehensive income</b>		<b>(435.10)</b>	<b>325.95</b>
<b>Total comprehensive income for the year</b>		<b>6,516.46</b>	<b>12,617.09</b>
<b>Earning per equity share of face value of ₹ 2 each</b>	31		
Basic in ₹		9.72	17.19
Diluted in ₹		9.72	17.19
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements.			

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN :20105642AAAAES5842

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Devesh A. Pathak**  
Director  
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Managing Director  
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**Ameeta Manohar**  
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DIN 00903232

**Dinesh Kavthekar**  
Company Secretary

**Mukesh D. Patel**  
Director  
DIN 00009605

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

Place : Vadodara  
Date : 11.06.2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020**

(₹ in Lakhs)

PARTICULARS	2019-20		2018-19	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		10,055.99		17,393.31
Adjustments for non cash items / items required to be disclosed separately				
Depreciation	2,000.03		1,819.25	
Interest and finance charges	34.87		143.80	
(Profit)/loss on sale of PPE	(465.77)		(6.14)	
Interest income	(908.99)		(895.76)	
Unrealised foreign exchange (gain)/loss	357.86		(134.69)	
Net (gain)/loss arising on sale of financial assets measured at FVTPL	(6.21)		(1.98)	
Net (gain)/loss arising on fair value measured at FVTPL	-		(0.31)	
Sundry creditor write back	(46.86)		(6.23)	
Sundry creditor write off	5.04		1.54	
Profit on sale of investment in subsidiary	-		(933.12)	
Dividend received	(2,441.05)		(7,388.01)	
		(1,471.08)		(7,401.65)
<b>Operating profit before working capital changes</b>		<b>8,584.91</b>		<b>9,991.66</b>
<b>Adjustments for changes in working capital &amp; provisions</b>				
(Increase)/decrease in trade receivable	(1,873.47)		(2,326.53)	
(Increase)/decrease in inventories	2,450.74		866.88	
(Increase)/decrease in current financial assets	(28.48)		(53.81)	
(Increase)/decrease in other current assets	210.31		93.90	
(Increase)/decrease in financial assets (non current)	(64.54)		(73.56)	
(Increase)/decrease in other non current assets	60.52		66.27	
Increase/(decrease) in current liabilities	(128.99)		3.04	
Increase/(decrease) in other non-current liabilities	(0.98)		25.39	
Increase/(decrease) in financial liabilities (current)	(15.85)		39.54	
Increase/(decrease) in trade payables	(1,437.79)		(283.52)	
Increase/(decrease) in provisions	29.31		52.73	
		(799.22)		(1,589.67)
<b>Cash generated from operations</b>		<b>7,785.69</b>		<b>8,401.99</b>
Income tax paid (net of refunds)	(1,880.51)		(3,738.45)	
		(1,880.51)		(3,738.45)
<b>Net cash flow from operating activities</b>		<b>5,905.18</b>		<b>4,663.54</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE & capital advances	(1,586.06)		(2,722.05)	
Sale of PPE	466.47		49.52	
Sale of financial assets measured at FVTOCI	5,006.54		-	
Sale of financial assets measured at FVTPL	361.35		984.07	
Purchase of investment measured at FVTPL	-		(5,000.00)	
(Increase)/decrease in bank term deposit	10,508.14		(832.35)	
Purchase of preference share in LMML (subsidiary)	-		(137.64)	
Sale of investment in subsidiary	-		2,627.25	
Dividend received from subsidiaries	2,170.00		7,367.77	
Dividend received from other	271.05		16.50	
Interest received	1,014.37		900.56	
		18,211.86		3,253.63
<b>Net cash flow from investing activities</b>		<b>24,117.04</b>		<b>7,917.17</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in Lakhs)

PARTICULARS	2019-20		2018-19	
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	(16,449.29)		(7,724.01)	
Tax paid on dividend	(2,935.16)		(79.97)	
Interest and finance charges paid	(34.87)		(143.80)	
<b>Net cash flow from financing activities</b>		<b>(19,419.32)</b>		<b>(7,947.78)</b>
<b>Net cash inflow / (outflow) during the year</b>		<b>4,697.72</b>		<b>(30.61)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>(254.98)</b>		<b>(224.37)</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>4,442.74</b>		<b>(254.98)</b>

## Note:-

- (a) Cash flow statement has been prepared under the 'indirect method' as set out in ind as-7  
(b) Cash and cash equivalents comprises of

(₹ in Lakhs)

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
(i) Balances with banks in current accounts	890.03	10.35
(ii) Cash on hand	10.23	3.06
(iii) Term deposit with original maturity less than 3 months	3,800.00	-
	<b>4,700.26</b>	<b>13.41</b>
Less:-Cash credit refer note no-18	(257.52)	(268.39)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>4,442.74</b>	<b>(254.98)</b>

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

PARTICULARS	1st April 2019	Cash flow	Non cash changes	31st March 2020
Borrowing - current (refer note no. 18)	268.39	(10.87)	-	257.52

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN :20105642AAAAES5842

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Devesh A. Pathak**  
Director  
DIN 00017515

**Rajendra J. Anandpara**  
Managing Director  
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**Udayan P. Patel**  
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DIN 00598313

**Ramkisan Devidayal**  
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DIN 00238853

**Ameeta Manohar**  
Director  
DIN 00903232

**Dinesh Kavthekar**  
Company Secretary

**Mukesh D. Patel**  
Director  
DIN 00009605

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

Place : Vadodara  
Date : 11.06.2020

## STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance at the beginning of the reporting period i.e. 1st April 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting period i.e. 31st March-2020
1430.37	-	1430.37	-	1430.37

## B. OTHER EQUITY

As on 31st March 2020

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting Period i.e. 1st April, 2019	1,200.31	0.77	54.14	12,217.69	50,034.42	1,414.77	64,922.10
Profit for the year	-	-	-	-	6,951.57	-	6,951.57
<b>Total comprehensive Income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>56,985.99</b>	<b>1,414.77</b>	<b>71,873.67</b>
Remeasurement of defined employee benefit plans (Net)	-	-	-	-	-	(9.13)	(9.13)
Fair value impact for quoted investment to be routed through OCI (Net)	-	-	-	-	-	63.12	63.12
Fair value impact for unquoted investment to be routed through OCI (Net)	-	-	-	-	-	(489.09)	(489.09)
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	341.33	(341.33)	-
Final dividend of FY 2018-19	-	-	-	-	(2,145.56)	-	(2,145.56)
Interim dividend of FY 2019-20	-	-	-	-	(14,303.73)	-	(14,303.73)
Tax on dividend	-	-	-	-	(2,935.16)	-	(2,935.16)
<b>Balance at the end of the reporting period i.e. 31st March, 2020</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>37,942.87</b>	<b>638.34</b>	<b>52,054.12</b>

As on 31st March 2019

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2018	1,200.31	0.77	54.14	12,217.69	45,556.05	1,080.03	60,108.99
Profit for the year	-	-	-	-	12,291.14	-	12,291.14
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>57,847.19</b>	<b>1,080.03</b>	<b>72,400.13</b>
Remeasurement of defined employee benefit plans(Net)	-	-	-	-	(8.79)	-	(8.79)
Fair value impact for quoted investment to be routed through OCI (Net)	-	-	-	-	-	24.47	24.47
Fair value impact for unquoted investment to be routed through OCI (Net)	-	-	-	-	-	310.27	310.27
Final dividend of FY 2017-18	-	-	-	-	(4,148.08)	-	(4,148.08)
Interim dividend of FY 2018-19	-	-	-	-	(3,575.93)	-	(3,575.93)
Tax on dividend	-	-	-	-	(79.97)	-	(79.97)
<b>Balance at the end of the reporting period i.e. 31st March, 2019</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>50,034.42</b>	<b>1,414.77</b>	<b>64,922.10</b>

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN :20105642AAAAES5842

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

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

**Ramkisan Devidayal**  
Director  
DIN 00238853

**Mukesh D. Patel**  
Director  
DIN 00009605

**Devesh A.Pathak**  
Director  
DIN 00017515

**Udayan P. Patel**  
Director  
DIN 00598313

**Ameeta Manohar**  
Director  
DIN 00903232

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

**Dinesh Kavthekar**  
Company Secretary

Place : Vadodara  
Date : 11.06.2020



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 1. CORPORATE INFORMATION

Banco Products (India) Limited is a Public limited Company domiciled in India and incorporated under the Indian Companies Act, 1956. Equity shares of the Company are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of Heat Exchangers / Cooling Systems. The Company caters to both domestic and international market. The Registered Office of the Company is located at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara, 391410.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 11<sup>th</sup> June 2020.

#### 2.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS), under the historical cost convention on the accrual basis as per the provisions of Companies Act, 2013, except for certain financial Assets and liabilities that are measured at fair value at the end of each reporting period set out below.

The Accounting Policy has been applied consistently over all the periods reported in these Financial Statements, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

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

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

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

The areas involving critical estimates or judgments are:

- Fair value of unlisted equity securities – Note 4
- Defined benefit obligation – Note 33
- Measurement of contingent liabilities– Note 32
- Current tax expense and current tax payable – Note 6
- Deferred tax assets– Note 6

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company. Any change in these estimates and assumptions will generally be reflected in the financial

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

### 2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Plants of the Company in India were closed in 24<sup>th</sup> March, 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permission and restarted its manufacturing facilities in the second fortnight of April 2020.

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

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

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

### 2.5 Classification of current/non-current assets and liabilities

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

### 2.6 Standards issued but not effective (based on Exposure drafts available as on date)

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

#### Amendments to existing standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

### 2.7 Property, plant and equipment

Property, Plant and Equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 – Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Items such as Spare Parts, Standby Equipments and Service Equipments that meet definition of PPE are capitalized at cost.

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

### Capital work-in-progress

Assets in the course of construction are capitalised in the Capital Work in Progress account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

### 2.8 Intangible assets

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

### 2.9 Depreciation / amortisation

Depreciation is calculated on a straight-line basis or written down value as per the specified life of the assets as provided in schedule II to the Companies Act, 2013. The useful life of Item of PPE are mentioned below.

Class of assets	Range of useful life (in years)
Factory buildings	30
Plant and equipments	10-15
Furniture & fixtures	10
Vehicles	8-10
Office equipment	5
Computer hardware	3-6
Intangible assets - software	3-6

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

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

### 2.10 Impairment of assets

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**2.11 Leases**
**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Transition**

Effective 1<sup>st</sup> April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019. Accordingly, the Company has re-classified Leasehold Land from Property, Plant & Equipment to Right of Use Asset. The leasehold land is already fully paid and hence already stated at its present value. The same is being amortized over the period of lease (including the period renewable at the option of the Company.)

All other lease contracts of the Company are for lease tenure below 12 months and the Company has accordingly applied the exemption not to recognize right of use assets for such leases.

**The Company as a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

### Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

### 2.12 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer.

#### Sale of goods

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

#### Sale of services

Revenues for services are recognised when the service rendered has been completed.

#### Royalties and profit-sharing arrangements

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

#### Interest and dividend income

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

### 2.13 Inventories

- (i) Raw materials, stores and spares, packing materials, work-in-process and finished goods are valued at lower of cost and net realizable value. Damaged, unserviceable and inert stocks are suitably depreciated.
- (ii) In determining cost of raw materials, stores and spares (except machinery spares which meet the definition of PPE) and packing materials, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, and an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

### 2.14 Financial instruments

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

#### a. Financial assets

##### (i) Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition, except for

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way trade of financial assets are accounted for at trade date.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

**Financial assets at amortised cost**

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

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

**Financial assets at fair value through other comprehensive income**

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

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

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

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

**Investment in subsidiaries**

Investment in subsidiaries is carried at cost in the financial statements.

**(iii) Derecognition**

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

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

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

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**(ii) Subsequent measurement**

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

**Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

**Financial liabilities measured at amortised cost**

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

**Derecognition**

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

**c. Fair value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability or
- In the absence of principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**2.15 Foreign exchange transactions**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

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

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

**2.16 Trade receivables**

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for Expected Credit Losses. Discounts due yet to be quantified at the customer level are netted off from Trade Receivables.

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**2.17 Borrowing costs**

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

**2.18 Provisions, contingent liabilities and contingent assets**
**(a) Provisions**

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

**(b) Contingent liabilities**

Contingent liabilities are disclosed for

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

**(c) Contingent assets**

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

**2.19 Taxes**

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

**Current tax**

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

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

**Deferred tax**

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

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

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

### Minimum alternate tax (MAT)

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

### Presentation of current and deferred tax

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

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

## 2.20 Research and development

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

## 2.21 Employees benefits

- (i) Provident fund is a defined contribution scheme and the contribution as required by the statute paid to government provident fund and it is charged to the statement of profit and loss.
- (ii) Gratuity liability is a defined benefit obligation and is funded through a gratuity fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on actuarial valuation carried out as at the end of each financial year, using the projected unit credit method. Actuarial gain and/or losses are recognised in the statement of other comprehensive income.
- (iii) The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year, using the projected unit credit method. Actuarial gain and/or losses are recognised in the statement of profit and loss.

## 2.22 Cash and cash equivalents

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****2.23 Earnings per share**

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

**2.24 Government grants**

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate

**2.25 Exceptional item**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

**2.26 Segment reporting**

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

The Company has opted to provide segment information in its consolidated Ind AS financial statements in accordance with para 4 of Ind AS 108 - Operating Segments.

## 3. PROPERTY PLANT &amp; EQUIPMENT FOR THE YEAR 2019-20

		GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
		As at 1st April 2019	Additions during the year	Deletion during the year	Reclassified on account of IND AS 116	As at 31st March 2020	As at 1st April 2019	For the year	Deduction Others	Reclassified on account of IND AS 116	As at 31st March 2020	As at 31st March 2019
I	Tangible assets											
	a Leasehold land	869.96	-	-	869.96	-	72.86	-	-	72.86	-	797.10
	b Freehold land	215.46	-	-	-	215.46	-	-	-	-	215.46	215.46
	c Buildings	4,509.51	0.69	3.17	-	4,507.03	2,334.53	206.12	2.99	-	2,537.66	2,174.98
	d Plant and equipments	22,885.69	1,612.98	40.00	-	24,458.67	13,480.21	1,641.46	39.98	-	15,081.69	9,405.48
	e Furniture & fixtures	295.86	17.80	-	-	313.66	227.70	28.17	-	-	255.87	57.79
	f Vehicles	430.73	54.54	28.24	-	457.03	368.11	33.00	27.74	-	373.37	68.16
	g Office equipment	298.06	7.30	-	-	305.36	276.56	12.68	-	-	289.24	21.50
	h Scientific research											
	1 Building	113.58	2.43	-	-	116.01	72.38	3.99	-	-	76.37	41.20
	2 Plant and equipments	662.46	33.02	-	-	695.48	402.76	42.90	-	-	445.65	259.70
	3 Software (Intangible assets)	92.03	-	-	-	92.03	78.85	8.06	-	-	86.91	13.18
	4 Office equipment	8.16	0.33	-	-	8.49	5.24	1.45	-	-	6.70	2.92
	5 Furniture and fixture	32.92	-	-	-	32.92	21.16	4.90	-	-	26.06	11.76
	i Others assets	68.32	6.73	-	-	75.05	50.05	6.14	-	-	56.19	18.27
II	Intangible assets											
	a. Software	267.91	0.12	-	-	268.03	265.53	2.38	-	-	267.91	2.38
		30,750.65	1,735.94	71.41	869.96	31,545.22	17,655.94	1,991.25	70.71	72.86	19,503.62	13,094.71

## Carrying value of right of use assets for the year 2019-20

		GROSS CARRYING VALUE					AMORTIZATION				NET CARRYING VALUE	
		As at 1st April 2019	Reclassified on account of IND AS 116	Addition s during the year	Deletion during the year	As at 31st March 2020	As at 1st April 2019	Reclassifi ed on account of IND AS 116	For the year	Deduction Others	As at 31st March 2020	As at 31st March 2019
	a	Leasehold land	-	869.96	-	869.96	-	72.86	8.79	-	81.65	788.31
			-	869.96	-	869.96	-	72.86	8.79	-	81.65	788.31

