



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)



JAS-ANZ

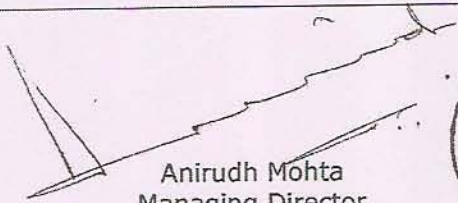

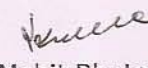

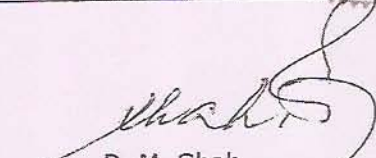



AN ISO 9001 : 2008
Certified Company
Reg. No.: RQ91/6325

REGD. OFFICE & WORKS :
UDYAMBAG, BELGAUM - 590 008. KARNATAKA, INDIA
Tel: - 91-831-4219000, 2441980. Fax :- 91-831-2441263
Email:- finance@bemcohydraulics.net Web :- www.bemcohydraulics.net

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Bemco Hydraulics Limited
2	Annual financial statements for the year Ended	31st March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by-	
	<ul style="list-style-type: none"> CEO/Managing Director 	 Anirudh Mohta Managing Director Bemco Hydraulics Limited 
	<ul style="list-style-type: none"> CFO Auditor of the company 	 Mohit Bhuteria Partner A. C. Bhuteria & Co. Chartered Accountants 
	<ul style="list-style-type: none"> Audit Committee Chairman 	 R. M. Shah Director & Chairman of AUDIT COMMITTEE Bemco Hydraulics Limited 



BEMCO HYDRAULICS LIMITED



BEMCO



ANNUAL REPORT & ACCOUNTS 2013-2014

BEMCO HYDRAULICS LIMITED

*** SHRI ***

DIRECTORS :

M. M. MOHTA	- Chairman – Non Executive
ANIRUDH MOHTA	- Managing Director - Executive
URMILA DEVI MOHTA	- Director – Non Executive
R. M. SHAH	- Director – Independent Non- Executive
N. K. DAGA	- Director – Independent Non- Executive
DILIP CHANDAK	- Director – Independent Non- Executive

CHIEF FINANCIAL OFFICER:

R.B. PATIL

BANKERS:

BANK OF MAHARASHTRA, Main Branch, Kirloskar Road, BELGAUM
STATE BANK OF INDIA, Commercial Branch, BELGAUM

AUDITORS

M/S A.C. BHUTERIA & CO.
Chartered Accountants
2, India Exchange Place,
KOLKATA-700 001

COST AUDITORS

UMESH NARASIMHA KINI, B.COM, ACMA
Cost Accountant,
Shanti Niketan, Banvasi Road,
SIRSI-581 401

INTERNAL AUDITORS

PRABHAKAR K. LATAKAR
Chartered Accountants
1083, Anantshayan Galli,
BELGAUM-590 002

REGISTRAR & TRANSFER AGENTS

ADRIOT CORPORATE SERVICES PVT. LTD.
19, Jaferboy Industrial Estate,
1st Floor, Makwana Road,
Moral Naka, Mumbai - 400059

REGISTERED OFFICE:

Udyambag, Industrial Estate
BELGAUM 590 008 KARNATAKA STATE



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

Registered Office: Udyambag, Industrial Estate, BELGAUM - 590 008

Email: isc@bemcohydraulics.net **Website:** www.bemcohydraulics.com

Phone No. : 0831-4219000, **Fax No. :** 0831-2441263

BALLOT FORM

Name of the Member(s)

Registered Address

Registered Folio No./ DP ID/ Client ID

No. of equity Share(s) held

I/we, hereby exercise my/our vote of the following resolution(s) to be passed at the 56th Annual General Meeting of the Members of the Company to be held on Friday, 12th September 2014 at 3.30 PM at Udyambag, Industrial Estate, Khanapur road, Belgaum - 590 008 (Karnataka) in respect of business as stated in the Notice dated 8th August 2014 by conveying my/our assent or descent to the said resolution(s) by placing (✓) mark in the box against respective matters

Resolution no.	Description	Ordinary/Special Resolution	For	Against
1	To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.	Ordinary		
2	To Appoint of Director in place Smt. Urmila Devi Mohta who retires by rotation and is eligible re-election	Ordinary		
3	To Appoint the Statutory Auditors and Authorize Board to fix their remuneration	Ordinary		
4	To Appoint Mr. N. K. Daga As an Independent Director	Ordinary		
5	To Appoint Mr. R. M. Shah As an Independent Director	Ordinary		
6	To Appoint Mr. Dilip Chandak As an Independent Director	Ordinary		
7	To confirm appointment of Mr. Anirudh Mohta as Managing Director and terms of his remuneration	Ordinary		
8	To approve and adopt new set of Articles of Association in substitution of the existing set of Articles	Special		
9	To approve keeping of Register of Members and related records along correspondence with Company' RTA M/S Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, Makawana Road, Marol Naka, Andheri (E), Mumbai - 400 059 as per Section 94(1) of the Companies Act 2013	Special		

Date:

Place:

.....
Signature of the Member

BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

Registered Office : Udyambag, Industrial Estate, BELGAUM - 590 008

Email: isc@bemcohydraulics.net **Website:** www.bemcohydraulics.com

Phone No.: 0831-4219000, Fax No.0831-2441263

NOTICE

Notice is hereby given that the Fifty Sixth Annual General Meeting of the members of Bemco Hydraulics Limited will be held at the registered office of the Company at Udyambag, Industrial Estate, Belgaum- 590008 on Friday the 12th September 2014 at 3.30 p m to transact the following businesses:

AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Urmila Devi Mohta (DIN 00068906), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT, M/s. A C Bhuteria and Co, Chartered Accountants (Registration No. 303105E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors."

AS SPECIAL BUSINESS

4. To appoint Shri N K Daga (DIN 00142170) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri N K Daga (DIN 00142170), who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office, be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this annual general meeting who shall not retire by rotation.

5. To appoint Shri Ramesh Manickchand Shah (DIN 00068653) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ramesh Manickchand Shah (DIN 00068653), who offers himself for re-election as an independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this annual general meeting who shall not retire by rotation.

6. To appoint Shri Dilip Premraj Chandak (DIN-00644673) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Dilip Premraj Chandak (DIN 00644673), who offers himself for re-election as an independent Director in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this annual general meeting who shall not retire by rotation.

7. To consider and, if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
- "RESOLVED THAT**, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr **ANIRUDH MOHTA** (DIN 00065302), as Managing Director for a period of 5 (five) years with effect from 1st April 2014 on such terms and conditions as mentioned in the draft agreement whose salient features are set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri ANIRUDH MOHTA subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
- RESOLVED FURTHER THAT**, the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
8. To consider and, if thought fit, to pass the following resolution with or without modification(s), as a **special resolution** to adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
- "RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;
- RESOLVED FURTHER THAT**, the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
9. To consider and, if thought fit, to pass the following resolution with or without modification(s), as a **special resolution**:
- "RESOLVED THAT**, pursuant to proviso to section 94(1) of the Companies Act, 2013 consent of the members of the Company through this special resolution be and is hereby accorded in this 56th annual general meeting to the keeping of register of members consisting of equity shares in both mode, i.e. physical and dematerialized form at Company's Registrar and Transfer Agents (RTA) **Adroit Corporate Services Pvt. Ltd.** 19, Jaferboy Industrial Estate, 1st Floor, Makwana Road, Moral Naka, Mumbai 400059 and the Board of Directors are hereby authorised to take all appropriate and follow up measures in this regard".

By Order of the Board of Directors
For **BEMCO HYDRAULICS LIMITED**

ANIRUDH MOHTA
Managing Director
DIN 00065302
2, Mohanam, 10th Cross, Bhagyanagar,
Belgaum - 590 006, Karnataka

Registered Office:
Udyambag, Industrial Estate, BELGAUM-590008
CIN : L51101KA1957PLC001283
E-mail : isc@bemcohydraulics.net
Dated : 08th August 2014

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. Pursuant to Section 91(1) of The Companies Act 2013, the Company has notified closure of Register of Members and Share Transfer Books from Friday 29th August 2014 to Friday the 12th September 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.bemcohydraulics.net under the section 72 of the Companies Act, 2013
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform Registrar, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Voting through electronic means:
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 56th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- I. The voting period begins on **Saturday the 6th September 2014 (10.00 am)** and ends on **Monday the 8th September 2014 (5.30 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **8th August 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- III. Click on "Shareholders" tab.
- IV. Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL; 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- V. Next enter the Image Verification as displayed and Click on Login.
- VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account/folio number in the PAN field, • In case the folio number is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend bank details field.

- VIII. After entering these details appropriately, click on "SUBMIT" tab.
- IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant BEMCO Hydraulics Limited on which you choose to vote.
- XII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details,
- XIV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVII. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Note for Institutional Shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Items No 4, 5 and 6: APPOINTMENT OF INDEPENDENT DIRECTORS.

(1) Shri N K Daga (2) Shri R.M.Shah and (3) Dilip Chandak are Independent Directors of the Company and have held the positions as such for more than 5 (five) years. Mr. N.K.Daga retires by rotation at the ensuing AGM under the provisions of the Companies Act, 1956 and the other two Directors though not retiring this year are also liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Shri N K Daga, is seeking re-election and at the same time Shri R. M. Shah, and Shri Dilip Chandak though not retiring at the ensuing AGM, are offering themselves for re-election as independent directors.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of 1.Shri N K Daga 2.Shri R.M.Shah and 3. Shri.Dilip Chandak for the office of Independent Directors, to be appointed as such under the provisions of the Companies Act, 2013.

The Company has received from Shri.N K Daga Shri. R. M. Shah and Shri. Dilip Chandak (i) consent in writing to act as directors in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

It is proposed to appoint Shri N K Daga, Shri R.M. Shah and Shri.Dilip Chandak as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years.

In the opinion of the Board, Shri. N K Daga, Shri. R.M. Shah and Shri Dilip Chandak fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and they are independent of the management.

Brief resume of Shri. N K Daga, Shri. R.M Shah and Shri. Dilip Chandak, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Shri. N K Daga, Shri. R.M.Shah and Shri. Dilip Chandak as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri. N K Daga, Shri. R. M. Shah and Shri. Dilip Chandak are interested in the resolution set out respectively at Item No 4, 5 and 6 of the Notice with regard to their appointment.