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

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

			GROSS BLOCK					DEPRECIATION/AMORTIZATION				NET BLOCK		
			As at 1st April 2018	Additions during the year	Deletion during the year	Reclassified on account of IND AS 116	As at 31st March 2019	As at 1st April 2018	For the year	Deduction Others	Reclassified on account of IND AS 116	As at 31st March 2019	As at 31st March 2018	
I	Tangible assets													
	a	Leasehold land	869.96	-	-	-	869.96	64.07	8.79	-	-	72.86	797.10	805.89
	b	Freehold land	215.46	-	-	-	215.46	-	-	-	-	-	215.46	215.46
	c	Buildings	4,428.22	86.39	5.10	-	4,509.51	2,114.27	222.75	2.49	-	2,334.53	2,174.98	2,313.95
	d	Plant and equipments	19,484.26	3,485.86	55.71	-	22,894.41	12,041.14	1,455.99	16.92	-	13,480.21	9,414.20	7,423.12
	e	Furniture & fixtures	248.57	47.29	-	-	295.86	204.72	22.98	-	-	227.70	68.17	43.86
	f	Vehicles	405.06	53.73	28.06	-	430.73	371.35	22.84	26.08	-	368.11	62.62	33.71
	g	Office equipment	288.46	10.69	1.09	-	298.06	258.52	19.13	1.09	-	276.56	21.50	29.94
	h	Scientific research												
	1	Building	113.58	-	-	-	113.58	68.05	4.33	-	-	72.38	41.20	45.53
	2	Plant and equipments	627.83	34.63	-	-	662.46	362.20	40.56	-	-	402.76	259.70	265.68
	3	Software (intangible assets)	91.59	0.44	-	-	92.03	68.80	10.05	-	-	78.85	13.18	22.79
	4	Office equipment	4.94	3.22	-	-	8.16	4.23	1.01	-	-	5.24	2.91	0.70
	5	Furniture and fixture	21.91	11.01	-	-	32.92	19.66	1.50	-	-	21.16	11.76	2.25
	i	Others assets	60.48	7.84	-	-	68.32	44.16	5.89	-	-	50.05	18.27	16.32
II	Intangible assets													
	a.	Software	265.75	2.16	-	-	267.91	262.10	3.43	-	-	265.53	2.38	3.65
			27,106.07	3,743.26	89.96	-	30,759.37	15,883.27	1,819.25	46.58	-	17,655.94	13,103.43	11,222.80

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Unquoted fully paid equity shares in subsidiaries/indirect subsidiaries measured at cost</b>		
25,000 (P.Y.18-19 25,000) equity shares of 4.54 € each in Netherlands Radiator Fabriek BV.	11,194.54	11,194.54
3,50,00,000 (P.Y.18-19 3,50,00,000) equity shares of ₹ 10 each in Banco Gasket (India) Limited.	3,500.00	3,500.00
	<b>14,694.54</b>	<b>14,694.54</b>
<b>Unquoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
620,080 (P.Y.18-19 6,20,080) equity shares of ₹ 10 each in Banco Aluminium Limited.	843.31	1,481.99
	<b>843.31</b>	<b>1,481.99</b>
<b>Quoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
NIL (P.Y.18-19 6,588) India Motor Parts and Accessories Limited. of ₹ 10 each	-	60.21
NIL (P.Y.18-19 1,32,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	-	234.69
NIL (P.Y.18-19 511) NHPC Limited of ₹ 10 each	-	0.13
NIL (P.Y.18-19 1,573) Oil India Limited of ₹ 10 each	-	2.92
400 (P.Y.18-19 400) Anand I-Power Limited of ₹ 1 each	0.004	0.004
NIL (P.Y.18-19 112) Talbros Automotive Component Limited of ₹ 10 each.	-	0.24
NIL (P.Y.18-19 34) Talbros Engineers Limited of ₹ 10 each	-	0.05
	<b>0.004</b>	<b>298.24</b>
	<b>15,537.85</b>	<b>16,474.77</b>
Aggregate amount of unquoted investment at cost	25.35	25.35
Aggregate amount of quoted investment at cost	0.008	20.02
Aggregate amount of quoted investment at market value	0.004	298.23

## 5. OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, considered good</b>		
Security deposit	30.45	33.35
Government grant receivable	194.78	127.35
	<b>225.23</b>	<b>160.70</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 6. INCOME TAX

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

As at 31st March, 2020	(₹ in Lakhs)				
	As at 31st March, 2019	Availment of MAT Credit	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2020
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	1,157.37	-	139.50	-	1,296.87
Fair value on unquoted investment	320.18	-	-	(149.59)	170.59
MAT credit entitlement	(874.32)	(276.02)	557.79	-	(592.55)
Expense allowable for tax on payment	(176.80)	-	(10.23)	(4.91)	(191.94)
Carried forward capital loss	(75.27)	-	-	-	(75.27)
	<b>351.16</b>	<b>(276.02)</b>	<b>687.06</b>	<b>(154.50)</b>	<b>607.70</b>

## As at 31st March, 2019

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

## (B) Income taxes

Major component of tax expenses for the year are as under

## (i) Income tax recognised in the statement of profit and loss

	As at 31st March 2020	as at 31st March 2019
Current tax	1,890.18	3,593.89
Income tax for prior years	527.19	614.60
Deferred tax	687.05	893.68
	<b>3,104.42</b>	<b>5,102.17</b>

## (ii) Income tax recognised in OCI

Income tax expenses on remeasurement of defined employee benefits plans	4.91	4.72
Income tax expenses on remeasurement of financial instruments	149.59	(93.28)
	<b>154.50</b>	<b>(88.56)</b>
	<b>3,258.92</b>	<b>5,013.61</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

	As at 31st March 2020	As at 31st March 2019
<b>(C) Reconciliation of tax expenses and the accounting profit for the year is as under</b>		
Profit before tax	10,055.99	17,393.31
Income tax expense @ 34.94% (P.Y. @ 34.94%)	3,513.97	6,077.92
Tax effect on non deductible expenses	(100.54)	98.21
Effect of income which is tax at special rate	(2.17)	(1,572.75)
Effect of income exempted from tax	(853.00)	(251.68)
Tax effect for deduction u/s 80IC	(17.29)	(18.80)
Tax effect for deduction u/s 80G	(0.71)	(28.36)
Tax effect for deduction u/s 80JJAA	(3.48)	(4.98)
Tax effect for exemption u/s 10AA	(558.05)	(616.50)
Tax effect of R & D expenses	(88.55)	(89.47)
MAT credit entitlement	557.79	795.61
Income tax for prior years	527.19	614.60
Other	129.26	98.37
	<b>3,104.42</b>	<b>5,102.17</b>

## 7. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured, considered good unless otherwise stated)</b>		
(a) Capital advances	210.50	341.72
(b) Advances other than capital advances		
Balance with statutory authorities	119.91	178.45
Prepaid expenses	0.52	2.50
	<b>330.93</b>	<b>522.67</b>

## 8. INVENTORIES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>(At lower of cost and net realisable value)</b>		
(a) Raw materials		
- In hand	5,906.80	7,244.96
- In transit	34.97	31.59
	<b>5,941.77</b>	<b>7276.55</b>
(b) Packing materials	255.03	327.68
(c) Work-in-progress	1,835.60	2318.94
(d) Finished goods		
- In hand	1,320.70	1,757.67
- In transit	137.74	168.27
	<b>1,458.44</b>	<b>1925.94</b>
(e) Stores and spares	706.27	802.55
(f) Loose tools	46.85	43.04
	<b>10,243.96</b>	<b>12,694.70</b>

The carrying amount of inventories are hypothecated as security for borrowings (refer note 18).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 9. CURRENT INVESTMENT

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Investment in mutual fund-quoted fully paid up, measured at fair value through profit and loss</b>		
0.386 (P.Y.18-19 0.386) Reliance Mutual Fund -R Shares Liquid Bees of ₹ 1,000 each.(Amount ₹ 386)	0.004	0.004
NIL (P.Y.18-19 99,921) AXIS Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	-	1,001.32
NIL (P.Y.18-19 47,086) SBI Liquid Fund - Weekly Dividend - Direct Plan of ₹ 1,000 each.	-	499.71
NIL (P.Y.18-19 97,390) HDFC Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	-	1,001.11
NIL (P.Y.18-19 9,96,649) ABSL Liquid Fund - Weekly Dividend - Direct Plan of ₹ 100 each.	-	999.35
NIL (P.Y.18-19 99,439) Kotak Liquid Fund - Weekly Dividend-Direct Plan of ₹ 1,000 each.	-	1,000.95
NIL (P.Y.18-19 4,96,305) ICICI Prudential Liquid Fund - Monthly Dividend - Direct Plan of ₹ 100 each.	-	497.88
	<b>0.004</b>	<b>5,000.32</b>
Aggregate amount of investment in mutual fund-quoted at cost	0.004	5000.00

## 10. TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Trade receivables - unsecured		
(i) Considered good *	14,676.13	13,146.60
(ii) Considered doubtful	-	-
	<b>14,676.13</b>	<b>13,146.60</b>
Less: Expected credit loss	(7.03)	-
	<b>14,669.10</b>	<b>13,146.60</b>

\* Includes balances with related parties (refer note 37)

\*\*The carrying amount of trade receivables are hypothecated as security for borrowings (refer note 18).



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 11. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>A. Cash and cash equivalents</b>		
(i) Balances with banks in current accounts	890.03	10.35
(ii) Cash on hand	10.23	3.06
(iii) In deposit accounts*	3,800.00	-
	<b>4,700.26</b>	<b>13.41</b>
<b>B. Bank balances other than (A) above</b>		
<b>Other bank balance</b>		
In deposit accounts #	1,002.43	11441.57
Term deposit held as margin money against bank guarantee	25.85	101.17
In unpaid dividend accounts (earmarked balances)##	322.08	315.77
	<b>1,350.36</b>	<b>11,858.51</b>

\* This represents deposits with original maturity of less than or equal to 3 months.

# This represents deposits with original maturity of more than 3 months but less than 12 months.

## These balances we can utilised only towards settlement of unclaimed dividend / dividend payable

## 12. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Unsecured, considered good unless otherwise stated</b>		
Interest accrued on deposit with banks	65.21	170.60
Security deposits	32.50	4.92
Advances to employees	14.78	10.14
Dividend receivable	-	3.74
	<b>112.49</b>	<b>189.40</b>

## 13. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Prepaid expenses	76.13	69.50
Balances with statutory authorities	92.81	278.56
Advances to vendors	211.19	243.45
Others	1.58	0.50
	<b>381.71</b>	<b>592.01</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 14. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Authorised</b>		
15,20,00,000 (P.Y. 15,20,00,000) equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up capital</b>		
7,15,18,650 (P.Y. 7,15,18,650) equity shares of ₹ 2 each fully paid	1,430.37	1,430.37
	<b>1,430.37</b>	<b>1,430.37</b>

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

	Nos. of shares	
	As at 31st March 2020	As at 31st March 2019
<b>Equity shares at the beginning of the year</b>	7,15,18,650	7,15,18,650
Add:- share issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>7,15,18,650</b>	<b>7,15,18,650</b>

## Share capital

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Balance at the beginning of the year</b>	1,430.37	1,430.37
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,430.37</b>	<b>1,430.37</b>

## (b) Terms/rights attached to each equity share

- The Company has only one class of share referred to as equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. Payment of dividend is also made in foreign currency to shareholders outside India. In the unlikely event of the liquidation of the Company the equity shareholders are eligible to receive the residual value of the assets of the Company if any after preferential amount are paid off, in the proportion of their shareholding in the Company.
- Over the period of five years immediately preceding 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

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

	Nos. In Lakhs (Holding in %)	
Name of share holder	As at 31st March 2020	As at 31st March 2019
Mr. Vimal K.Patel	49.77 (6.96%)	49.77 (6.96%)
Mr. Samir K.Patel	44.21 (6.18%)	44.21 (6.18%)
Mr. Mehul K.Patel	50.19 (7.02%)	50.19 (7.02%)
Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 15. OTHER EQUITY

As on 31st March 2020

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2019	1,200.31	0.77	54.14	12,217.69	50,034.42	1,414.77	64,922.10
Profit for the year	-	-	-	-	6,951.57	-	6,951.57
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>56,985.99</b>	<b>1,414.77</b>	<b>71,873.67</b>
Remeasurement of defined employee benefit plans (Net)	-	-	-	-	-	(9.13)	(9.13)
Fair value impact for quoted investment to be routed through OCI (Net)	-	-	-	-	-	63.12	63.12
Fair value impact for unquoted investment to be routed through OCI (Net)	-	-	-	-	-	(489.09)	(489.09)
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	341.33	(341.33)	-
Final dividend of FY 2018-19	-	-	-	-	(2,145.56)	-	(2,145.56)
Interim dividend of FY 2019-20	-	-	-	-	(14,303.73)	-	(14,303.73)
Tax on dividend	-	-	-	-	(2,935.16)	-	(2,935.16)
<b>Balance at the end of the reporting period i.e. 31st March, 2020</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>37,942.87</b>	<b>638.34</b>	<b>52,054.12</b>

As on 31st March 2019

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings		
Balance at the beginning of the reporting period i.e. 1st April, 2018	1,200.31	0.77	54.14	12,217.69	45,556.05	1,080.03	60,108.99
Profit for the year	-	-	-	-	12,291.14	-	12,291.14
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>57,847.19</b>	<b>1,080.03</b>	<b>72,400.13</b>
Remeasurement of defined employee benefit plans (Net)	-	-	-	-	(8.79)	-	(8.79)
Fair value impact for quoted investment to be routed through OCI (Net)	-	-	-	-	-	24.47	24.47
Fair value impact for unquoted investment to be routed through OCI (Net)	-	-	-	-	-	310.27	310.27
Final dividend of FY 2017-18	-	-	-	-	(4,148.08)	-	(4,148.08)
Interim dividend of FY 2018-19	-	-	-	-	(3,575.93)	-	(3,575.93)
Tax on dividend	-	-	-	-	(79.97)	-	(79.97)
<b>Balance at the end of the reporting period i.e. 31st March, 2019</b>	<b>1,200.31</b>	<b>0.77</b>	<b>54.14</b>	<b>12,217.69</b>	<b>50,034.42</b>	<b>1,414.77</b>	<b>64,922.10</b>

## 1 Securities premium

Securities premium reserve represents premium received on equity share Issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**2 Capital reserve**

Capital reserve represent reserve created pursuant to the business combinations upto year end.

**3 Revaluation reserve**

Revaluation reserve represents reserve created on revaluation of some of property, plant and equipment (PPE) of the Company which can be transfer to general reserve only on disposal of those assets

**4 General reserve**

General reserve is created from time to time by transferring profits from retain earning and can be utilised for purposes such as dividend pay out, bonus issued etc.and it is not an item of other comprehensive income.

**5 Other comprehensive income (OCI)**

OCI presents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income (FVTOCI), under an irrevocable options, net of amount reclassified to retained earnings when such assets are disposed off.

**16. NON CURRENT PROVISIONS**

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note no-33)	219.47	199.02
Provision for leave encashment (refer note no-33)	250.46	231.48
	<b>469.93</b>	<b>430.50</b>

**17. NON CURRENT LIABILITIES**

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Deferred income arising from government grants	24.41	25.39
	<b>24.41</b>	<b>25.39</b>

**18. CURRENT BORROWINGS**

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Loans repayable on demand- Secured</b>		
Working capital facilities from banks *	257.52	268.39
	<b>257.52</b>	<b>268.39</b>

\* Working Capital Facilities are secured against first charges on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating banks.

\* Working Capital Facility carry Interest @ 8.00% to 8.65% (PY 8.55% to 8.65%)

**19. TRADE PAYABLES**

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Due to micro and small enterprises (refer note no-35)	651.43	999.23
Due to others	5,117.07	6242.00
	<b>5,768.50</b>	<b>7,241.23</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

<b>20. OTHER FINANCIAL LIABILITIES</b>	<b>(₹ in Lakhs)</b>	
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Unclaimed/unpaid dividend	322.08	315.77
Advance received from customers	79.15	101.31
	<b>401.23</b>	<b>417.08</b>
<b>21. OTHERS CURRENT LIABILITIES</b>	<b>(₹ in Lakhs)</b>	
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Other payables</b>		
Statutory liabilities	194.35	323.34
Deferred income arising from government grants	0.98	0.98
	<b>195.33</b>	<b>324.32</b>
<b>22. CURRENT - PROVISIONS</b>	<b>(₹ in Lakhs)</b>	
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note no-33)	44.61	40.57
Provision for leave encashment (refer note no-33)	34.78	34.90
	<b>79.39</b>	<b>75.47</b>
<b>23. REVENUE FROM OPERATIONS</b>	<b>(₹ in Lakhs)</b>	
	<b>2019-20</b>	<b>2018-19</b>
<b>(a) Sale of products</b>		
Finished goods (net of returns and discounts)	58,246.41	71,457.57
	<b>58,246.41</b>	<b>71,457.57</b>
<b>(b) Sale of services</b>		
Sale of services	123.73	79.31
	<b>123.73</b>	<b>79.31</b>
<b>(c) Other operating revenue</b>		
Scrap sales	1,168.94	1,583.22
Export incentives	251.77	471.85
Grant income	47.28	40.35
	<b>59,838.13</b>	<b>73,632.30</b>
<b>Revenue from contracts with customers disaggregated based on geography</b>		
(a) Domestic	43,687.82	55,670.20
(b) Exports	14,558.59	15,787.37
<b>Total revenue from operation</b>	<b>58,246.41</b>	<b>71,457.57</b>
<b>(c) Reconciliation of gross revenue from contracts with customers</b>		
Gross revenue	59,735.95	72,543.72
Less : Commission & discount	991.33	1,071.11
Less : Return/Rejection/Shortage/Deduction	240.88	176.94
Less : Deduction for Rework/Rectification/Price Difference	257.33	(161.90)
<b>Net revenue recognised from contracts with customers</b>	<b>58,246.41</b>	<b>71,457.57</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