The relatives of Shri. N K Daga, Shri. R. M. Shah and Shri. Dilip Chandak may be deemed to be interested in the resolutions set out respectively at Item No. 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the three Ordinary Resolutions set out at Item No. 4, 5 and 6 of the Notice for approval by the shareholders.

Item No 7: APPOINTMENT OF MR. ANIRUDH MOHTA AS MANAGING DIRECTOR.

Tenure of Mr. Madan Mohan Mohta and Mr. Anirudh Mohta as Chairman and Managing Director and Joint Managing Director respectively expired on 31st March 2014. Based on an interpretation of new law, the board in its meeting held on 1st April 2014 appointed Mr. **Madan Mohan Mohta** as Whole Time Director and Mr. **Anirudh Mohta** as Managing Director on almost the same terms and conditions that prevailed earlier, namely salary of Rs. 75,000/- per month to Mr. Madan Mohan Mohta and Rs. 50,000/- per month to Mr. Anirudh Mohta on two year tenure, which was subject to the approval of the Central Government. However, the Board was advised that approval of Central Government is not necessary in the present case. Therefore, based on the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 8th August 2014 partially modified the terms of appointment of Mr. **Anirudh Mohta** (DIN 00065302), as the Managing Director from Rs. 50,000/- per month to Rs. **1,50,000/-p.m. from 1st August 2014** on a time scale of five years. So far as Mr. Madan Mohan Mohta is concerned, he resigned from his office as Whole Time Director and has elected to remain as a Non Executive Chairman of the Board of Directors. The salient features of the terms of appointment of Mr. **Anirudh Mohta** as Managing Director are as under.

Duties & Responsibilities	To look after whole and substantially whole of the affairs of the Company including day today affairs, subject to the control, supervision and superintendence of the Board of Directors.
Tenure	Five years i.e. from 1 st April 2014 to 31 st March 2019
Remuneration	Rs. 50,000/- p.m. for the months of April, May, June and July 2014 and thereafter from 1 st August 2014, in the time scale of Rs. 1,50,000 - 15,000 - 1,65,000 - 15,000- 1,80,000 - 15,000 - 1,95,000 - 15,000 - 2,10,000
Perquisites & allowances	<ol style="list-style-type: none"> 1. Leave Travel Allowance: Leave Travel Allowance in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company. 2. Other Allowances: Club Membership Fees for 2 Clubs. 3. Medical Reimbursement: Reimbursement of actual medical expenses incurred as per the rules of the Company, namely not exceeding one month's salary per year. 4. Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time. Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
Others including Retrials:	<ol style="list-style-type: none"> 1. Contribution to Provident Fund: Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961. 2. Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972. 3. Leave: Leave with full pay or encashment thereof as per the Rules of the Company. 4. Conveyance: He shall be entitled to a chauffeur driven car. 5. Communication: Reimbursement of residential telephone expenses and cell phones. 6. Other Facilities: Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.
Overall remuneration	<p>The aggregate of salary and perquisites in any financial year shall be governed by the provisions of Part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof as may, for the time being, be in force; and</p> <p>Other Terms and Conditions: Other terms and conditions of appointment of Mr Anirudh Mohta, the Managing Director are as under: The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. In the event of either Managing Director desires to resign or the Company seeks his termination, One month notice or salary in lieu thereof from either side shall be applicable.</p>

The Board has proposed to pay the above remuneration as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year during the period of five years from the date of appointment. Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, appointment of Mr Anirudh Mohta as the Managing Director of the Company and payment of remuneration (including as minimum remuneration) is subject to the approval of shareholders by way of ordinary Resolution.

The Board of Directors of the Company commend passing of the Resolution.

A copy each of the Resolution passed by the Board of Directors and the Nomination and Remuneration Committee at their respective meetings held on 1st April 2014, and on 8th August 2014 as well as the opinion of the eminent counsel on non applicability of Central Government approval to his appointment and payment of remuneration are available for inspection by Shareholders at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to 11th September 2014.

MEMORANDUM OF INTEREST

Mr Anirudh Mohta, Managing Director, and his relatives, Mr Madan Mohan Mohta and Mrs Urmila Devi Mohta may be deemed to be interested in the Resolution at Item No. 7 of the Notice.

Save as aforesaid none of the Directors and Key Managerial Personnel of the Company, and their relatives, is in any way, concerned or interested in the said resolution.

Details of Director pursuant to Clause 49 of the Listing Agreement (Details as on August 8, 2014):-

Name of Director	ANIRUDH MOHTA
DIN	00065302
Date of Birth	16 th September 1975
Nationality	INDIAN
Date of Appointment on the Board	18 th August 1994
Relationship with Other Director	Son of Mr. Madan Mohan Mohta and Mrs. Urmila Devi Mohta
Qualifications	B.E. (IP)
Experience and expertise in specific functional area	19 years in running Hydraulic Industry
Shareholding in the Company	68,260 Equity Shares (i. e 3.82% of Total Equity Share Capital)
List of Directorship held in other companies	1. Sri Ramachandra Enterprises Pvt Ltd 2. Bemco Precitech Pvt Ltd 3. U D Polyproducts Pvt Ltd 4. Mohta Capital Pvt Ltd
Chairman/Member of the committees of the Board of other Companies in which he is a director	NIL