24. OTHER INCOME	(₹ in Lakhs)		
	2019-20	2018-19	
<b>(a) Interest income</b>			
(i) On deposit with banks	908.98	895.75	
<b>(b) Dividend income</b>			
(i) From subsidiary companies	2,170.00	7,367.66	
(ii) From quoted/unquoted equity investments measured at FVTOCI	15.50	3.54	
(iii) From mutual funds investments measured at FVTPL	255.55	16.81	
<b>(c) Other receipts</b>			
(i) Profit on sale of property, plant and equipment - net	465.77	6.14	
(ii) Insurance claim received	35.25	3.16	
(iii) Others	48.04	6.31	
<b>(d) Other gain and losses</b>			
(i) Net gain on foreign currency transaction	744.11	-	
(ii) Net gain arising on sale of financial assets measured at FVTPL	6.21	1.98	
(iii) Net gain arising on financial assets measured at FVTPL	-	0.31	
	<b>4,649.41</b>	<b>8,301.66</b>	
25. COST OF MATERIALS CONSUMED		(₹ in Lakhs)	
	2019-20	2018-19	
Opening stock	7,604.23	9,287.25	
Add : Purchases during the year	34,450.55	45,438.50	
	<b>42,054.78</b>	<b>54,725.75</b>	
Less : Closing stock	6,196.80	7,604.23	
	<b>35,857.98</b>	<b>47,121.52</b>	
26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		(₹ in Lakhs)	
	2019-20	2018-19	
<b>Inventories at the end of the year</b>			
Work-in-progress	1,835.60	2,318.94	
Finished goods (Including goods in transit)	1,458.44	1,925.94	
	<b>3,294.04</b>	<b>4,244.88</b>	
<b>Inventories at the beginning of the year</b>			
Work-in-progress	2,318.94	1,937.57	
Finished goods (Including goods in transit)	1,925.94	1,567.16	
	<b>4,244.88</b>	<b>3,504.73</b>	
<b>Changes in inventories of finished goods and work in progress</b>	<b>950.84</b>	<b>(740.15)</b>	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

27. EMPLOYEE BENEFIT EXPENSES	(₹ in Lakhs)	
	2019-20	2018-19
(a) Salaries and wages	3,365.59	3,477.31
(b) Contribution to provident and other funds	234.75	203.07
(c) Staff welfare expenses	196.33	165.21
	<b>3,796.67</b>	<b>3,845.59</b>
28. FINANCE COST	(₹ in Lakhs)	
	2019-20	2018-19
(i) Interest on financial liabilities carried at amortised cost	11.05	29.69
(ii) interest-others	7.43	90.49
(iii) bank charges	16.39	23.62
	<b>34.87</b>	<b>143.80</b>
29. OTHER EXPENSES	(₹ in Lakhs)	
	2019-20	2018-19
Consumption of stores, spares and loose tools	568.39	451.32
Power and fuel	1,506.59	1,609.24
Labour charges	4,414.66	4,946.07
Repair and maintenance		
- Plant and machinery	324.91	384.34
- Electric installation	63.75	67.47
- Buildings	213.68	284.42
Sundry repairs	1.59	1.83
Factory general expenses	198.62	217.80
Insurance premium on assets	23.05	25.38
Audit fees	11.28	19.20
Rent rates and taxes	74.69	69.27
Postage and courier	24.82	44.83
Telephone expenses	19.42	18.73
Travelling and conveyance	254.01	268.33
Net loss on foreign currency transaction	-	204.61
Net loss arising on financial assets measured at FVTPL	-	-
Legal & professional expenses	323.84	383.56
Miscellaneous expenses	129.55	158.02
Director's sitting fees & commission	19.88	17.10
Expenditure towards corporate social responsibility activities (Note-38)	174.17	233.06
Donation	1.90	1.99
Expected credit loss	7.03	-
Indirect tax expenses	234.40	164.84
Other selling expenses	278.23	255.81
Freight and transport (net)	2,922.69	3,456.54
	<b>11,791.15</b>	<b>13,283.76</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

30. EXCEPTIONAL ITEMS	(₹ in Lakhs)	
	2019-20	2018-19
<b>Profit/(loss) on sale of investment</b>		
Sale of investment in subsidiaries	-	933.12
	-	<b>933.12</b>

31. EARNING PER SHARE (EPS)		
For the Period	2019-20	2018-19
Profit after tax available for equity shareholders (₹ in lakhs)	6,951.57	12,291.14
Weighted average number of equity shares	7,15,18,650	7,15,18,650
Basic and diluted earnings per share (face value per share ₹ 2/- each)	9.72	17.19

32. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES	(₹ in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Estimated amount of contracts net of advances remaining to be executed on capital accounts	304.58	912.59
Guarantees issued by bank to third party	575.88	378.86
Central excise / service tax & custom	1,090.71	1,829.37
Sales tax	82.71	92.17
Income tax	9.30	9.30

## 33. EMPLOYEE BENEFITS

## (a) Defined contribution plan

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

The Company has recognized an amount of ₹ 158.80 lakhs (P.Y. - ₹ 148.78 lakhs) as expense under the defined contribution plan in the statement of Profit and Loss for the year.

## (b) Defined benefit plan

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

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



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

**Financial assumptions**

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Discount rate	6.60%	7.50%
Salary growth rate	6.00%	6.00%

**Demographic assumptions**

Withdrawal rates (p.a.)	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Age band		
25 & below	15.00%	15.00%
26 to 35	12.00%	12.00%
36 to 45	9.00%	9.00%
46 to 55	6.00%	6.00%
56 & above	3.00%	3.00%

**Mortality rates**

Age (in years)	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
20	0.09%	0.09%
30	0.10%	0.11%
40	0.17%	0.18%
50	0.44%	0.49%
60	1.12%	1.15%

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

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Service cost</b>		
Current service cost	40.57	37.85
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	16.45	14.87
<b>Total charge to statement of profit &amp; loss</b>	<b>57.02</b>	<b>52.72</b>

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

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	28.40	1.36
Due to change in demographic assumption	(0.14)	-
Due to experience adjustments	(16.08)	7.04
Return on plan assets excluding amounts included in interest income	1.86	5.11
<b>Amounts recognized in other comprehensive income</b>	<b>14.04</b>	<b>13.51</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

<b>Reconciliation of defined benefit obligation</b>		<b>(₹ in Lakhs)</b>	
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>	
Opening defined benefit obligation	450.99	389.28	
Transfer in/(out) obligation	-	-	
Current service cost	40.57	37.85	
Interest cost	31.61	27.93	
<b>Components of actuarial gain/losses on obligations</b>			
Due to change in financial assumptions	28.40	1.36	
Due to change in demographic assumption	(0.14)	-	
Due to experience adjustments	(16.08)	7.04	
Past service cost	-	-	
Loss (gain) on curtailments	-	-	
Liabilities extinguished on settlements	-	-	
Liabilities assumed in an amalgamation in the nature of purchase	-	-	
Exchange differences on foreign plans	-	-	
Benefits paid	(27.95)	(12.47)	
<b>Closing defined benefit obligation</b>	<b>507.40</b>	<b>450.99</b>	
<b>Reconciliation of defined plan assets</b>			
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>	
Opening value of plan assets	211.41	173.41	
Transfer in/(out) plan assets	-	-	
Expenses deducted from the fund	-	-	
Interest income	15.17	13.06	
Return on plan assets excluding amounts included in interest income	(1.86)	(5.11)	
Assets distributed on settlements	-	-	
Contributions by employer	46.57	42.52	
Assets acquired in an amalgamation in the nature of purchase	-	-	
Exchange differences on foreign plans	-	-	
Benefits paid	(27.95)	(12.47)	
Adjustment to the opening fund	-	-	
<b>Closing value of plan assets</b>	<b>243.34</b>	<b>211.41</b>	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

<b>Reconciliation of net defined benefit liability</b>		<b>(₹ in Lakhs)</b>	
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>	
Net opening provision in books of accounts	239.59	215.88	
Transfer in/(out) obligation	-	-	
Transfer (in)/out plan assets	-	-	
Employee benefit expense	57.02	52.72	
Amounts recognized in other comprehensive income	14.04	13.51	
Closing value of plan assets	310.65	282.11	
Benefits paid by the Company	-	-	
Contributions to plan assets	(46.57)	(42.52)	
<b>Closing provision in books of accounts</b>	<b>264.08</b>	<b>239.59</b>	
<b>Composition of the plan assets</b>			
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>	
Policy of insurance	100%	100%	
	<b>100%</b>	<b>100%</b>	
<b>Principle actuarial assumptions</b>			
	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>	
Discount rate	6.60%	7.50%	
Salary growth rate	6.00%	6.00%	
Withdrawal rates	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages	

**(c) Other employee benefits**

The liabilities for leave encashment based on actuarial valuation as at the year ended on 31<sup>st</sup> March, 2020 is ₹ 285.23 lakhs (P.Y. ₹ 266.37 lakhs).

**Principle actuarial assumptions**

	<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
(a) Discount rate	6.60%	7.5%
(b) Future salary increase*	6.00%	6.00%
(c) Retirement age (years)	55,58&60	55,58&60
(d) Mortality table	IALM(2012-14)	IALM(2012-14)
(e) Ages (withdrawal rate)		
25 & below	15.00%	15.00%
25 to 35	12.00%	12.00%
35 to 45	9.00%	9.00%
45 to 55	6.00%	6.00%
55 & above	3.00%	3.00%

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 34. AS AT THE BALANCE SHEET DATE, UNHEDGED FOREIGN CURRENCY RECEIVABLE AND PAYABLE ARE AS BELOW

Particular	Currency	31st March 2020		31st March 2019	
		FC in Lakhs	₹ in Lakhs	FC in Lakhs	₹ in Lakhs
Amount receivable (net) in foreign currency	USD	31.77	2,254.92	30.16	2,116.60
	EUR	48.56	3,778.12	18.82	1,497.72
	GBP	0.11	10.10	0.13	12.05
Amount payable (net) in foreign currency	USD	9.81	730.00	9.52	674.49
	EUR	0.03	2.19	0.09	7.49
	GBP	-	-	0.01	1.24

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

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Principal amount remaining unpaid.	651.43	999.46
Interest due thereon remaining unpaid	-	-
Interest paid by the Company in terms of section 16 of the micro, small and medium enterprises development act, 2006, along-with the amount of the payment made To the supplier beyond the appointed day during the period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding Interest specified under the micro, small and medium enterprises act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Interest remaining due and payable even in the succeeding years, until such date When the interest dues as above are actually paid to the small enterprises	-	-

**Disclosure in case of non-provision of interest due to contractual terms with MSME Vendors can be as under**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said act, As per the intimation received from them on request made by the Company. There are no overdue principle amount / Interest payable amounts for delayed payments to such vendors at the Balance Sheet date. The payment is made to vendors according to terms & conditions mutually agreed to both parties and accordingly there is no delay in payment to these vendors & no interest liability therefore.

## 36. SEGMENT INFORMATION

In accordance with para-4 of Ind AS-108 'Operating Segment', The Company has presented segment information only on the basis of Consolidated Financial Statements (ref note no 35 of Consolidated Financial Statements)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**37. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24 - RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT)**

List of related parties with whom the Company has entered into transactions during the year.

**(a) Subsidiaries****Direct subsidiaries**

Banco Gaskets (India) Limited  
Nederlands Radiateuren Fabriek B.V.  
Lake Mineral (Mauritius) Limited upto 02.01.2019

**Indirect subsidiaries****(i) Subsidiary of the wholly owned subsidiary, Lake Mineral (Mauritius) Limited, Mauritius**

Kilimanjaro Biochem Limited upto 02.01.2019

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

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

**(b) Directors**

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

**(c) Independent directors**

Mr. Ramkisan Devidayal	Non Executive Independent Director
Mr. Mukesh D Patel	Non Executive Independent Director
Mr. Devesh A Pathak	Non Executive Independent Director
Mr. Udayan P Patel	Non Executive Independent Director
Mrs. Ameeta V Manohar	Non Executive Independent Director

(w.e.f. 25th April 2020)

**(d) Key managerial personnel**

Name of director/employee	Designation
Mr. Rajendra J Anandpara	Managing Director, Executive Non Independent
Mrs. Himali H Patel	Whole Time Director and CFO Executive Non Independent
Mr. Dinesh Kavthekar	Company Secretary

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

Banco Aluminium Limited

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

Banco Products Trust Registration No-E/7946/VADODARA

**(g) Entity having substantial interest**

Overseas Pearl Limited

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

Agro Scientific Investments Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

During the year, the following transactions were carried out with related parties and relative of key management personnel in the ordinary course of the business:

Nature of Transaction	Subsidiaries		Key Management Personnel		Independent Directors		Company which is part of Promoter/ Promoter Group		Trust Controlled by relatives of directors		Non Independent Directors		Entity having substantial interest		Entity in which promoter/ promoter group is having controlling interest	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Purchase of goods	658.34	1,064.96	-	-	-	-	372.82	518.79	-	-	-	-	-	-	-	-
Purchase of export licence	-	-	-	-	-	-	-	38.63	-	-	-	-	-	-	-	-
Investment made	-	137.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of goods	6,911.10	7,836.52	-	-	-	-	187.96	222.09	-	-	-	-	-	-	-	-
Sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,627.25
Receiving of services	30.01	47.15	-	-	-	-	-	5.51	-	-	-	-	-	-	-	-
Rendering of service	41.08	38.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key management personnel remuneration	-	-	164.65	182.09	-	-	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	11.88	9.10	-	-	-	-	-	-	-	-	-	-
Directors commission	-	-	-	-	8.00	8.00	-	-	-	-	-	-	-	-	-	-
Donation paid (CSR expenses)	-	-	-	-	-	-	-	-	3.52	4.84	-	-	-	-	-	-
Dividend received	2,170.00	7,367.77	-	-	-	-	15.50	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	134.78	63.29	411.47	193.21	-	-	2,171.14	1,019.49	6,189.29	2,906.28	-	-
Payable at the end of the year (creditors)	3.79	191.36	-	-	-	-	45.12	71.93	-	-	-	-	-	-	-	-
Receivable at the end of the year (debtors)	4,302.01	1,935.75	-	-	-	-	40.01	54.85	-	-	-	-	-	-	-	-

\*Key Management Personnel who are under the employment of the Company are entitled to post employment benefits and other long term benefits recognized as per IND AS-19 on Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

SIGNIFICANT RELATED PARTY TRANSACTION	(₹ in Lakhs)	
	2019-20	2018-19
<b>Purchase of goods</b>		
Banco Gaskets (India) Limited	657.27	1,058.68
Banco Aluminium Limited	372.82	518.79
Others	1.08	6.28
	<b>1,031.17</b>	<b>1,583.75</b>
<b>Purchase of export licence</b>		
Banco Aluminium Limited	-	38.63
	<b>-</b>	<b>38.63</b>
<b>Investment</b>		
Lake Mineral (Mauritius) Limited	-	137.64
	<b>-</b>	<b>137.64</b>
<b>Sales of goods</b>		
Nederlandse Radiateuren Fabriek B.V.	1,919.34	2,494.70
NRF Poland Sp.z.o.o.	2,599.30	3,045.96
NRF USA	819.53	973.72
Banco Aluminium Limited	187.96	222.09
Others	1,572.92	1,322.14
	<b>7,099.05</b>	<b>8,058.61</b>
<b>Sales of investments</b>		
Agro Scientific Investments Limited	-	2,627.25
	<b>-</b>	<b>2,627.25</b>
<b>Receiving of service</b>		
Banco Aluminium Limited	-	5.51
Banco Gaskets (India) Limited	30.01	47.15
	<b>30.01</b>	<b>52.66</b>
<b>Rendering of service</b>		
Banco Gaskets (India) Limited	33.97	34.75
Nederlandse Radiateuren Fabriek B.V.	7.12	3.91
	<b>41.09</b>	<b>38.66</b>
<b>Remuneration to key managerial person</b>		
Mrs.Himali H Patel	19.52	17.81
Mr. Rajendra J Anandpara	136.79	155.17
Mr. Dinesh Kavthekar	8.34	9.11
	<b>164.65</b>	<b>182.09</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

	2019-20	2018-19
<b>Director's sitting fees paid</b>		
Mr. Devesh Pathak	3.08	2.40
Mr. Mukesh D Patel	3.08	2.40
Mr. Ram Devidayal	3.08	2.40
Mr. Udayan Patel	2.64	1.90
	<b>11.88</b>	<b>9.10</b>
<b>Commission to directors</b>		
Mr. Devesh Pathak	1.00	1.00
Mr. Mukesh D Patel	3.00	3.00
Mr. Ram Devidayal	3.00	3.00
Mr. Udayan Patel	1.00	1.00
	<b>8.00</b>	<b>8.00</b>
<b>Dividend paid</b>		
Overseas Pearl Limited	6,189.29	2,906.28
Others	2,717.38	1,275.99
	<b>8,906.67</b>	<b>4,182.27</b>
<b>Dividend received</b>		
Banco Gaskets (India) Limited	2,170.00	700.00
Nederlandse Radiateuren Fabriek B.V	-	5,151.31
Kilimanjaro Biochem Limited	-	83.71
Lake Mineral (Mauritius) Limited	-	1,432.75
Banco Aluminium Limited	15.50	-
	<b>2,185.50</b>	<b>7,367.77</b>

## 38. AUDITORS FEES AND EXPENSES

(₹ in Lakhs)

	2019-20	2018-19
<b>Payment to auditors</b>		
<b>As auditor</b>		
Audit fees	5.00	12.25
<b>In other capacity</b>		
(i) Other services (certification fees)	2.84	3.45
(ii) Out of pocket expenses	3.45	3.50
(iii) The payment of fees to statutory auditor or entities in its net work by the Company or its subsidiaries	-	-
	<b>11.29</b>	<b>19.20</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 39. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lakhs)

	2019-20	2018-19
<b>Capital expenditure</b>		
Building	2.43	-
Plant & machinery	33.02	34.63
Software	-	0.44
Office equipment	0.33	3.22
Furniture & fixture	-	11.01
<b>Total capital expenditure</b>	<b>35.78</b>	<b>49.30</b>
<b>Revenue expenditure</b>		
Salary and wages	220.55	242.77
Material consumption	143.73	114.66
Manufacturing & administration expense	42.82	57.42
Depreciation	61.29	57.44
<b>Total revenue expenditure</b>	<b>468.39</b>	<b>472.29</b>
<b>Total research and development expenses</b>	<b>504.17</b>	<b>521.59</b>

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

(a) Gross amount required to be spent (refer note below) by the Company during the year ₹ 288.88 lakhs (31<sup>st</sup> March 2019 ₹ 346.08 lakhs).