Item No 8 : ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION CONSEQUENT TO ENACTMENT OF COMPANIES ACT, 2013

The Articles of Association ("AoA") of the Company as presently in force were replaced in January 1984 from what they were when the Company was incorporated in 1957. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the New Act several regulations of the existing AoA of the Company require alteration or deletions in several clauses of the Article. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention

- is invited to certain salient provisions in the new draft AoA of the Company viz:
- Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
 - New provisions relating to appointment of Chief Executive Officer and Chief Financial Officer, in addition to manager and Company Secretary;
 - Existing articles have been streamlined and aligned with the Act;
 - The statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
 - Provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication - their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

MEMORANDUM OF INTEREST

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No 9 : AUTHORITY TO KEEP THE REGISTER OF MEMBERS AND RELATED CORRESPONDENCE AT RTA'S OFFICE IN MUMBAI.

Equity shares of the Company are listed on (BSE) Bombay Stock Exchange and pursuant to the SEBI directive dated 31st December 2002, bearing no. D &CC/FITTC/CIR-16/2002 on appointment of common agency for shares in the demat and physical mode, it has appointed Adroit Corporate Services Pvt. Ltd, 19, Jaferboy Industrial Estate, 1st Floor, Makwana Road, Moral Naka, Mumbai 400059 (RTA) as its common Agency for shares in both the aforesaid modes. The Register of members, Register of Transfers and related correspondence is maintained by the RTA in Mumbai i.e. at a place outside the city limits of Belgaum where the registered office of the Company is situated. The city of Belgaum has no SEBI recognized Registrar and Share Transfer Agents as it is a small town in north Karnataka. The Company could not seek approval through a special resolution of the members of the company for such maintenance of register of members and relevant records in Mumbai because it has been advised that formality of special resolution under the proviso to section 163(1) of the Companies Act, 1956 is not effective as the place where these registers are maintained is outside the city limits of the Belgaum, where the Company's registered office is situated.

Now however, pursuant to the proviso to Section 94 of the Companies Act, 2013, the Companies are permitted to keep such register, returns, certificates and documents at a place other than its Registered Office where more than 1/10th of the total number of Members entered in its Register of Members reside. Out of 2072 (two thousand seventy two) members of the Company, 283 reside in Mumbai which is more than 10 per cent of the total number of members excluding 9(nine) members who reside in Navi Mumbai, which is a part of Mumbai but falls in Thana District. Therefore, the Board has decided to seek members consent through a special resolution to keep the members register at its RTA office in Mumbai.

A copy of this proposed special resolution in the draft form is being filed with the Registrar of Companies, Karnataka, Bangalore as envisaged in first proviso to section 94 of the Companies Act, 2013.

The board commends this special resolution for consideration by the members.

MEMORANDUM OF INTEREST

None of the Directors of the Company or key managerial personnel or their relatives are interested in this special resolution.

By Order of the Board of Directors
For **BEMCO HYDRAULICS LIMITED**

ANIRUDH MOHTA
Managing Director
Din 00065302
2, Mohanam, 10th Cross, Bhagyanagar,
Belgaum - 590 006, Karnataka.

Registered Office:

Udyambag, Industrial Estate, BELGAUM-590008

CIN : L51101KA1957PLC001283

E-mail : isc@bemcohydraulics.net

Dated : 08th August 2014

BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)**Registered Office :** Udyambag, Industrial Estate, BELGAUM - 590 008Email: isc@bemcohydraulics.net **Website:** www.bemcohydraulics.com**Phone No.:** 0831-4219000, Fax No.0831-2441263

DIRECTORS' REPORT

To

Dear Shareholders,

Your Directors have pleasure in presenting the **56th ANNUAL REPORT** together with the Audited Accounts of the Company for the year-ended 31st March 2014.

FINANCIAL RESULTS:

The Financial results for the year under review in comparison with the previous year are given below:

	2013-2014 Rs.	2012-2013 Rs.
1 Gross Profit/(Loss) for the year after meeting all operating expenses but before interest and depreciation amounts to:	(1,77,34,229)	4,66,50,616
2 Deduction there from: Interest	3,93,10,119	3,04,12,042
3 Profit before depreciation	(5,70,44,348)	1,62,38,574
4 Depreciation for the year	1,20,44,807	61,73,918
5 Profit before Taxation - (PBT)	(6,90,89,155)	1,00,64,656
6 Provision for Taxation	-	(21,10,750)
7 Deferred Tax	2,14,97,000	(15,36,000)
8 Profit after Taxation - (PAT)	(4,75,92,155)	64,17,906
9 Income tax Earlier Years	(72,910)	(8,08,629)
10 Net Profit	(4,76,65,065)	56,09,277
11 Surplus brought forward	1,04,52,185	1,01,92,783
12 Profit Available for Appropriation	(3,72,12,880)	1,58,02,060
13 Transferred to general Reserve	-	10,00,000
14 Transferred to Capital redemption Reserve	-	-
15 Provision of Dividend on Preference Shares	-	37,18,000
16 Provision for Income Tax on Dividend	-	6,31,874
17 Balance carried to Balance Sheet	(3,72,12,880)	1,04,52,186

DIVIDEND:**On Equity:**

ON account of loss sustained during the year, the Board regrets its inability to recommend any dividend on equity shares.