(b) Amount spent during the year on: (₹ in Lakhs)

	Amount spent	Yet to be spent	Total
Construction / acquisition of assets	-	-	-
	(—)	(—)	(—)
Other purposes *	174.17	114.71	288.88
	(233.06)	(113.02)	(346.08)

\*Figure in bracket represent for previous year

(c) Related party transaction in relation to Corporate Social Responsibility ₹ 3.52 lakhs (P.Y. ₹ 4.84 lakhs) to Banco Product Trust Registration No-E/7946/VADODARA. (refer note No-37)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

(₹ in Lakhs)

	Refer Note	Non-Current		Current	
		As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial assets measured at fair value through Profit and Loss (FVTPL)</b>					
Investments in quoted mutual funds	9	-	-	0.00	5,000.32
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Unquoted equity shares measured at fair value	4	843.31	1,481.99	-	-
Quoted equity shares measured at fair value	4	0.00	298.23	-	-
		<b>843.31</b>	<b>1,780.22</b>	-	-
<b>Financial assets measured at amortised cost</b>					
Unquoted equity shares subsidiaries/indirect subsidiaries measured at cost	4	14,694.54	14,694.54	-	-
Security deposit and government grants	5	225.23	160.70	-	-
Trade receivables	10	-	-	14,669.10	13,146.60
Cash and cash equivalents	11	-	-	4,700.26	13.41
Other balances with bank	11	-	-	1,350.36	11,858.51
Interest accrued on deposit with banks	12	-	-	65.21	170.60
Security deposit	12	-	-	32.50	4.92
Other current financial assets	12	-	-	14.79	13.88
		<b>14,919.77</b>	<b>14,855.24</b>	<b>20,832.22</b>	<b>25,207.92</b>
<b>Financial liabilities measured at amortised cost</b>					
Cash credit from banks	18	-	-	257.52	268.39
Trade payables	19	-	-	5,768.50	7,241.23
Unclaimed/unpaid dividend	20	-	-	322.08	315.77
Advance received from customers	20	-	-	79.15	101.31
		-	-	<b>6,427.25</b>	<b>7,926.70</b>

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

## 41(B) FAIR VALUE MEASUREMENTS

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

As at 31<sup>st</sup> March, 2020

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31 <sup>st</sup> March, 2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	843.31	-	-	843.31
Quoted equity shares measured at fair value	0.00	0.00	-	-
<b>Financial assets measured at fair value through profit and loss (FVTPL)</b>				
Investments in quoted mutual funds	0.00	0.00	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

As at 31st March, 2019

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31 <sup>st</sup> March, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	1,481.99	-	-	1,481.99
Quoted equity shares measured at fair value	298.23	298.23	-	-
<b>Financial assets measured at fair value through profit and loss (FVTPL)</b>				
Investments in quoted mutual funds	5,000.32	5,000.32	-	-

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

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

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables.

**41(C) CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2020, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

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

The Company's activities expose it to a variety of financial risks Market risk, credit risk, liquidity risk. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the policy is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

**1. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**(b) Foreign currency risk**

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas markets and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Particulars of unhedged foreign currency exposures as at the reporting date are given as part of Note 34.

The below table demonstrates the sensitivity to a 5% increase or decrease in the Foreign Currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

	(₹ in Lakhs)			
	2019-20		2018-19	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	76.25	(76.25)	72.11	(72.11)
EUR	188.80	(188.80)	74.51	(74.51)
OTHERS	0.50	(0.50)	0.54	(0.54)
Increase/ (decrease) in profit and loss	265.55	(265.55)	147.16	(147.16)

**(c) Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from the financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2020, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 843.31 lakhs (P.Y. ₹ 1780.22 lakhs). The details of such investments in equity instruments are given in Note 4

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

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2020, Other Comprehensive Income for the Period ended 31st March 2020 would increase/decrease by ₹ 84.33 lakhs (P.Y. ₹ 178.02 lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March 2020. 10% represents management's assessment of reasonably possible change in equity prices.

**2. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company's exposure are continuously monitored.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**3. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company consistently generates sufficient cash flow from operations to meet its financial obligations as and when they fall due.

The tables below provides detail regarding the contractual maturities of significant financial liabilities as at 31st March, 2020 and 31st March, 2019

	(₹ in Lakhs)		
	As at 31st March, 2020		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	257.52	-	-
Trade payables	5,768.50	-	-
Other financial liabilities (current and non current)	401.23	-	-
	(₹ in Lakhs)		
	As at 31st March, 2019		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	268.39	-	-
Trade payables	7,241.23	-	-
Other financial liabilities (current and non current)	417.08	-	-

\* The significant financial liabilities payable on demand is shown under less than 1 year.

**42. DIVIDEND INCOME FROM SUBSIDIARIES**

	(₹ in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Nederlandse Radiatoren Fabriek B.V.	-	5,151.31
Lake Mineral (Mauritius) Limited	-	1,432.75
Kilimanjaro Biochem Limited	-	83.71
Banco Gaskets (India) Limited	2,170.00	700.00
	<b>2,170.00</b>	<b>7,367.77</b>

**43. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY FOR THE FIRST TIME FOR THE FINANCIAL YEAR BEGINNING ON 1 APRIL 2019**

Except as specified below, the Company has consistently applied the accounting policies to all periods presented in this financial statement. The Company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019.

**As Lessee****Amounts recognised in profit and loss**

	(₹ in Lakhs)	
	2019-20	2018-19
Expenses relating to short-term leases (*Included in other expenses note no. 29)	109.87	111.48

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Amounts recognised in the statement of cash flows	(₹ in Lakhs)	
	2019-20	2018-19
Total cash outflow for leases	109.87	111.48

**As Lessor**

The Company has entered into operating leases on its buildings and Plant & Machinery. These leases have terms of between Five and Nine years. All leases include a clause to enable upward revision of the rental charge on an annual basis as per agreed terms. The total rents recognised as income during the year is ₹ 14.01 lakhs (31<sup>st</sup> March 2019 ₹ 13.35 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31<sup>st</sup> March are, as follows

	(₹ in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Within one year	1.17	1.11

44. A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the Company and certain group Companies in the previous year ended 31<sup>st</sup> March, 2017. The final order has been received from Hon'ble Income Tax Settlement Commission ('ITSC') on 30<sup>th</sup> October, 2019. The order giving effect to the ITSC order have also been passed and it's effects are appropriately provided in books of account. The Company has deposited ₹ 565.77 lakhs as tax and ₹ 434.27 lakhs as interest towards the proposed settlement which has been shown as a part of income tax for prior years expenses under the head "Tax Expense" in the books of accounts as on 31<sup>st</sup> March, 2019 and an additional amount of ₹ 331.48 lakhs as tax and ₹ 21.52 lakhs as interest have been recognised Tax expenses of prior years in books of accounts as on 31<sup>st</sup> March, 2020. The matter is concluded with the Hon'ble ITSC.

**45. GOVERNMENT GRANTS**

The Company has a unit in Telangana. The Company is eligible for Government Grants in accordance with the T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) Incentive Scheme 2014, the Company is eligible for following grants with reference to the unit established in Telangana:

- 100% of reimbursement of stamp duty and transfer duty paid on purchase of land, 25% rebate in land cost in industrial parks and 15% investment subsidy subject to a maximum capital of ₹ 20 lakhs. Accordingly, the Company has recognized deferred grant of ₹ 29.30 lakhs, which is recognized as income on a straight line basis over the period of scheme of 30 years an amount of ₹ 0.98 lakhs is recognized as income under other income in note 24. An amount of ₹ 25.39 lakhs remains unamortized as at 31<sup>st</sup> March, 2020, which is reflected under note 17 non-current liabilities and note 21 other current liabilities.
  - Reimbursement of 100% of net VAT / CST / SGST for a period of 5 years from the date of commencement of commercial production. Accordingly, the Company has recognized an income of ₹ 43.22 lakhs (PY ₹ 36.78 lakhs), being the amount of refund of net SGST paid by the Company to the Government of Telangana.
46. Previous year's figures have been regrouped /reclassified wherever necessary.

## INDEPENDENT AUDITORS' REPORT

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

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

#### Opinion

We have audited the accompanying consolidated financial statements of **BANCO PRODUCTS (INDIA) LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the consolidated Profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

We draw your attention to Note 2.5 to the Financial Results which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### Key audit matters

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

Key audit matters	Auditors' response
<b>Revenue recognition</b>	
The Group recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the sales price, the Group considers the effects of rebates and discounts	<p>Audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Considered the adequacy of the Group's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'.</li> <li>Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition.</li> </ul>

<p>(variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications including incoterms, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue is not recognized in the correct period in accordance with terms of Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• Performed sample tests of individual sales transaction and traced to sales invoices and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the incoterms in accordance with Ind AS 115.</li> <li>• Selected sample of sales transactions made pre and post-year end, agreed the period of revenue recognition to underlying supporting documents.</li> <li>• Assessed the relevant disclosures made in the consolidated Ind AS financial statements.</li> </ul>
<b>Litigations and claims: provisions and contingent liabilities</b>	
<p>As disclosed in Note 32 [Capital Commitments and Contingent Liabilities] to the consolidated financial statements, the Group is involved in direct and indirect tax litigations amounting to ₹ 1214.99 lakhs that are pending with various tax authorities.</p> <p>Whether a liability is recognized or disclosed as a contingent liability in the consolidated financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute. We placed specific focus on the judgements in respect to these demands against the Group.</p> <p>Determining the amount, if any, to be recognized or disclosed in the consolidated financial statements, is inherently subjective. The amounts involved are potentially significant and due to the range of possible outcomes and considerable uncertainty around the various claims the determination of the need for creating a provision in the financial statements is inherently subjective and therefore is considered to be a key audit matter in the current year.</p>	<p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>* Obtained an understanding from the management with respect to process and controls followed by the Group for identification and monitoring of significant developments in relation to the litigations, including completeness thereof.</li> <li>* Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts</li> <li>* Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved.</li> <li>* Assessed management's conclusions through discussions held with the in house legal counsel and understanding precedents in similar cases;</li> <li>* Obtained and evaluated the independent confirmations from the consultants representing the Group before the various authorities.</li> <li>* Engaged auditor's experts, who obtained an understanding of the current status of the litigations, conducted discussions with the management, reviewed independent legal advice received by the Group, if any and considered relevant legal provisions and available precedents to validate the conclusions made by the management.</li> <li>* Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</li> </ul>

**Information other than the consolidated financial statements and auditors' report thereon**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding company's Annual Report, but does not include the Financial Statement, Board's Report including Annexure to Board's Report, Corporate Governance and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the



consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

#### **Management's responsibility for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting standards and other accounting principles generally accepted in India. The Respective Board of Directors of the companies included in the Group for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, The respective Board of Director of the company included in the Group are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditors' responsibility**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

#### **Other matters**

We did not audit the financial statements/consolidated financial information of subsidiary Companies, whose financial statements/ consolidated financial information reflect total assets of ₹ 67,395.97 Lakhs as at 31st March, 2020, total revenues of ₹ 89,135.64 Lakhs, total net profit after tax of ₹ 3,279.51 Lakhs and total comprehensive income of ₹ 0.54 Lakhs for the year ended 31<sup>st</sup> March, 2020 and net cash inflows amounting to ₹ 208.16 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements/ Consolidated Financial Statements/consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and Other Financial Statements and other information certified by the management.

#### **Report on other legal and regulatory requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate Financial Statements of the Subsidiary Company incorporated in India, referred to in "Other Matters" above, we report that:
  - (a) We have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement including consolidated Other Comprehensive Income, consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the company as on 31st March, 2020 taken on record by the Board of Directors of the company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**” which is based on the auditor’s reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Remuneration paid by the Holding Company to its director during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the group.
  - ii. The Group did not have any long-term contracts including derivative contracts; for which any 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 Holding Company and its subsidiary company incorporated in India.

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 118493W**

**CA RAHUL PARIKH**  
PARTNER  
Membership No. 105642  
UDIN: 20105642AAAAET9453

VADODARA, 11<sup>th</sup> June, 2020

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

### Report on the Internal financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of **Banco Products (India) Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

#### Management’s responsibility for internal financial controls

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

#### Auditors’ responsibility

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

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

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

#### Meaning of internal financial controls over financial reporting

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

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

**Inherent limitations of internal financial controls over financial reporting**

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

**Opinion**

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

**For PARIKH SHAH CHOTALIA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN 118493W**

**CA RAHUL PARIKH**  
PARTNER  
Membership No. 105642

VADODARA, 11<sup>th</sup> June, 2020

# **CONSOLIDATED FINANCIAL STATEMENTS**

# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

PARTICULARS	Note No.	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3	17,248.31	18,341.91
Capital work-in-progress		261.79	1,261.70
Right of use assets	3	788.31	-
Investment property		-	-
Other intangible assets	3	1,304.96	82.84
<b>Financial assets</b>			
Investments	4	921.42	1,852.78
Loan		-	-
Other financial assets	5	228.92	161.39
Deferred tax assets	6	2,483.67	1,966.81
Income tax assets (net of provision)	7	1,742.70	1,627.93
Other non-current assets	8	580.18	609.88
		<b>25,560.26</b>	<b>25,905.24</b>
<b>Current assets</b>			
Inventories	9	47,619.80	47,943.91
<b>Financial assets</b>			
Investments	10	0.00	5,000.32
Trade receivables	11	29,358.01	27,160.25
Cash and cash equivalents	12a	5,692.59	502.74
Balances with banks other than 12a above	12b	1,350.85	12,209.24
Other financial assets	13	116.33	420.98
Other current assets	14	1,639.21	2,292.74
		<b>85,776.79</b>	<b>95,530.18</b>
<b>Total assets</b>		<b>1,11,337.05</b>	<b>1,21,435.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15a	1,430.37	1,430.37
Other equity	15b	69,572.80	81,838.09
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Long term borrowing	16	619.84	622.72
Provisions	17	668.44	614.64
Deferred tax liabilities	6	7,198.19	6,873.25
Other non-current liabilities	17a	24.41	25.39
		<b>79,514.05</b>	<b>91,404.46</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	8,496.40	3,323.09
Trade payables	19		
(A) due to micro and small enterprise		736.91	1,135.44
(B) due to others		21,676.43	24,434.86
Other financial liabilities	20	474.53	502.17
Current tax liability (net)	7	-	-
Other current liabilities	21	337.48	539.36
Provisions	22	101.25	96.04
		<b>31,823.00</b>	<b>30,030.96</b>
<b>Total equity &amp; liabilities</b>		<b>1,11,337.05</b>	<b>1,21,435.41</b>
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements			

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN: 20105642AAAAET9453

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

<b>Mehul K. Patel</b> Chairman DIN 01772099	<b>Rajendra J. Anandpara</b> Managing Director DIN 02461259	<b>Ramkisan Devidayal</b> Director DIN 00238853	<b>Mukesh D. Patel</b> Director DIN 00009605
<b>Devesh A. Pathak</b> Director DIN 00017515	<b>Udayan P. Patel</b> Director DIN 00598313	<b>Ameeta Manohar</b> Director DIN 00903232	<b>Himali H. Patel</b> Whole Time Director and CFO DIN 07081636

**Dinesh Kavthekar**  
Company Secretary

Place : Vadodara  
Date : 11.06.2020

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

PARTICULARS	Note No.	2019-20	2018-19
Revenue from operations	23	1,42,207.60	1,56,673.12
Other income	24	2,516.92	1,042.54
<b>Total revenue</b>		<b>1,44,724.52</b>	<b>1,57,715.66</b>
<b>Expenses</b>			
Cost of materials consumed	25	83,349.68	97,031.67
Changes in inventories of finished goods & work-in-progress.	26	(1,377.98)	(5,409.42)
Employee benefit expenses	27	19,175.78	18,341.98
Finance cost	28	309.60	426.16
Depreciation and amortisation expenses	29	3,277.09	2,921.67
Other expenses	30	28,843.27	29,151.47
<b>Total expenses</b>		<b>1,33,577.44</b>	<b>1,42,463.53</b>
<b>Profit before exceptional item and tax</b>		<b>11,147.08</b>	<b>15,252.13</b>
Exceptional item		-	-
<b>Profit before tax</b>		<b>11,147.08</b>	<b>15,252.13</b>
<b>Tax expenses</b>	7		
Current tax		2,684.63	5,933.31
Income tax for prior years	42	527.19	621.85
Deferred tax		277.59	364.88
<b>Total tax expenses</b>		<b>3,489.41</b>	<b>6,920.04</b>
<b>Profit for the year from continuing operations</b>		<b>7,657.67</b>	<b>8,332.09</b>
Profit/(loss) before tax from discontinued operations		-	(1,265.24)
Tax expenses of discontinued operations		-	(158.58)
<b>Profit/ (loss) for the period from discontinued operations</b>		<b>-</b>	<b>(1,423.82)</b>
<b>Profit for the year</b>		<b>7,657.67</b>	<b>6,908.27</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to statement of profit and loss			
Remeasurement of defined employee benefit plans		(13.29)	(17.37)
Income tax expenses on remeasurement of defined employee benefits plans		4.70	5.84
Net fair value (loss) / gain on investment in equity instruments through OCI		(575.56)	428.02
Income tax expenses on net fair value (loss) / gain on investment in equity instruments through OCI		149.59	(93.28)
Items that will be reclassified to profit or loss			
Exchange difference arising on translation of foreign operations		342.10	3,126.81
<b>Total other comprehensive income</b>		<b>(92.46)</b>	<b>3,450.02</b>
<b>Total comprehensive income for the year</b>		<b>7,565.21</b>	<b>10,358.29</b>
<b>Earning per equity share of face value of ₹ 2 each</b>	31		
Basic and diluted earnings per shares from continuing operations (in ₹)		10.71	11.65
Basic and diluted earnings per shares from discontinued operations (in ₹)		-	(1.99)
Basic and diluted earnings per shares from continuing and discontinued operations (in ₹)		10.71	9.66
<b>Significant accounting policies</b>	2		
The accompanying notes are an integral part of these financial statements			

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN: 20105642AAAAET9453

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Devesh A. Pathak**  
Director  
DIN 00017515

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Ramkisan Devidayal**  
Director  
DIN 00238853

**Ameeta Manohar**  
Director  
DIN 00903232

**Dinesh Kavthekar**  
Company Secretary

**Mukesh D. Patel**  
Director  
DIN 00009605

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

Place : Vadodara  
Date : 11.06.2020



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

PARTICULARS	2019-20		2018-19	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax from continuing operation		11,147.08		15,252.12
Net profit before tax from discontinued operation		-		(1,265.24)
Loss on disposal of subsidiaries		-		1,832.79
Adjustments for non cash items/items required to be disclosed separately:				
Depreciation	3,277.09		3,339.99	
Interest and finance charges paid	309.60		426.16	
(Profit)/loss on PPE	(465.77)		(6.14)	
Interest income	(913.64)		(962.93)	
Unrealised foreign exchange (gain) / loss	363.77		(144.40)	
Net (gain)/loss arising on sale of financial assets measured at FVTPL	(6.21)		(1.98)	
Net (gain)/loss arising on fair value measured at FVTPL	-		(0.31)	
Sundry creditor write back/off	(45.07)		(4.69)	
Dividend received	(271.05)		(20.35)	
Effect of exchange rate difference in translation	342.10		3,126.81	
		2,590.82		5,752.16
<b>Operating profit before working capital changes</b>		<b>13,737.90</b>		<b>21,571.83</b>
<b>Adjustments for changes in working capital &amp; provisions</b>				
(Increase)/decrease in trade receivable	(2,555.03)		(2,603.36)	
(Increase)/decrease in inventories	324.11		(4,641.50)	
(Increase)/decrease in other current assets	653.53		626.68	
(Increase)/decrease in non current assets	(123.71)		28.83	
(Increase)/decrease in financial assets	131.56		(3,579.65)	
(Increase)/decrease in investment property	(5.55)		4.93	
Increase/(decrease) in current liabilities	(201.88)		(337.39)	
Increase/(decrease) in financial liabilities	(33.95)		48.79	
Increase/(decrease) in trade payables	(3,118.37)		1,137.82	
Increase/(decrease) in provisions and other non current liability	44.75		97.15	
		(4,884.54)		(9,217.70)
<b>Cash generated from operations</b>		<b>8,853.36</b>		<b>12,354.13</b>
Income tax paid (net of refunds)	(3,641.83)		(6,113.23)	
		(3,641.83)		(6,113.23)
<b>Net cash flow from operating activities</b>		<b>5,211.53</b>		<b>6,240.90</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of PPE & capital advances	(3,468.63)		(4,155.96)	
Sale of PPE	893.79		6.14	
Proceed on sale of subsidiaries	-		1,911.68	
Sale of financial assets measured at FVTOCI	5,006.54		-	
Sale of financial assets measured at FVTPL	361.35		984.05	
Purchase of investment measured at FVTPL	-		(5,000.00)	
(Increase)/decrease in bank balance term deposit	10,864.70		77.59	
Dividend received from other	271.05		16.61	
Interest received	1,019.20		1,000.76	
		14,948.00		(5,159.13)
<b>Net cash flow from investing activities</b>		<b>20,159.53</b>		<b>1,081.77</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(₹ in Lakhs)

PARTICULARS	2019-20		2018-19	
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	(16,449.29)		(7,724.04)	
Tax paid on dividend	(3,381.21)		(223.86)	
Short-term loan from banks (net)	4,889.34		1,386.87	
Interest and finance charges paid	(309.60)		(411.30)	
Long term borrowing (net)	(2.88)		2,034.13	
<b>Net cash flow from financing activities</b>		<b>(15,253.64)</b>		<b>(4,938.20)</b>
<b>Net cash inflow/(outflow) during the year</b>		<b>4,905.89</b>		<b>(3,856.43)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>224.62</b>		<b>4,081.05</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>5,130.51</b>		<b>224.62</b>

**Note:-**

- (a) Cash flow statement has been prepared under the 'indirect method' as set out in Ind AS-7  
(b) Cash and cash equivalents comprises of

(₹ in Lakhs)

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
(i) Balances with banks in current accounts	1,868.97	484.87
(ii) Cash on hand	23.63	17.87
(iii) Term deposit with original maturity less than 3 months	3,800.00	-
	<b>5,692.60</b>	<b>502.74</b>
Less:- cash credit refer note no-18	(562.09)	(278.12)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>5,130.51</b>	<b>224.62</b>

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

PARTICULARS	1st April 2019	Cash Flow	Non Cash Changes	31st March 2020
Borrowing - non current (refer note no. 16)	622.72	(2.88)	-	619.84
Borrowing - current (refer note no. 18 & 20)	3,364.99	5,179.67	-	8,544.66

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN: 20105642AAAAET9453

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Devesh A. Pathak**  
Director  
DIN 00017515

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

**Udayan P. Patel**  
Director  
DIN 00598313

**Ramkisan Devidayal**  
Director  
DIN 00238853

**Ameeta Manohar**  
Director  
DIN 00903232

**Dinesh Kavthekar**  
Company Secretary

**Mukesh D. Patel**  
Director  
DIN 00009605

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

Place : Vadodara  
Date : 11.06.2020

## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Balance at the beginning of the reporting Period i.e. 1st April 2018	Changes in equity share capital during the year 2018-19	Balance at the end of the reporting Period i.e. 31st March 2019	Changes in equity share capital during the year 2019-20	Balance at the end of the reporting Period i.e. 31st March 2020
1430.37	-	1430.37	-	1430.37

### B. OTHER EQUITY

As on 31st March 2020

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
Balance at the beginning of the reporting period i.e. 1st April 2019	1,200.31	9,618.01	54.14	12,305.15	52,282.04	1,414.77	4,963.68	81,838.09
Profit for the year	-	-	-	-	7,657.67	-	342.10	7,999.77
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>59,939.71</b>	<b>1,414.77</b>	<b>5,305.78</b>	<b>89,837.86</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(8.59)	-	(8.59)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	63.12	-	63.12
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	(489.09)	-	(489.09)
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	341.33	(341.33)	-	-
Final dividend of F.Y. 2018-19	-	-	-	-	(2,145.56)	-	-	(2,145.56)
Interim dividend of F.Y. 2019-20	-	-	-	-	(14,303.73)	-	-	(14,303.73)
Tax on dividend	-	-	-	-	(3,381.21)	-	-	(3,381.21)
<b>Balance at the end of the reporting period i.e. 31st March 2020</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>40,450.54</b>	<b>638.88</b>	<b>5,305.78</b>	<b>69,572.80</b>

As on 31st March 2019

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
Balance at the beginning of the reporting period i.e. 1st April 2018	1,200.31	9,618.01	54.14	12,217.69	53,333.18	1,080.03	1,836.87	79,340.23
Profit for the year	-	-	-	-	6,908.26	-	-	6,908.26
Addition during the year	-	-	-	87.46	-	-	3,126.81	3,214.26
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>60,241.44</b>	<b>1,080.03</b>	<b>4,963.68</b>	<b>89,462.76</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	(11.53)	-	-	(11.53)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	24.47	-	24.47
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	310.26	-	310.26
Final dividend of F.Y.2017-18	-	-	-	-	(4,148.08)	-	-	(4,148.08)
Interim dividend of F.Y.2018-19	-	-	-	-	(3,575.93)	-	-	(3,575.93)
Tax on dividend	-	-	-	-	(223.86)	-	-	(223.86)
<b>Balance at the end of the reporting period i.e. 31st March 2019</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>52,282.04</b>	<b>1,414.76</b>	<b>4,963.68</b>	<b>81,838.09</b>

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

**CA Rahul Parikh**  
Partner  
Membership No. 105642  
UDIN: 20105642AAAAET9453

Place : Vadodara  
Date : 11.06.2020

For and on behalf of the board

**Mehul K. Patel**  
Chairman  
DIN 01772099

**Devesh A. Pathak**  
Director  
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**Mukesh D. Patel**  
Director  
DIN 00009605

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

Place : Vadodara  
Date : 11.06.2020

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 1. CORPORATE INFORMATION

Banco Products (India) Limited is a Public limited company domiciled in India and incorporated under the Indian Companies Act, 1956. Equity shares of the company are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of Heat Exchangers / Cooling Systems. The company caters to both domestic and international market. The Registered Office of the Company is located at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara, 391410.

The Consolidated Financial Statements comprise Financial Statements of Banco Products (India) Limited and its subsidiaries (Collectively referred to as "The Group").

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

The Consolidated Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 for Indian Company.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 11<sup>th</sup> June 2020.

#### 2.2 Basis of preparation of financial statements

These Consolidated Financial Statements have been prepared on a historical cost convention on the accrual basis except for certain financial Assets and liabilities that are measured at fair value at the end of each reporting period set out below.

The Accounting Policy has been applied consistently over all the periods reported in these Financial Statements, except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated financial statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Lakhs, unless otherwise stated.

#### 2.3 Principles of consolidation

The consolidated financial statements relate to Banco Products (India) Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- (i) The Audited Financial Statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the company i.e., 31st March 2020.
- (ii) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions in accordance with IND AS 27 – "Consolidated and Separate Financial Statements" specified under section 133 of the Companies Act 2013 read with Companies (Accounts) Rules, 2015.
- (iii) The difference between the cost of investment in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognized in the financial statements as goodwill or capital reserve as the case may be.
- (iv) The Consolidated Financial Statements have been prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

- (v) The audited financial statements of subsidiary companies have been prepared in accordance with the generally accepted accounting principal (GAAP) of its country of incorporation. The difference between accounting policies of the company and its subsidiary companies are not material.
- (vi) The following subsidiaries have been considered in the preparation of these consolidated financial statements:

Sr. No.	Name of the subsidiary companies	Country of Incorporation	Proportion of ownership interest	Reporting date (date till accounts have been audited)
1	Nederlandse Radiateuren Fabriek BV	Netherlands	100%	31st March 2020
	1.1 NRF Thermal Engineering BV	Uden	100%	31st March 2020
	1.2 NRF France SARL	France	100%	31st March 2020
	1.3 NRF (United Kingdom) Ltd	England	100%	31st March 2020
	1.4 NRF Deutschland GMBH	Germany	100%	31st March 2020
	1.5 NRF Espana S.A.	Spain	100%	31st March 2020
	1.6 NRF Poland Sp.z.o.o.	Poland	100%	31st March 2020
	1.7 NRF Italia Srl	Italy	100%	31st March 2020
	1.8 NRF Switzerland AG	Switzerland	100%	31st March 2020
	1.9 NRF USA	USA	100%	31st March 2020
	Note : Sr. No. 1.1 to 1.9 are Subsidiaries of of Nederlandse Radiateuren Fabriek BV.			
2	Lake Mineral (Mauritius) Ltd. upto 02.01.2019	Mauritius	100%	31st December 2018
	2.1 Kilimanjaro Biochem Ltd. Upto 02.01.2019	Tanzania	95%	31st December 2018
	Note : Sr. No. 2.1 is Subsidiary of Lake Mineral (Mauritius) Ltd.			
3	Banco Gaskets(India) Ltd.	India	100%	31st March 2020

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

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

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

The areas involving critical estimates or judgments are:

- Fair value of unlisted equity securities – Note 4
- Defined benefit obligation – Note 33
- Measurement of contingent liabilities– Note 32
- Current tax expense and current tax payable – Note 7
- Deferred tax assets– Note 6

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Group. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 2.5 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Plants of the Group in India were closed in 24<sup>th</sup> March, 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permission and restarted its manufacturing facilities in the second fortnight of April 2020. On account of various measures taken by Government of respective countries, the business of the Company were affected in the months of March, 2020 and April, 2020.

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

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

In assessing recoverability of inventories, the Group has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the group is of the view that carrying amounts of trade receivables and inventories are expected to be realizable. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results, and the Group will continue to closely monitor the developments.

### 2.6 Classification of current/non current assets and liabilities

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

### 2.7 Standards issued but not effective (based on exposure drafts available as on date)

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

#### Amendments to existing standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Group is in the process of evaluating the impact of the new amendments issued but not yet effective.

### 2.8 Property, plant and equipment

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

**Capital work-in-progress**

Assets in the course of construction are capitalised in the Capital Work in Progress account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

**2.9 Intangible assets**

Intangible assets with finite useful life that are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Research & Development expenditure is capitalized only if certain recognition criteria are demonstrated. The same are amortized on a straight line basis over their estimated useful life.

**2.10 Depreciation / amortisation**

- (i) In respect of Banco Products (India) Limited, depreciation is calculated on a straight-line basis or Written Down Value as per the specified life of the assets as provided in schedule II to the Companies Act, 2013. The useful life of Item of PPE are mentioned below.

<b>Class of Assets</b>	<b>Range of useful life (In Years)</b>
Factory buildings	30
Plant and equipments	10-15
Furniture & fixtures	10
Vehicles	8-10
Office equipment	5
Computer hardware	3-6
Software	3-6

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

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

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

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

The useful life of Item of PPE are mentioned below.

<b>Class of Assets</b>	<b>Range of useful life (In Years)</b>
Factory buildings	30
Plant and equipments	10-15
Furniture & fixtures	10
Vehicles	8-10
Office equipment	5
Computer hardware	3-6
Software	3-6



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

- (iii) In respect of Nederlandse Radiatoren 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, (Upto 02/02/2019)

The annual depreciation rates are as follows:

Buildings	:	5%
Plant & machinery	:	10%
Motor vehicles	:	25%
Office equipments	:	25%
Furniture & fixtures	:	25%
IT equipments	:	25%

## 2.11 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.

## 2.12 Leases

### The group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**Transition**

Effective 1<sup>st</sup> April, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1<sup>st</sup> April, 2019. Accordingly, the Company has re-classified Leasehold Land from Property, Plant & Equipment to Right of Use Asset. The leasehold land is already fully paid and hence already stated at its present value. The same is being amortized over the period of lease (including the period renewable at the option of the Company.)

All other lease contracts of the Company are for lease tenure below 12 months and the Company has accordingly applied the exemption not to recognize right of use assets for such leases.

**The company as a lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

**Arrangements in the nature of lease**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

**2.13 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer.

**Sale of goods**

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

**Sale of services**

Revenues for services are recognised when the service rendered has been completed.

**Royalties and profit-sharing arrangements**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### Interest and dividend income

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

### 2.14 Inventories

- (i) Raw materials, stores and spares, packing materials, work-in-process and finished goods are valued at lower of cost and net realizable value. Damaged, unserviceable and inert stocks are suitably depreciated.
- (ii) In determining cost of raw materials, stores and spares (except machinery spares which meet the definition of PPE) and packing materials, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, and an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.

### 2.15 Financial instruments

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

#### a. Financial assets

##### (i) Initial recognition and measurement

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

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

##### **Financial assets at amortised cost**

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

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

##### **Financial assets at fair value through other comprehensive income**

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**(iii) Derecognition**

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

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts. Financial liabilities are classified, at initial recognition, at fair value through profit and loss or as those measured at amortised cost.

**(ii) Subsequent measurement**

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

**Financial liabilities at fair value through profit and loss**

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

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

**Financial liabilities measured at amortised cost**

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

**Derecognition**

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

**c. Fair value**

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for asset or liability or
- In the absence of principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### 2.16 Foreign exchange transactions

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

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

### 2.17 Trade receivable

Trade Receivables are stated after writing off debts considered as bad. Adequate provision is made for Expected Credit Losses. Discounts due yet to be quantified at the customer level are netted off from Trade Receivables.