On Preference Shares:

Considering the loss for the year under report, the Company proposes not to pay dividend, amounting to Rs. 37,18,000/-, on 3,38,000 Nos of Cumulative Redeemable Preference Shares @11% for the year-ending on 31st March 2014. This contingent liability has been carried forward, which has to be discharged against future profits.

CHANGE IN CAPITAL:**Equity:**

During the year under report, your company has raised the equity share capital to the tune of Rs. 34,00,000/- by issuing 3,40,000 Equity Shares, having face value of Rs. 10/- each @ the price of Rs. 60/- each to the Promoters and other than Promoters, on Preferential Basis. Thus the equity Capital has been increased by Rs. 34,00,000/- and Security Premium has been increased by Rs. 1,70,00,000/-

Preference Shares:

In terms of the issue 18,000/- Redeemable, Cumulative preference Shares which were due on 31st March 2014 have been redeemed from out of the proceeds of fresh issue.

OPERATING RESULTS AND PROFITS:

The estimated Gross revenue, during year under report has been hit by not only by Indian recessionary trend but also by downward trend in Global Economy.

The company's status in this respect is as under:

- The net Revenue Income during year under review has been decreased by **16.87%**
- Gross loss during the year under review is **Rs. 177.34 Lakhs** as against the Gross profit of **Rs. 466.51 Lakhs** during the previous year ended on 31st March 2013.
- The Loss for the year 2013-14 contains a Big Impact of:
 1. Rs. 108.04 Lakhs on account of Currency Fluctuation on the payables of Foreign Currency to the foreign collaborators, which is not the actual loss but it is notional loss and are required to be accounted for, as per the Indian Accounting Standards.
 2. Rs. 36.03 Lakhs on account of Provision for the receivables more than three years which are actually not the bad debts, but, again those are accounted for, as per the Indian Accounting Standards.
- However, looking at future growth, the company has extended the production facilities by investing in additional factory shed, plant and machinery.

FUTURE PROSPECTS:

Your company is in continual process of changing over of product-mix by using the advanced technology & adding some critical components in the product list of the company.

At present your Company has already executed the orders worth **Rs. 1287.46 Lakhs** till date and the orders worth **Rs. 1966.24 Lakhs** are in hand to execute in the current year. In addition to this, orders worth **Rs. 1591.93 Lakhs** are in pipelines. Further healthy enquiries are being received regularly, and the management feels that most of them will be converted into firm orders. However, company is setting the sales target, for 2014-15, of Rs. 3720/- Lakhs on conservative basis.

To sum up, the outlook for the next year looks bright.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 (THE Act) the Directors, based on the representation received from the Operating Management, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures from the same.
- (ii) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period.
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared annual accounts of the Company on a 'Going Concern' basis.

CHANGE IN EXECUTIVE DIRECTORS

Tenure of Mr. Anirudh Mohta as Joint Managing Director of the Company expired on 31st March 2014 and he has been appointed as the Managing Director, in the Board Meeting held on 1st April 2014.

Mr. M. M. Mohta - Chairman and Managing Director of the Company whose tenure too expired on 31st March 2014 and was reappointed as executive Director in the Board meeting held on 1st April 2014. However, he expressed his unwillingness to continue as Executive Director and resigned from his post. Considering his request, Board has appointed him as Non Executive Chairman of the Company

In view of resignation of Mr. M. M. Mohta from his executive post, the Board has revised the remuneration package of Mr. Anirudh Mohta with effect from 1st August 2014 in Board meeting held on 8th August 2014.

APPOINTMENT OF KMPS:

Board has appointed Mr. Anirudh Mohta -Managing Director and Mr. R. B. Patil - CFO of the Company as Key Managerial Persons (KMP) in pursuance of provisions under Section 203 of the Companies Act 2013. The Company has already initiated steps to appoint a whole time Company Secretary in terms of section 203 of the Companies Act, 2013.

SECRETARIAL COMPLIANCE REPORT:

Pursuant to Section 383A (1) of the Companies Act, 1956 secretarial compliance Certificate from a practicing Company Secretary is attached hereto for the year ended 31st March 2014.



PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of section 217 (2A) of the Companies Act 1956, read with the Companies (Particular of the Employees Rules) 1975 as amended, regarding particulars of employees is not applicable as none of the employees of the Company is given remuneration in the scale specified by that section

PUBLIC DEPOSITS: U/S 58A of the Companies Act, 1956:

There is no Fixed Deposit liability as on 31st March 2014, further, the Board declares that during the financial year 2013-14, the Company has not accepted any public deposits or unsecured loans falling within the purview of section 58A of the Companies Act, 1956.

RETIRING DIRECTORS BY ROTATION:

Smt. U. D. Mohta and Mr. N. K. Daga retire by rotation and are eligible for re-appointment. Nonetheless, taking note of the provisions of section 149 of the Companies Act, 2013 governing independent Directors, the Board has proposed appointments of all three existing non executive independent Directors as such as they are eligible to be so appointed.

AUDITOR & AUDIT REPORT:

M/S A. C. Bhuteria & Co., Chartered Accountants, Kolkata statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Auditors have confirmed their eligibility and willingness to accept the audit assignment, if re-appointed.

The Auditors have at clause XI in annexure to their report pointed out delay in repayment of dues to bank and financial institution, the board would like to stress the fact that on account of non recovery of timely dues from the company's customers, small delay occurred in repayment of bank dues this is temporary aberration and the account is now regular. The Bankers have confirmed that this does not constitute default under banking norms.

The Auditors Report is attached which is self explanatory.

COST AUDITOR & COST AUDIT REPORT:

The company has appointed Mr. UMESH NARASIMHA KINI, Cost Accountant, for conducting Cost Audit for the F.Y. 2013-14. The due date for filing of the Cost report is 30th September 2014. The report is under preparation.

PERSONNEL:

The industrial relations during the year remained extremely harmonious. The Directors wish to place on record their appreciation of the hard work and continuous efforts as well as valuable support rendered by the employees at all levels under review.

HEALTH AND SAFETY OF THE EMPLOYEE:

Health and safety of the employee has always been prime concern of the company and company has a medical officer to have routine checkup on the health of the employees.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY:

a.	Energy conservation measures taken	The present manufacturing process employed is not energy intensive and hence, there is limited scope for conservation of energy. However, efforts are being made to keep the consumption of power and fuel at minimum.
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	NIL
c.	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;	NIL
d.	Total energy consumption and energy consumption per unit of production as per Form A.	No statement in Form A pursuant to Companies (Disclosure of Particulars in the Report of the Board) 1988 is annexed as the company is not engaged in the activity specified in the schedule A to the said Rules.

B. Technology absorption:

e.	Efforts made in technology absorption.	As per Form B given below
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Form B
Research and development (R & D)

1.	Specific areas in which R & D carried out by the company	NIL
2.	Benefits derived as a result of the above R & D	NIL
3.	Future plan of action	NIL
4.	Expenditure on R & D	
	a. Capital	NIL
	b. Recurring	NIL
	c. Total	NIL
	d. Total R & D expenditure as per percentage of total turnover	NIL

Technology absorption, adaptation and innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	Nil
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil.
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished: a. Technology imported. b. Year of import. c. Has technology been fully absorbed? d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	Nil Not Applicable

C. Foreign exchange earning and outgo:

f.	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;	The Company is exploring the possibilities / avenues for increasing Export earnings in foreign currency. Company has its own website www.bemcohydraulics.net for global marketing.
g.	Total foreign exchange used and earned.	As per the table below

C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNING IN FOREIGN CURRENCY

Particulars	2013-2014 Rs.	2012-2013 Rs.
i). C.I.F. Value of Imports: Raw Materials And Components	54,65,317	54,65,317
ii). Expenditure in Foreign Currency: (paid/payable)		
Traveling	3,45,987	4,90,066
Exhibition Expenses: (InnoTrans Berlin Germany)	6,96,509	8,27,265
Technical Know How (Paid/Payable)	1,59,31,128	3,19,79,161
Technical Assistance	51,09,065	Nil
Agency Commission	Nil	Nil
iii). Earnings in Foreign Exchange: FOB value of Exports	65,76,500	1,68,08,693

CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Practicing Company Secretary confirming compliance forms part of this Report.

APPOINTMENT OF COMMON AGENCY FOR SHARE REGISTRY WORK

The Company has appointed M/S Adroit Corporate Services Private Limited, Mumbai to handle all the work related to Share Registry in terms of both Physical and Electronic mode, w. e. f. 1st February 2003, in pursuance with the Circular No. 15 dated December 27, 2002 issued by the Securities and Exchange Board of India.

DISCLOSURE AS PER LISTING AGREEMENT

The equity share of the company is listed on The Bombay Stock Exchange, and the company has paid the listing fees for the year 2013-2014. During the year there was no suspension in trading of the securities of the Company.

DISCLOSURE PURSUANT TO SECTION 22 OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is notified w. e. f. 22nd April 2013 and requires every employer to comply with its provisions and make a disclosure of the number of cases occurring under the Act. Your Company has already constituted an internal committee and as on date there were no complaints received as shall be apparent from the table of complaints mentioned below.

Sr. No.	No of cases filed under the Act before the internal committee	No of disposal under the Act
1	NIL	NIL

ACKNOWLEDGEMENT:

The Directors wish to convey their appreciation to all of the Company's Employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, suppliers, bankers, Government and all other business associates for their continuous support given by them to the Company and their confidence in management.

For and on behalf of the Board

M. M. MOHTA
 Chairman
DIN-00068884
 2 Mohanam, 10th Cross,
 Bhagya Nagar,
 Belgaum, 590006, Karnataka,

ANIRUDH MOHTA
 Managing Director
DIN-00065302
 2 Mohanam, 10th Cross,
 Bhagya Nagar,
 Belgaum, 590006, Karnataka,

Place : BELGAUM
 Dated : 08th August 2014

Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given below:

1. Company's Philosophy on Code of Corporate Governance.

Bemco Hydraulics Limited is committed to good Corporate Governance. The Mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange have been fully implemented by your Company. The principles of transparency, accountability, trusteeship and integrity are at the core of the Company's basic character. The Company firmly believes in the right of its stakeholders to information regarding the Company's business and financial performance.