### 2.18 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.

### 2.19 Provisions, contingent liabilities and contingent assets

#### a. Provisions

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

#### b. Contingent liabilities

Contingent liability is disclosed for

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

#### c. Contingent assets

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

### 2.20 Taxes

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**Current tax**

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

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

**Deferred tax**

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

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

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

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

**Minimum alternate tax (MAT)**

Deferred tax assets in case of the Holding Company and Subsidiaries incorporated in India include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

**Presentation of current and deferred tax**

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

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

**2.21 Research and development**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 2.22 Employees benefits

- (i) In case of the Holding Company and subsidiary company incorporated in India, Provident fund is a defined contribution scheme and the contribution as required by the statute paid to government provident fund and it is charged to the statement of profit and loss.
- (ii) In case of the Holding Company and subsidiary company incorporated in India, Gratuity liability is a defined benefit obligation and is funded through a gratuity fund administered by trustees and managed by the Life Insurance Corporation of India. The Company accounts for liability for future gratuity benefits based on actuarial valuation carried out as at the end of each financial year, using the projected unit credit method. Actuarial gain and/or losses are recognised in the statement of other comprehensive income.
- (iii) In case of the Holding Company and subsidiary company incorporated in India, The Group provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation carried out as at the end of each financial year, using the projected unit credit method. Actuarial gain and/or losses are recognised in the statement of profit and loss.
- (iv) The companies NRF UK and NRF B.V., have a pension plan in place that qualifies as a defined contribution plan. The company's sole obligation is payment of the accrual contribution to the insurance company of branch pension fund(PME). The coverage ratio at the end of March 2020 amounts to 99%. The company does not form a provision for any future increase in the contribution.

### 2.23 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.

### 2.24 Earnings per share

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

### 2.25 Government grants

Government grants (including export incentives and incentives on specified goods manufactured in the eligible unit) are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants relating to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate.

### 2.26 Exceptional item

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items

### 2.27 Segment reporting

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

## 3. PROPERTY PLANT &amp; EQUIPMENT FOR THE YEAR 2019-20

					GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK			
		As at 1st April 2019	Additions during the year	Translation Difference	Deletion during the year	Reclassified on account of IND AS 116	As at 31st March 2020	As at 1st April 2019	For the year Continuing Operation	Discontinued Operation	Translation Difference	Deduction Others	Reclassified on account of IND AS 116	As at 31st March 2020	As at 31st March 2019
<b>I Tangible assets</b>															
a	Leasehold land	869.96	-	-	-	-	869.96	72.86	-	-	-	-	72.86	-	797.10
b	Freehold land	669.68	-	16.30	-	-	685.98	-	-	-	-	-	-	685.98	669.68
c	Buildings	12,515.14	113.31	578.68	317	-	13,203.96	8,388.35	332.81	-	450.81	2.99	-	9,168.98	4,126.79
d	Plant and equipments	44,120.87	2,189.26	1,435.09	40.34	-	47,704.88	32,422.85	2,365.01	-	1,359.53	39.97	-	36,107.40	11,698.02
e	Furniture & fixtures	3,776.27	17.80	234.76	478.83	-	3,550.00	3,430.04	323.83	-	218.42	57.85	-	3,263.79	346.23
f	Vehicles	531.38	54.54	2.86	42.25	-	546.53	434.13	39.68	-	4.85	35.40	-	443.26	103.28
g	Office equipment	298.06	7.30	-	-	-	305.36	276.56	12.68	-	-	-	-	289.24	21.50
h	Others assets	108.08	7.11	-	-	-	115.19	82.16	9.81	-	-	0.34	-	91.63	23.56
i	Scientific research														
1	Building	171.62	2.43	-	-	-	174.05	83.90	5.80	-	-	-	-	89.70	84.35
2	Plant and equipments	991.00	36.91	-	-	-	1,027.91	545.75	73.74	-	-	-	-	619.49	408.42
3	Software (intangible assets)	92.03	-	-	-	-	92.03	78.85	8.06	-	-	-	-	86.91	5.12
4	Office equipment	8.16	0.33	-	-	-	8.49	5.25	1.45	-	-	-	-	6.70	1.79
5	Furniture and fixture	38.80	-	-	-	-	38.80	23.96	5.70	-	-	-	-	23.66	9.14
<b>II Intangible assets</b>															
a.	Software	570.75	36.82	21.83	-	-	629.40	501.09	13.21	-	15.34	-	-	523.64	99.76
b.	Technical know how	141.37	1,860.01	113.08	-	-	2,114.46	141.36	724.22	-	48.80	-	-	914.38	1,200.08
		64,903.17	4,325.82	2,402.60	564.59	869.96	70,197.03	46,487.11	3,268.34	-	2,097.75	136.55	72.86	51,643.78	18,416.04

(₹ in Lakhs)

## Carrying value of right of use assets 2019-20

		GROSS CARRYING VALUE				AMORTIZATION					NET CARRYING VALUE		
		As at 1st April 2019	Reclassified on account of IND AS 116	Additions during the year	Deletion during the year	As at 31st March 2020	As at 1st April 2019	Reclassified on account of IND AS 116	For the year		Deduction Others	As at 31st March 2020	As at 31st March 2019
									Continuing Operation	Discontinued Operation			
	a	-	869.96	-	-	869.96	-	72.86	8.79	-	-	81.65	788.31
		-	869.96	-	-	869.96	-	72.86	8.79	-	-	81.65	788.31



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

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

		GROSS BLOCK				DEPRECIATION/AMORTIZATION						NET BLOCK			
		As at 1st April 2018	Additions during the year	Translation Difference	Deletion during the year	Disposal of Subsidiaries	As at 31st March 2019	As at 1st April 2018	For the year Continuing Operation	Discontinued Operation	Translation Difference	Deduction Others	Disposal of Subsidiaries	As at 31st March 2019	As at 31st March 2018
I	Tangible assets														
	a Leasehold land	869.96	-	-	-	-	869.96	64.07	8.79	-	-	-	-	797.10	805.89
	b Freehold land	776.99	-	-9.15	-	98.16	669.68	-	-	-	-	-	-	669.68	776.99
	c Buildings	13,422.87	1,096.49	-423.96	9.00	1,571.25	12,515.15	8,897.72	306.26	56.04	-370.89	3.32	497.46	4,126.79	4,525.15
	d Plant and equipments	45,519.00	3,958.36	-1,022.31	109.89	4,224.30	44,120.86	33,987.13	2,228.72	318.32	-1,040.26	129.75	2,941.30	11,698.00	11,531.87
	e Furniture & fixtures	3,964.74	72.84	-230.53	-	30.77	3,776.27	3,477.93	193.95	0.06	-211.83	-	30.07	3,430.04	346.23
	f Vehicles	1,193.08	92.73	30.16	157.40	627.19	531.39	942.59	25.46	40.28	22.51	119.84	476.87	97.26	250.50
	g Office equipment	336.72	17.82	2.73	3.28	55.93	298.06	299.99	19.13	1.91	2.37	2.67	44.17	276.56	21.50
	h Others assets	95.50	13.37	-	0.79	-	108.08	73.02	9.92	-	-	0.78	-	82.16	25.91
	i Scientific research														
	1 Building	170.88	0.74	-	-	-	171.62	77.79	6.11	-	-	-	-	83.90	87.72
	2 Plant and equipments	941.99	49.01	-	-	-	991.00	468.55	77.20	-	-	-	-	545.75	445.24
	3 Software (intangible assets)	91.59	0.44	-	-	-	92.03	68.80	10.05	-	-	-	-	78.85	13.18
	4 Office equipment	4.94	3.22	-	-	-	8.16	4.23	1.01	-	-	-	-	5.25	2.91
	5 Furniture and fixture	25.95	12.84	-	-	-	38.79	21.75	2.21	-	-	-	-	23.96	14.83
II	Intangible assets														
	a. Software	596.90	5.28	-17.34	9.05	5.04	570.75	499.52	16.31	1.71	-12.91	-	3.54	501.09	69.65
	b. Technical know how	148.29	-	-6.93	-	-	141.36	131.64	16.54	-	-6.82	-	-	141.36	0.01
		68,159.40	5,323.14	-1,677.33	289.41	6,612.64	64,903.16	49,014.73	2,921.66	418.32	-1,617.83	256.36	3,993.41	18,416.01	19,144.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Unquoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
6,20,080 (P.Y.18-19 6,20,080) equity shares of ₹ 10 each in Banco Aluminium Limited	843.31	1,481.99
<b>Other investment</b>		
Investment in building (Spain)	78.11	72.55
	<b>921.42</b>	<b>1,554.54</b>
<b>Quoted equity shares, fully paid measured at fair value through other comprehensive income</b>		
NIL (P.Y.18-19 6,588) India Motor Parts and Accessories Limited of ₹ 10 each	-	60.21
NIL (P.Y.18-19 132,700) Swiss Glasscoat Equipment Limited of ₹ 10 each	-	234.68
NIL (P.Y.18-19 511) NHPC Limited of ₹ 10 each	-	0.13
NIL (P.Y.18-19 1,573) Oil India Limited of ₹ 10 each	-	2.92
400 (P.Y.18-19 400) Anand I-Power Limited of ₹ 1 each	0.004	0.004
NIL (P.Y.18-19 112) Talbros Automotive Component Limited of ₹ 10 each.	-	0.24
NIL (P.Y.18-19 34) Talbros Engineers Limited of ₹ 10 each	-	0.05
	<b>0.004</b>	<b>298.23</b>
	<b>921.42</b>	<b>1,852.78</b>
* Aggregate amount of unquoted investment at cost	70.07	70.07
** Aggregate amount of quoted investment at cost	0.008	20.02
Aggregate amount of quoted investment at market value	0.004	298.23

## 5. NON CURRENT OTHER FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Security deposit	34.14	34.04
Government grant receivable	194.78	127.35
	<b>228.92</b>	<b>161.39</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 6. DEFERRED TAX ASSETS &amp; LIABILITIES

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

As at 31st March, 2020

(₹ in Lakhs)

	As at 31st March, 2019	Availment of MAT Credit	Translation Reserve	Recognised in profit and loss	Recognised in OCI	As at 31st March, 2020
Fixed assets :- Impact of difference between WDV as per income tax act and as per books of accounts	1,550.58	-	-	562.29	-	2,112.87
Undistributed profit of subsidiary	5,002.50	-	-	(87.76)	-	4,914.74
Fair value on unquoted investment	320.17	-	-	-	(149.59)	170.58
<b>Total deferred tax liabilities</b>	<b>6,873.25</b>	<b>-</b>	<b>-</b>	<b>474.53</b>	<b>(149.59)</b>	<b>7,198.19</b>
Mat credit entitlement	(874.31)	(276.02)	-	557.80	-	(592.54)
Expense allowable for tax on payment	(700.77)	-	(39.20)	(858.54)	(4.70)	(1,603.20)
Carry forward capital loss	(75.27)	-	-	-	-	(75.27)
Unrealised gain on stock	(316.46)	-	-	103.80	-	(212.66)
<b>Total deferred tax assets</b>	<b>(1,966.81)</b>	<b>(276.02)</b>	<b>(39.20)</b>	<b>(196.94)</b>	<b>(4.70)</b>	<b>(2,483.68)</b>
<b>Net deferred tax</b>	<b>4,906.44</b>	<b>(276.02)</b>	<b>(39.20)</b>	<b>277.59</b>	<b>(154.29)</b>	<b>4,714.52</b>

As at 31st March, 2019

(₹ in Lakhs)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 7. INCOME TAX

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>(A) Major component of tax expenses for the year are as under</b>		
<b>(a) Income tax recognised in the statement of profit and loss from continuing operation</b>		
Current tax	2,684.63	5,933.32
Income tax for prior years	527.19	621.85
Deferred tax	277.59	364.87
	<b>3,489.41</b>	<b>6,920.04</b>
<b>(b) Income tax recognised in the statement of profit and loss from discontinued operation</b>		
Current tax	-	166.18
Deferred tax	-	(7.60)
	-	158.58
Total income tax from continuing and discontinued operation	<b>3,489.41</b>	<b>7,078.62</b>
<b>(c) Income tax recognised in OCI</b>		
Income tax expenses on remeasurement of defined employee benefits plans	4.70	5.84
Income tax expenses on remeasurement of financial instruments	149.59	(93.28)
	<b>154.29</b>	<b>(87.44)</b>
	<b>3,643.70</b>	<b>6,991.18</b>
<b>(B) Reconciliation of tax expenses and the accounting profit for the year is as under :</b>		
Profit before tax from continuing operation	11,147.08	15,252.12
Profit before tax from discontinued operation	-	(1,265.24)
Total profit before tax for the year from continuing and discontinued operation	<b>11,147.08</b>	<b>13,986.88</b>
Income tax expenses @ 34.94% (P.Y. 34.94%)	4,788.88	4,887.58
Tax effect on non deductible expenses	(59.83)	77.74
Effect of income which is tax at special rate	(2.17)	(1,572.75)
Effect of income exempted from tax	(853.00)	3,303.95
Tax effect for deduction u/s 80IC	(17.29)	(18.80)
Tax effect for deduction u/s 80G	(0.71)	(21.59)
Tax effect for deduction u/s 80JJA	(3.77)	(6.16)
Tax effect for exemption u/s 10AA	(558.05)	(616.50)
Tax effect of R & D expenses	(109.40)	(112.70)
Mat credit entitlement	557.79	795.61
Tax effect for difference tax rate in subsidiary and translation	(500.03)	(158.60)
Tax effect on stock reserve	-	155.80
Tax effect on undistributable profit	16.04	(361.85)
Income tax for prior years	527.19	621.85
Other	(296.26)	105.04
	<b>3,489.41</b>	<b>7,078.62</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Capital advances	211.13	364.54
Prepaid expenses	0.52	2.50
Balance with statutory authorities	368.53	242.84
	<b>580.18</b>	<b>609.88</b>

## 9. INVENTORIES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Raw materials	13,269.26	14,779.34
Work-in-progress	2,591.63	3,367.96
Finished goods	30,394.58	28,240.26
Stores and spares	895.03	1,007.57
Loose tools	113.85	125.25
Packing materials	355.45	423.53
	<b>47,619.80</b>	<b>47,943.91</b>

The carrying amount of inventories are hypothecated as security for borrowings (Refer note 16).

## 10. CURRENT INVESTMENT

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Investment in mutual fund, fully paid measured at fair value through profit and loss</b>		
0.386 (P.Y.18-19 0.386) Reliance Mutual Fund -R Shares Liquid Bees of ₹ 1,000 each. (Amount ₹ 386)	0.004	0.004
NIL (P.Y.18-19 99,921) AXIS Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	-	1,001.31
NIL (P.Y.18-19 47,086) SBI Liquid Fund - Weekly Dividend - Direct Plan of ₹ 1,000 each.	-	499.71
NIL (P.Y.18-19 97,390) HDFC Liquid Fund - Monthly Dividend - Direct Plan of ₹ 1,000 each.	-	1,001.11
NIL (P.Y.18-19 9,96,649) ABSL Liquid Fund - Weekly Dividend - Direct Plan of ₹ 100 each.	-	999.35
NIL (P.Y.18-19 99,439) Kotak Liquid Fund - Weekly Dividend-Direct Plan of ₹ 1,000 each.	-	1,000.95
NIL (P.Y.18-19 4,96,305) ICICI Prudential Liquid Fund - Monthly Dividend - Direct Plan of ₹ 100 each.	-	497.88
	<b>0.004</b>	<b>5,000.32</b>
Aggregate amount of investment in mutual fund-quoted at cost	0.004	5,000.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 11. TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Trade receivables - unsecured		
(i) Considered good	30,218.85	27,793.79
(ii) Considered doubtful	-	-
	<b>30,218.85</b>	<b>27,793.79</b>
Less: Allowance for unsecured doubtful debts	860.84	633.54
	<b>29,358.01</b>	<b>27,160.25</b>

\* Includes balances with related parties (Refer note 34)

\*\*The carrying amount of trade receivables are hypothecated as security for borrowings (Refer note 16).

## 12. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>A. Cash and cash equivalents</b>		
(i) Cash on hand	23.63	17.87
(ii) Balances with banks in current accounts	1,868.96	484.87
(iii) In deposit accounts*	3,800.00	-
	<b>5,692.59</b>	<b>502.74</b>
<b>B. Bank balances other than (A) above</b>		
<b>In Deposit Accounts#</b>		
Deposit with original maturity for more than 3 months but less than 12 months#	1,002.43	11,791.81
Unpaid dividend (earmarked balances)##	322.08	315.77
Term deposit held as margin money against bank guarantee	26.34	101.66
	<b>1,350.85</b>	<b>12,209.24</b>
	<b>7,043.44</b>	<b>12,711.98</b>

\* This represents deposits with original maturity of less than or equal to 3 months.