The Company continues to commit itself to maintain the standards of integrity, transparency, accountability and equity in all facets of its operations and all its interactions with its stakeholders including the shareholders, employees and government. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholders value, keeping in view the needs and interest of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

2. Board of Directors

a. Composition of the Board

During the financial 2013-14, the strength of your Company's Board was six directors comprising of two executive directors and four non-executive directors. Three out of six Directors were Independent Directors, which duly complied with the requirement of clause 49 of the Listing Agreement especially as the Chairman of the Board happened to be an executive Chairman.

Name of the Director	Designation	Category of Directorship
Shri Madan Mohan Mohta	Chairman & Managing Director	Promoter Executive Chairman
Shri Anirudh Mohta	Joint Managing Director	Promoter Executive Director
Smt. Urmila Devi Mohta	Director	Promoter Non Executive Director
Shri R. M. Shah	Director	Non Executive Director Independent
Shri N. K. Daga	Director	Non Executive Director Independent
Shri Dilip Chandak	Director	Non Executive Director Independent

On 1st April 2014, Mr. Anirudh Mohta was appointed as the Managing Director of the Company and Mr. Madan Mohan Mohta, the Chairman and Managing Director gave up the office of Managing Director but accepted the office of whole time Director. However, on and from 8th August 2014, he has given up all executive offices in the Company and he has elected himself to remain as the Non Executive Chairman of the Board of Directors. Thus, presently, the Company has non executive chairman but still then the strength of independent Directors is 50% as against the requirement of minimum of 1/3 of the total number of Directors.

b. Number of Board Meetings

During the financial year under review, 7(Seven) Board Meetings were held on 28th May 2013, 13th August 2013, 17th September 2013, 14th November 2013, 15th January 2014, 14th February 2014 and 28th February 2014.

The meeting called on 30th August could not take place in absence of quorum.

The Meeting Called on 28th March 2014 was adjourned to 1st April 2014

c. Director's attendance record and directorship held.

Attendance of each Director at Board Meetings held during the financial year 2013-14 and the Annual General meeting (AGM) held on 29th July 2013, directorship and committee positions in other public companies of which Director is a member/ Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No	Name of Director	No of Shares held by Non-executive Directors	No. of Directorships in other Companies (#)	No. of Committee positions held in other Companies		Attendance at the Meetings	
				Chairman	Member	Board	AGM
Executive Director							
1.	Mr. Madan Mohan Mohta	N.A.	6	Nil	Nil	6	Present
2.	Mr. Anirudh Mohta	N.A.	5	Nil	Nil	7	Present
Non-Executive Director							
3.	Smt. Urmila Devi Mohta	N.A.	6	Nil	Nil	6	Present
Independent and Non-Executive Directors							
4.	Mr. R .M. Shah	5680	1	Nil	Nil	7	Present
5.	Mr. Dilip Chandak	-	5	Nil	Nil	7	Present
6.	Mr. N. K. Daga	-	-	Nil	Nil	7	Present

Notes:

Including private limited companies, Firms, Trust & HUFs.

No Director is related to any other Director on the Board in terms of provisions of Companies Act, 1956, except for Mr. Anirudh Mohta and Smt. Urmila Devi Mohta who are related to Mr. Madan Mohan Mohta as Son and Wife.

d. Information supplied to the Board.

During the year 2013-14, information as mentioned in Annexure 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration, namely

- Annual operating plans and budgets and any updates.
- Capital budget, purchase and disposal of plant, machinery and equipment.
- Quarterly, half yearly and annual results of the company.
- Minutes of the meeting of the audit committee and other committees of the board.
- Information on recruitment and remuneration of senior officers just below the board level.
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal and serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non- payments by clients.
- Any issue which involves possible public or product liability/claims of substantial nature.

The aforesaid information is generally provided as a part of the agenda of the Board Meeting or is placed at the table during the course of the Meeting. The senior management staffs are also invited to the Board Meeting to present reports on the Company's operations and internal control systems. The detailed agenda is sent to the Directors a week before the Board Meeting. In special and exceptional circumstances, additional or supplementary items(s) on the agenda are permitted to be taken up as 'any other item' with the permission of the Chairman. The Board also periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

3. Board Committees

The Company has constituted Board level Committees to delegate particulars matters that require greater and more focused attention in the affairs of the Company. All the decisions pertaining to the constitution of Committees are taken by the Board of Directors of the Company.

As on 31st March, 2014 the Company has four (4) Board level Committees namely the Audit Committee, Remuneration Committee, Shareholder's/Investors' Grievance Committee and the Share Transfer Committee.

a. AUDIT COMMITTEE:

Though section 292A of the Companies Act 1956, is not applicable to this company as its paid-up capital is less than Rupees Five Crores, Clause 49(II)(d) is applicable to the Company as the capital is more than Rupees Three Crores on an from 5th August 2011. Thus, the board has constituted the Audit Committee.

As on March 31, 2014, the Audit Committee comprises of two Independent Directors & one Executive Director viz Shri R. M. Shah - Chairman, Shri Dilip Chandak- Member, Shri Anirudh Mohta- Joint Managing Director. All Members of the Audit Committee possess accounting and financial management knowledge.

The Audit Committee met four times during the year on 28th May 2013, 13th August 2013, 14th November 2013 & 14th February 2014. The maximum time gap between any two consecutive meetings did not exceed four months. The minutes of the meetings of the Audit Committee are

reviewed and noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid are given below:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Shri R. M. Shah	Non- Executive Director - Independent	Chairman	4
Shri Dilip Chandak	Non-Executive Director - Independent Director	Member	4
Shri Anirudh Mohta	Executive Director - Joint Managing Director	Member	4

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 29th July 2013 to answer shareholder queries.