# This represents deposits with original maturity of more than 3 months but less than 12 months.

## The company can utilise these balances only towards settlement of unclaimed dividend

## 13. OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Interest accrued on deposit with banks	65.42	170.98
Current maturities of loan		
Security deposit	32.77	7.52
Advance to employee	18.14	10.14
Subsidy receivable from government	-	228.60
Dividend receivable	-	3.74
	<b>116.33</b>	<b>420.98</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 14. OTHER CURRENT ASSETS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Prepaid expenses	1,256.60	1,912.16
Balance with statutory authorities	128.34	93.61
Advance to vendors (trade)	252.70	279.59
Other advances	1.57	7.38
	<b>1,639.21</b>	<b>2,292.74</b>

## 15(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Authorised</b>		
15,20,00,000 (P.Y. 15,20,00,000) equity shares of ₹ 2 each	3,040.00	3,040.00
<b>Issued, subscribed and paid up capital</b>		
7,15,18,650 (P.Y. 7,15,18,650) equity shares of ₹ 2 each fully paid	1,430.37	1,430.37
	<b>1,430.37</b>	<b>1,430.37</b>

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

	Nos. of shares	
	As at 31st March 2020	As at 31st March 2019
<b>Equity shares at the beginning of the year</b>	7,15,18,650	7,15,18,650
Add:- share issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>7,15,18,650</b>	<b>7,15,18,650</b>

## Share capital

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Balance at the beginning of the year</b>	1,430.37	1,430.37
Issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,430.37</b>	<b>1,430.37</b>

## (b) Terms/rights attached to each equity share

- The company has only one class of share referred to as equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. Payment of dividend is also made in foreign currency to shareholders outside India. In the unlikely event of the liquidation of the company the equity shareholders are eligible to receive the residual value of the assets of the company if any after preferential amount are paid off, in the proportion of their shareholding in the company.
- Over the period of five years immediately preceding 31st March, 2020 and 31st March, 2019, neither any bonus shares were issued nor any shares were allotted for consideration other than cash. Further, no shares were bought back during the said period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

Name of share holder	Nos. In Lakhs (Holding in %)	
	As at 31st March 2020	As at 31st March 2019
Mr. Vimal K.Patel	49.77 (6.96%)	49.77 (6.96%)
Mr. Samir K.Patel	44.21 (6.18%)	44.21 (6.18%)
Mr. Mehul K.Patel	50.19 (7.02%)	50.19 (7.02%)
Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

## 15(B) OTHER EQUITY

As on 31st March 2020

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
Balance at the beginning of the reporting period i.e. 1st April 2019	1,200.31	9,618.01	54.14	12,305.15	52,282.04	1,414.77	4,963.68	81,838.09
Profit for the year	-	-	-	-	7,657.67	-	342.10	7,999.77
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>59,939.71</b>	<b>1,414.77</b>	<b>5,305.78</b>	<b>89,837.86</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	-	(8.59)	-	(8.59)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	63.12	-	63.12
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	(489.09)	-	(489.09)
Reclassification of profit on sale of quoted investment measured at FVTOCI	-	-	-	-	341.33	(341.33)	-	-
Final dividend of F.Y. 2018-19	-	-	-	-	(2,145.56)	-	-	(2,145.56)
Interim dividend of F.Y. 2019-20	-	-	-	-	(14,303.73)	-	-	(14,303.73)
Tax on dividend	-	-	-	-	(3,381.21)	-	-	(3,381.21)
<b>Balance at the end of the reporting period i.e. 31st March 2020</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>40,450.54</b>	<b>638.88</b>	<b>5,305.78</b>	<b>69,572.80</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

As on 31st March 2019

(₹ in Lakhs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Revaluation Reserve	General Reserve	Retained Earnings	Equity Instruments through OCI	Translation Adjustment Reserve	
Balance at the beginning of the reporting period i.e. 1st April 2018	1,200.31	9,618.01	54.14	12,217.69	53,333.18	1,080.03	1,836.87	79,340.23
Profit for the year	-	-	-	-	6,908.26	-	-	6,908.26
Addition during the year	-	-	-	87.46	-	-	3,126.81	3,214.26
<b>Total comprehensive income</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>60,241.44</b>	<b>1,080.03</b>	<b>4,963.68</b>	<b>89,462.76</b>
Remeasurement of defined employee benefit plans (net)	-	-	-	-	(11.53)	-	-	(11.53)
Fair value impact for quoted investment to be routed through OCI (net)	-	-	-	-	-	24.47	-	24.47
Fair value impact for unquoted investment to be routed through OCI (net)	-	-	-	-	-	310.26	-	310.26
Final dividend of F.Y.2017-18	-	-	-	-	(4,148.08)	-	-	(4,148.08)
Interim dividend of F.Y.2018-19	-	-	-	-	(3,575.93)	-	-	(3,575.93)
Tax on dividend	-	-	-	-	(223.86)	-	-	(223.86)
<b>Balance at the end of the reporting period i.e. 31st March 2019</b>	<b>1,200.31</b>	<b>9,618.01</b>	<b>54.14</b>	<b>12,305.15</b>	<b>52,282.04</b>	<b>1,414.76</b>	<b>4,963.68</b>	<b>81,838.09</b>

**1 Securities premium**

Securities Premium reserve represents premium received on equity Share Issued, Which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for Specified purposes.

**2 Capital reserve**

Capital Reserve represent reserve created pursuant to the business combinations upto year end.

**3 Revaluation reserve**

Revaluation Reserve represents reserve created on revaluation of some of Property, Plant and Equipments (PPE) of the Company which can be transfer to General Reserve only on disposal of those assets.

**4 General reserve**

General Reserve is created from time to time by transferring profits from retain earning and can be utilised for purposes such as dividend pay out, Bonus issued etc. and it is not an item of Other Comprehensive Income.

**5 Other comprehensive income (OCI)**

OCI presents the cumulative gain and losses arising on the revaluation of Equity Instruments measured at Fair value through Other Comprehensive Income (FVTOCI), under an irrevocable options, net of amount reclassified to retained earnings when such assets are disposed off.

**6 Foreign currency translation reserve**

Exchange difference relating to the result and net Assets of the groups foreign subsidiary from their functional currencies to the presentation currency (i.e. Rupees) are recognition in the Other Comprehensive Income and accumulated in translation adjustment reserve.

**16. NON CURRENT BORROWING**

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Term loan from bank at amortised cost	668.09	664.63
Less: Current maturity of long term loan	(48.25)	(41.91)
	<b>619.84</b>	<b>622.72</b>

Term Loan from Bank for construction of a new warehouse in France. The loan is interest bearing and repayable within 15 years with mortgage against real estate coming up in future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 17. NON-CURRENT PROVISIONS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Provision for employee benefits</b>		
Provision for gratuity (Refer note no-33)	373.47	342.72
Provision for leave encashment (Refer note no-33)	294.97	271.92
	<b>668.44</b>	<b>614.64</b>

## 17(a) OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Deferred income arising from government grant	24.41	25.39
	<b>24.41</b>	<b>25.39</b>

## 18. CURRENT BORROWINGS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
Cash credit and overdraft from banks	562.09	278.12
Short-term loan from banks	7,934.31	3,044.97
	<b>8,496.40</b>	<b>3,323.09</b>

- (i) Working capital facilities are secured against first charges on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating banks.
- (ii) Working capital facility carry Interest @ 8.00% to 8.65% (P.Y. 8.55% to 8.65%)
- (iii) National bank of commerce has issued an overdraft facility to a subsidiary company to meet working capital requirement @ an interest rate of NBF USD base rate i.e.7.50% per annum.
- (iv) Subsidiary company has availed short term loan facility maturing after six months from the date of first withdrawal. The loan bears interest of 7.50% p.a. payable on monthly basis.

## 19. TRADE PAYABLES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Due to micro and small enterprises	736.91	1,135.44
Due to others	21,676.43	24,434.86
	<b>22,413.34</b>	<b>25,570.30</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 20. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Unclaimed/unpaid dividend *	322.08	315.77
Interest accrued but not due on borrowings	11.63	16.85
Payable to employees	2.61	5.15
Current maturity of long term loan	48.26	41.90
Advance received from customers	89.95	122.50
	<b>474.53</b>	<b>502.17</b>

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

## 21. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Other payable</b>		
Statutory liabilities	336.50	538.38
Deferred income arising from government grants	0.98	0.98
	<b>337.48</b>	<b>539.36</b>

## 22. SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<b>Provision for employee benefits</b>		
Provision for gratuity	58.99	54.39
Provision for leave encashment	42.26	41.65
	<b>101.25</b>	<b>96.04</b>

## 23. REVENUE FROM OPERATIONS

(₹ in Lakhs)

	2019-20	2018-19
<b>(a) Sale of products</b>		
Finished goods (net of returns and discounts)	1,39,971.27	1,53,691.29
	<b>1,39,971.27</b>	<b>1,53,691.29</b>
<b>(b) Sale of services</b>		
Sale of services	123.73	79.31
	<b>123.73</b>	<b>79.31</b>
<b>(c) Other operating income</b>		
Scrap sales	1,745.76	2,299.04
Export incentives	319.56	563.13
Grant income	47.28	40.35
	<b>2,112.60</b>	<b>2,902.52</b>
	<b>1,42,207.60</b>	<b>1,56,673.12</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

24. OTHER INCOME		(₹ in Lakhs)	
		2019-20	2018-19
<b>(a) Interest income</b>			
(i) On deposit with banks		913.64	962.93
<b>(b) Dividend income from</b>			
(i) From quoted/unquoted equity investments measured at FVTOCI		15.50	3.54
(ii) From mutual funds investments measured at FVTPL		255.55	16.81
<b>(c) Other receipt</b>			
(i) Profit on sale of property, plant and equipment - net		465.77	6.14
(ii) Insurance claim received		35.25	3.16
(iii) Others		63.16	30.98
<b>(d) Other gain and losses</b>			
(i) Net gain on foreign currency transaction		761.84	17.00
(ii) Net gain arising on sales of financial assets measured at FVTPL		6.21	1.98
		<b>2,516.92</b>	<b>1,042.54</b>
25. COST OF MATERIAL CONSUMED		(₹ in Lakhs)	
		2019-20	2018-19
Opening stock		15,202.86	16,699.89
Less: Pursuant to disposal		-	(736.45)
Add : Purchases during the year		81,771.53	96,271.09
		<b>96,974.39</b>	<b>1,12,234.53</b>
Less : Closing stock		13,624.71	15,202.86
Less : Pursuant to disposal		-	-
		<b>83,349.68</b>	<b>97,031.67</b>
26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		(₹ in Lakhs)	
		2019-20	2018-19
<b>Inventories at the end of the year</b>			
Work in progress		2,591.63	3,367.96
Less: Pursuant to disposal		-	-
Finished goods (Including goods in transit)		30,394.58	28,240.26
Less: Pursuant to disposal		-	-
		<b>32,986.21</b>	<b>31,608.22</b>
<b>Inventories at the beginning of the year</b>			
Work in progress		3,367.96	2,900.71
Less: Pursuant to disposal		-	-
Finished goods (including goods in transit)		28,240.27	23,316.75
Less: Pursuant to disposal		-	(18.66)
		<b>31,608.22</b>	<b>26,198.80</b>
Changes in inventories of finished goods and work in progress		(1,377.98)	(5,409.42)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

27. EMPLOYEE BENEFIT EXPENSES		(₹ in Lakhs)	
		2019-20	2018-19
Salaries wages and bonus		17,467.50	17,047.40
Contribution to provident and other funds		1,425.62	1,023.63
Staff welfare expenses		282.66	270.95
		<b>19,175.78</b>	<b>18,341.98</b>
28. FINANCE COST		(₹ in Lakhs)	
		2019-20	2018-19
(i) Interest on financial liabilities carried at amortised cost		158.97	216.53
(ii) Interest-others		7.43	90.49
(iii) Bank and other financial charges		143.20	119.14
		<b>309.60</b>	<b>426.16</b>
29. DEPRECIATION AND AMORTIZATION EXPENSES		(₹ in Lakhs)	
		2019-20	2018-19
<b>Depreciation</b>			
On tangible assets		2,531.60	2,878.77
On intangible assets		745.49	42.90
		<b>3,277.09</b>	<b>2,921.67</b>
30. OTHER EXPENSES		(₹ in Lakhs)	
		2019-20	2018-19
Consumption of stores and spares		829.76	674.69
Power and fuel		2,698.67	2,815.68
Labour charges		9,182.50	9,686.70
Repair and maintenance			
Plant and machinery		1,204.86	1,248.48
Electric installation		63.75	67.47
Buildings		265.70	346.42
Sundry repairs		1.59	1.83
Factory general expenses		473.20	510.37
Insurance premium on assets		31.33	56.66
Payment to auditors		145.46	149.54
Rent rates and taxes		948.99	887.55
Postage and courier		24.82	44.83
Telephone expenses		151.33	156.76
Travelling and conveyance		1,401.49	1,416.02
Director sitting fees and commission		19.88	17.10
Miscellaneous expenses		1,354.63	1,048.69
Donation		2.00	2.24
Indirect tax expenses		261.88	164.84
Expenditure towards corporate social responsibility activities		204.16	279.28
Net loss on foreign currency transactions		804.24	815.01
Insurance		19.82	16.28
Other selling expenses		2,362.43	1,854.63
Freight and transport (net)		6,390.78	6,890.40
		<b>28,843.27</b>	<b>29,151.47</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 31. EARNING PER SHARE (EPS)

For the period	2019-20	2018-19
Profit after tax from continuing operations attributable to equity shareholders (₹ in lakhs)	7,657.67	8,332.08
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share from continuing operations (face value per share ₹ 2/- each)	10.71	11.65
Profit after tax from discontinuing operations attributable to equity shareholders (₹ in lakhs)	-	(1,423.82)
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share from discontinuing operations (face value per share ₹ 2/- each)	-	(1.99)
Profit after tax from continuing operations and discontinuing operations attributable to equity shareholders (₹ in lakhs)	7,657.67	6,908.26
Weighted average number of equity shares outstanding	7,15,18,650	7,15,18,650
Basic and diluted earnings per share from continuing operations (face value per share ₹ 2/- each)	10.71	9.66

## 32. CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

(₹ in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Estimated amount of contracts net of advances remaining to be executed on capital accounts	306.07	960.79
Guarantees issued by bank to third party	659.33	460.08
Excise duty	1,117.06	1,970.89
Sales tax	88.63	115.19
Income tax	9.30	9.30

## 33. EMPLOYEE BENEFITS

## (a) Defined contribution plan

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

The Parent and Indian Subsidiary Company has recognized an amount of ₹ 197.23 lakhs (P.Y. - ₹ 184.82 lakhs) as expense under the defined contribution plan in the statement of Profit and Loss for the year.

## (b) Defined benefit plan

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

## Financial assumptions

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Discount rate	6.60% to 7.50%	7.15% to 7.50%
Salary growth rate	6.00%	6.00%

## Demographic assumptions

Withdrawal rates (p.a.)	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Age band		
25 & below	15.00%	15.00%
26 to 35	12.00%	12.00%
36 to 45	9.00%	9.00%
46 to 55	6.00%	6.00%
56 & above	3.00%	3.00%

## Mortality rates

Age (in years)	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
20	0.09%	0.09%
30	0.10%	0.11%
40	0.17%	0.18%
50	0.44%	0.49%
60	1.12%	1.15%

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

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Service cost</b>		
Current service cost	54.39	49.66
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	27.22	24.84
<b>Total charge to statement of profit and loss</b>	<b>81.61</b>	<b>74.50</b>

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

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>Components of actuarial gain/losses on obligations</b>		
Due to change in financial assumptions	37.52	2.73
Due to change in demographic assumption	(0.18)	-
Due to experience adjustments	(25.75)	7.89
Return on plan assets excluding amounts included in interest income	1.70	6.75
<b>Amounts recognized in other comprehensive income</b>	<b>13.29</b>	<b>17.37</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

<b>Reconciliation of defined benefit obligation</b>		<b>(₹ in Lakhs)</b>	
		<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
Opening defined benefit obligation		640.31	555.19
Transfer in/(out) obligation		-	-
Current service cost		54.39	49.66
Interest cost		43.87	39.05
<b>Components of actuarial gain/losses on obligations</b>			
Due to change in financial assumptions		37.51	2.73
Due to change in demographic assumption		(0.17)	-
Due to experience adjustments		(25.75)	7.89
Past service cost		-	-
Loss/(gain) on curtailments		-	-
Liabilities extinguished on settlements		-	-
Liabilities assumed in an amalgamation in the nature of purchase		-	-
Exchange differences on foreign plans		-	-
Benefits paid		(32.74)	(14.21)
<b>Closing defined benefit obligation</b>		<b>717.42</b>	<b>640.31</b>
<b>Reconciliation of defined plan assets</b>		<b>(₹ in Lakhs)</b>	
		<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
Opening value of plan assets		243.19	196.80
Transfer in/(out) plan assets		-	-
Expenses deducted from the fund		-	-
Interest income		16.65	14.21
Return on plan assets excluding amounts included in interest income		(1.70)	(6.75)
Assets distributed on settlements		-	-
Contributions by employer		59.54	53.14
Assets acquired in an amalgamation in the nature of purchase		-	-
Exchange differences on foreign plans		-	-
Benefits paid		(32.74)	(14.21)
Adjustment to the opening fund		-	-
<b>Closing value of plan assets</b>		<b>284.94</b>	<b>243.19</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**Reconciliation of net defined benefit liability**

(₹ in Lakhs)

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Net opening provision in books of accounts	397.12	358.39
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee benefit expense	81.60	74.50
Amounts recognized in other comprehensive income	13.29	17.37
Closing value of plan assets	492.01	450.26
Benefits paid by the company	-	-
Contributions to plan assets	(59.54)	(53.14)
<b>Closing provision in books of accounts</b>	<b>432.47</b>	<b>397.12</b>

**Composition of the plan assets**

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Policy of insurance	100%	100%
	<b>100%</b>	<b>100%</b>

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Discount rate	6.60% to 7.50%	7.15% to 7.50%
Salary growth rate	6.00%	6.00%
Withdrawal rates	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

**(c) Other employee benefits**

The liabilities for leave encashment based on actuarial valuation as at the year ended on 31st March 2020 is ₹ 337.22 lakhs (31st March 2019 ₹ 313.56 lakhs).

**Principle actuarial assumptions**

	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
(a) Discount rate	6.6%	7.5%
(b) Future salary increase*	6%	6%
(c) Retirement age (years)	55,58 & 60	55,58 & 60
(d) Mortality table	IALM(2012-14)	IALM(2012-14)
(e) Ages (withdrawal rate)		
25 & below	15%	15%
25 to 35	12%	12%
35 to 45	9%	9%
45 to 55	6%	6%
55 & above	3%	3%

\* The estimates of future salary increase take into account inflation, seniority, promotion and other relevant factors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**34. INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24 - RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT)****(a) Directors**

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

**(b) Independent directors**

Mr. Ramkisan Devidayal	Non Executive Independent Director
Mr. Mukesh D Patel	Non Executive Independent Director
Mr. Devesh A Pathak	Non Executive Independent Director
Mr. Udayan P Patel	Non Executive Independent Director
Mrs. Ameeta V. Manohar	Non Executive Independent Director (w.e.f. 25th April 2020)

**(c) Key managerial personnel**

<b>Name of director/employee</b>	<b>Designation</b>
Mr. Rajendra Anandpara	Managing Director - Executive Non Independent
Mrs. Himali H Patel	Whole Time Director and CFO Executive Non Independent
Mr. Dinesh Kavthekar	Company Secretary

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

Banco Aluminium Limited

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

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

**(f) Entity having substantial interest**

Overseas Pearl Limited

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

Agro Scientific Investments Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

(₹ in Lakhs)

Nature of Transaction	Key Management Personnel		Independent Directors		Company which is part of promoter/ promoter group		Trust Controlled by relatives of directors		Non Independent Directors		Entity having substantial interest		Entity in which promoter/ promoter group is having controlling interest	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Purchase of Goods	-	-	-	-	372.82	518.79	-	-	-	-	-	-	-	-
Purchase of Licence	-	-	-	-	-	38.63	-	-	-	-	-	-	-	-
Sale of Goods	-	-	-	-	187.96	222.09	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	2,627.25
Receiving of services	-	-	-	-	-	5.51	-	-	-	-	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key management personnel remuneration	164.65	182.09	-	-	-	-	-	-	-	-	-	-	-	-
Director Sitting fees	-	-	11.88	9.10	-	-	-	-	-	-	-	-	-	-
Directors Commission	-	-	8.00	8.00	-	-	-	-	-	-	-	-	-	-
Donation Paid (CSR Expenses)	-	-	-	-	-	-	3.52	4.84	-	-	-	-	-	-
Dividend Received	-	-	-	-	15.50	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	134.78	63.29	411.47	193.21	-	-	2,171.14	1,019.49	6,189.29	2,906.28	-	-
Payable at the end of the year (Creditors)	-	-	-	-	45.12	71.93	-	-	-	-	-	-	-	-
Receivable at the end of the year (Debtors)	-	-	-	-	40.01	54.85	-	-	-	-	-	-	-	-

\*Key Management Personnel who are under the employment of the Company are entitled to post employment benefits and other long term benefits recognized as per IND AS-19 on Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## SIGNIFICANT RELATED PARTY TRANSACTION

(₹ in Lakhs)

	2019-20	2018-19
<b>Remuneration to key managerial person</b>		
Mrs. Himali H Patel	19.52	17.81
Mr. Rajendra Anandpara	136.79	155.17
Mr. Dinesh Kavthekar	8.34	9.11
	<b>164.65</b>	<b>182.09</b>
<b>Director sitting fees paid (directors of Banco Products (India) Limited)</b>		
Mr. Devesh Pathak	3.08	2.40
Mr. Mukesh D Patel	3.08	2.40
Mr. Ram Devidayal	3.08	2.40
Mr. Udayan Patel	2.64	1.90
	<b>11.88</b>	<b>9.10</b>
<b>Commission to director (directors of Banco Products (India) Limited)</b>		
Mr. Devesh Pathak	1.00	1.00
Mr. Mukesh D Patel	3.00	3.00
Mr. Ram Devidayal	3.00	3.00
Mr. Udayan Patel	1.00	1.00
	<b>8.00</b>	<b>8.00</b>
<b>Dividend paid</b>		
Overseas Pearl Limited	6,189.29	2,906.28
Others	2,717.38	1,275.99
	<b>8,906.67</b>	<b>4,182.27</b>
<b>Sale of investments</b>		
Agro Scientific Investments Limited	-	2,627.25
	<b>-</b>	<b>2,627.25</b>

## 35. SEGMENT REPORTING

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

	(₹ in Lakhs)	
	2019-20	2018-19
<b>Revenue from continuing operation</b>		
Domestic operation		
Within india	53,198.66	67,534.38
Outside india	9,345.22	10,018.79
International operation		
Revenue from international operation	76,706.21	76,138.14
	<b>1,39,250.09</b>	<b>1,53,691.31</b>
<b>Revenue from discontinued operation</b>		
From international discontinued operation	-	4,746.01
Total revenue	1,39,250.09	1,58,437.32
<b>Consolidated revenue exceeding 10% from each single external customer</b>	<b>-</b>	<b>-</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**36. EXPENDITURE RELATED TO CORPORATE SOCIAL RESPONSIBILITY AS PER SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH SCHEDULE VII THERE OF**

(a) Gross amount required to be spent (refer note below) by the Group during the year ₹ 325.88 Lakhs (31<sup>st</sup> March 2019 ₹ 393.36 Lakhs).

(b) Amount spent during the year on: (₹ in Lakhs)

	Amount spent	Yet to be spent	Total
Construction / acquisition of assets	Nil (—)	Nil (—)	Nil (—)
Other purposes *	204.16 (279.28)	121.72 (114.08)	325.88 (393.36)

\*Figure in bracket represent for previous year

(c) Related Party transaction in relation to Corporate Social Responsibility ₹ 3.52 Lakhs (P.Y. ₹ 4.84 Lakhs)

**37. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (₹ in Lakhs)**

	Refer Note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Financial assets measured at fair value through Profit and Loss (FVTPL)</b>					
Investments in quoted mutual funds	10	-	-	0.00	5,000.32
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Unquoted equity shares measured at fair value	4	843.31	1,481.99	-	-
Quoted equity shares measured at fair value	4	0.00	298.23		
		<b>843.31</b>	<b>1,780.22</b>	-	-
<b>Financial assets measured at amortised cost</b>					
Security deposit and government grants	5	228.92	161.39	-	-
Trade receivables	11	-	-	29,358.00	27,160.25
Cash and cash equivalents	12a	-	-	5,692.59	502.74
Other balances with bank	12b	-	-	1,350.85	12,209.24
Interest accrued on deposit with banks	13	-	-	65.42	170.98
Others	13	-	-	18.14	242.48
Security deposit	13	-	-	32.77	7.52
		<b>228.92</b>	<b>161.39</b>	<b>36,517.77</b>	<b>40,293.21</b>
<b>Financial liabilities measured at amortised cost</b>					
Long term borrowing	16	619.84	622.72	-	-
Cash credit from banks	18	-	-	8,496.40	3,323.09
Trade payables	19	-	-	22,413.34	25,570.30
Unclaimed/unpaid dividend	20	-	-	322.08	315.77
Payable to employees	20	-	-	2.61	5.16
Interest accrued but not due on borrowings	20	-	-	11.63	16.85
Current maturity of long term loan	20	-	-	48.26	41.90
		<b>619.84</b>	<b>622.72</b>	<b>31,294.32</b>	<b>29,273.07</b>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

## 38. FAIR VALUE MEASUREMENTS

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

As at 31st March, 2020

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31st March, 2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	843.31	-	-	843.31
Quoted equity shares measured at fair value	0.00	0.00	-	0.00
<b>Financial assets measured at fair value through profit and loss (FVTPL)</b>				
Investments in quoted mutual funds	0.00	0.00	-	0.00

As at 31st March, 2019

(₹ in Lakhs)

Financial assets	Fair value hierarchy			
	Fair value as at 31st March, 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
*Unquoted equity shares measured at fair value	1,481.99	-	-	1,481.99
Quoted equity shares measured at fair value	298.23	298.23	-	-
<b>Financial assets measured at fair value through profit and loss (FVTPL)</b>				
Investments in quoted mutual funds	5,000.32	5,000.32	-	-

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

- (ii) Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables.

## 39(A) CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31st March, 2020, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**
**39(B) FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Group's activities expose it to a variety of financial risks: Market risk, credit risk, liquidity risk. The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the policy is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the group.

**1. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and loans.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended 31st March, 2020 would decrease/increase by ₹ 43.01 Lakhs (P.Y. ₹ 18.55 Lakhs).

**(b) Foreign currency risk**

The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

**(c) Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from the financial assets such as investments in equity instruments. The Parent Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2020, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 921.42 lakhs (P.Y. ₹ 1852.77 lakhs). The details of such investments in equity instruments are given in Note 4.

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

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March 2020, Other Comprehensive Income for the Period ended 31st March 2020 would increase/decrease by ₹ 92.14 lakhs (P.Y. ₹ 185.27 lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March 2020. 10% represents management's assessment of reasonably possible change in equity prices.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**2. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The exposure are continuously monitored.

**3. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company consistently generates sufficient cash flow from operations to meet its financial obligations as and when they fall due.

The tables below provides detail regarding the contractual maturities of significant financial liabilities as at 31st March, 2020 and 31st March, 2019:

	(₹ in Lakhs)		
	As at 31st March, 2020		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	610.35	7,934.31	619.84
Trade payables	22,413.34	-	-
Other financial liabilities (current and non current)	104.20	-	322.08
	(₹ in Lakhs)		
	As at 31st March, 2019		
	Less than 1 year	1-2 years	2 years and above
Borrowings*	320.03	3,044.97	622.72
Trade payables	19,260.40	-	-
Other financial liabilities (current and non current)	412.35	-	315.77

\* The significant financial liabilities payable on demand is shown under less than 1 year.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

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

Name of the Enterprises	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated net assets	Amount (₹ In Lakhs)
<b>Parent :-</b>								
<b>Banco Products (India) Limited</b>	58.91%	53,484.49	67.95%	6,951.57	100.12%	(435.10)	66.52%	6,516.47
<b>Subsidiaries</b>								
<b>Indian</b>								
<b>Banco Gaskets India Limited</b>	6.42%	5,829.25	4.36%	446.47	-0.12%	0.54	4.56%	447.01
<b>Foreign</b>								
<b>*Nederlandse Radiateuren Fabrik B.V.</b>	34.67%	31,473.42	27.69%	2,833.04	0.00%	-	28.92%	2,833.04
	100.00%	90,787.16	100.00%	10,231.08	100.00%	(434.56)	100.00%	9,796.52
<b>Adjustment arising out of consolidation</b>	-	(19,783.99)	-	(2,573.41)	-	342.10	-	(2,231.31)
<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>	-	71,003.17	-	7,657.67	-	(92.46)	-	7,565.21

Note:-Information in respect of subsidiaries are as per its consolidated financial statement

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**41. DISCONTINUED OPERATIONS**

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

**Analysis of profit for the year from discontinued operations:**

The Result of the discontinued operations included in the profit for the year are as set below.

	(₹ in Lakhs)	
	2019-20	2018-19
Revenue	-	4,786.29
Expenses	-	4,218.74
<b>Profit before tax from discontinued operations</b>	-	567.55
Tax expenses of discontinued operations	-	158.58
<b>Profit after tax from discontinued operations (A)</b>	-	408.97
Loss on disposal of subsidiaries (B)	-	(1,832.79)
<b>Profit after tax from discontinued operations (A+B)</b>	-	<b>(1,423.82)</b>
<b>Computation on gain on disposal of subsidiaries</b>		
Cash consideration received	-	2,627.25
Less: Carrying amount of net assets sold	-	4,460.04
Loss on disposal	-	<b>(1,832.79)</b>
<b>Carrying amount of subsidiary assets and liabilities disposed</b>		
Property, plant and equipments	-	2,619.35
Capital work-in-progress	-	10.39
Non - current assets	-	2,478.97
Deferred tax assets	-	32.57
<b>Current assets</b>		
Inventories	-	597.40
Financial assets		
Short term loans & advances	-	1,027.83
Trade receivables	-	241.85
Cash and cash equivalents	-	715.57
<b>Total assets</b>	-	<b>7,723.93</b>
Long term borrowing	-	1,480.21
Deferred tax liabilities	-	322.77
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Short term borrowings	-	893.09
Trade payables	-	127.15
Other current liabilities	-	440.67
<b>Total liabilities</b>	-	<b>3,263.89</b>
<b>Net assets derecognised</b>	-	<b>4,460.04</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

42. A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the company and certain group Companies in the previous year ended 31 March 2017.

The final order has been received from Hon'ble Income Tax Settlement Commission ('ITSC') on 30th October, 2019. The order giving effect to the ITSC order have also been passed and it's effects are appropriately provided in books of account.

The Company has deposited ₹ 565.77 Lakhs as tax and ₹ 434.27 Lakhs as interest towards the proposed settlement which has been shown as a part of Income Tax for Prior years expenses under the head "Tax Expense" in the books of accounts as on 31st March, 2019 and an additional amount of ₹ 331.48 Lakhs as tax and ₹ 21.52 Lakhs as interest have been recognised Tax expenses of prior years in books of accounts as on 31<sup>st</sup> March, 2020. The matter is concluded with the Hon'ble ITSC.

**43. LEASE**

Except as specified below, the Group has consistently applied the accounting policies to all periods presented in this financial statement. The Group has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019.

**As Lessee**

Amounts recognised in profit or loss	(₹ in Lakhs)	
	2019-20	2018-19
Expenses relating to short-term leases (*included in other expenses note no. 30)	1,560.46	1393.32

**Amounts recognised in the statement of cash flows**

	(₹ in Lakhs)	
	2019-20	2018-19
Total cash outflow for leases	1,560.46	1,393.32

**As Lessor**

The group has entered into operating leases on its buildings and Plant & Machinery. These leases have terms of between Five and Nine years. All leases include a clause to enable upward revision of the rental charge on an annual basis as per agreed terms. The total rents recognised as income during the year is ₹ 14.01 Lakhs (31 March 2019 ₹ 13.35). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

	(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Within one year	1.17	1.11

**44. GOVERNMENT GRANTS**

The Group has a unit in Telangana. The Group is eligible for Government Grants in accordance with the T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) Incentive Scheme 2014, the Group is eligible for following grants with reference to the unit established in Telangana:

- (a) 100% of reimbursement of Stamp Duty and Transfer Duty paid on purchase of Land, 25% Rebate in land cost in Industrial Parks and 15% investment subsidy subject to a maximum cap of ₹ 20 lakhs. Accordingly, the Group has recognized Deferred Grant of ₹ 29.30 lakhs, which is recognized as income on a straight line basis over the period of scheme of 30 years. An amount of ₹ 0.98 lakhs is recognized as income under Other Income in Note 24. An amount of ₹ 25.39 lakhs remains unamortized as at 31<sup>st</sup> March, 2020, which is reflected under Note 17 Non-Current Liabilities and Note 21 Other Current Liabilities.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

- (b) Reimbursement of 100% of net VAT / CST / SGST for a period of 5 years from the date of commencement of commercial production. Accordingly, the Group has recognized an income of ₹ 43.22 lakhs (P.Y. ₹ 36.78 lakhs), being the amount of refund of net SGST paid by the Group to the Government of Telangana.

The Group also receives government assistance from the Governments of Spain, Italy, Poland, France, Germany and The Netherlands. The Group complies with the terms and conditions of the said assistance

45. Previous year's figures have been regrouped/reclassified wherever necessary.

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

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

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

Dividend Payment

- 1) Shareholder's Name :
- 2) Registered Folio No. :
- 3) Particulars of Bank Account :
  - (A) Name of the Bank :
  - (B) Name of the Branch :  
And Address :
  - (C) 9-Digit Code number of the :  
bank and branch appearing  
on the MICR Cheque  
issued by the Bank.
  - (D) Type of the account :  
(Saving, Current or Cash  
Credit) with MICR Code:
  - (E) Ledger and Ledger Folio :  
Number
  - (F) Bank Account Number :  
(as appearing on the  
cheque book)

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

4. Date of effect:

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

Date:  
Place:

Signature of the shareholder

---

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

Bank's Stamp

Signature of the authorized Official of the Bank.

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

## NOTE

## **Cautionary Statement**

The report contains certain forward-looking statements, including words like ‘plans’, ‘expects’, ‘anticipates’, ‘believes’, ‘intends’, ‘estimates’ or other words indicating similar meaning. All such statements that address expectations or projections about the future, including but not limited to statements about the Company’s strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. As such, forward looking statements are based on certain assumptions and expectations of future events, and hence the Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company’s actual results or performance could thus differ materially from those projected, if any, in any such forward looking-statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Printed Matter

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