Further the Audit Committee has been granted powers as prescribed under Clause 49 (II)(C) of the Listing Agreement.

The terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the replacement or removal of the statutory auditor, internal auditor and practicing company secretary and the fixation of their fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the Management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - a. Matters required as part of the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing with the Management, quarterly and half-yearly financial statements before submission to the Board for Approval.
- Reviewing with the Management, performance of the Statutory and internal auditors and adequacy of the internal control systems.
- 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.
- Discussion with the internal auditors of any significant findings and follow-up thereon.
- 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.
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post audit discussion to ascertain any areas of concern.
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

The powers of the Audit Committee, pursuant to its terms of reference, include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if considered necessary;

Further, the Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee) submitted by Management.
- Management letters/ letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Internal Auditors;
- The uses/applications of funds raised through an issue (public issue, rights issue, preferential issue etc.) by major category (Capital expenditure, Working Capital etc) as a part of the review of the quarterly financial statements;

- If applicable, on an annual basis, statements duly certified by statutory auditors, regarding utilization of funds for purposes other than those stated in the offer documents/prospectus/notice issued for raising funds through public issue, rights issue, preferential issue etc. and shall recommend to the Board appropriate steps to be taken up in the matter;

The Audit Committee is also appraised on information with regard to related party transactions and periodically presented with the following statements/details:

- Statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties, which are not in the ordinary course of business, if any.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis, if any, together with Management's justification for the same.

b. REMUNERATION COMMITTEE

a. Terms of Reference

The Board of Directors had formed a Remuneration Committee of Directors with a mandate for policy on HR matters including compensation, career management and succession planning. The Committee also looks after the compensation structure at the Board level. The Committee consists of 3 Non-Executive-Independent Directors. During the year, under review there was no appointment/increase in managerial remuneration no meetings were conducted. The re-appointment of Mr.Anirudh Mohta as Managing Director falls in the financial year 2014-15 and terms of his re- appointment are approved by the Remuneration Committee.

b. Remuneration Policy.

The Remuneration of managerial personnel is determined by the Board of Directors taking in to account the parameters laid down in schedule XIII to the Companies Act, 1956, and now the schedule V of Companies Act 2013. So far the Company has remunerated its managerial personnel well within the limits laid down in schedule XIII and V and shareholders' approval is obtained in the next annual general meeting held immediately after the appointment. In the notice convening the 56th annual general meeting, there is an ordinary resolution seeking to confirm the appointment and payment of remuneration to Mr. Anirudh Mohta. Remuneration of Whole-time/Managing/Executive Directors largely consists of base remuneration, perquisites, gratuity, bonus and other allowances. The Non- Executive Directors are entitled to sitting fee for attending the meetings of the Board.

The details of Remuneration paid/payable during the year to Directors are as under:-

Name of the Director	Amount (Rs.)				
	Basic Salary & Allowances	Perquisites	Retirement Benefits	Sitting Fees	Total
Shri Madan Mohan Mohta	12,90,000	23,737	1,62,000	-	14,75,737
Shri Anirudh Mohta	8,60,000	14,487	1,08,000	-	9,82,487
Smt. Urmila Devi Mohta	-	-	-	6,000	6,000
Shri R.M.Shah	-	-	-	8,000	8,000
Shri N.K.Daga	-	-	-	8,000	8,000
Shri Dilip Chandak	-	-	-	6,000	6,000

c. SHAREHOLDERS' /INVESTOR'S GRIEVANCE COMMITTEE.

The Board of Directors of the company has constituted the Shareholder's Investor's Grievance Committee, in terms of Clause 49 of the Listing Agreement.

The Company attaches highest importance to the Investor relations. The Board of Directors of the Company has constituted the Shareholders'/Investors' Grievance Committee to focus on the prompt and effective redressal of the shareholders complaints and grievances and strengthening of the Investor relations.

a) Terms of reference

The committee acts in accordance with the terms of reference specified by the Board from time to time as per the guidelines set out in the Listing Agreement of the Stock Exchanges, which inter-alia include overseeing and reviewing all matters connected with investors' complaints and redressal mechanism as per applicable statutory and regulatory provisions.

The gist of terms of reference is as under:

- Redressing complaints and grievances of shareholders pertaining to transfer of shares, non receipt of annual reports, and non receipt of dividends declared dematerialisation/rematerialisation of shares etc.
- Overseeing the performance of Registrar and Share Transfer Agents.
- Reviewing all matters connected with Servicing of Investors.
- Recommending measures for overall quality improvement for Investors Services.

b) Composition

As on 31.03.2014, the Shareholders'/Investors' Grievance Committee comprised of 3 (Three) members, of this, 1 (one) member is Non-Executive Independent Director who is Chairman of the Committee, 1 (One) is Executive Non-Independent Promoter Director and 1 (One) is Compliance Officer of the Company. The Committee met four times during the year on 28th May 2013, 13th August 2013, 14th November 2013 & 14th February 2014. The attendance of members was as follows:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Shri Dilip Chandak	Non- Executive Director - Independent	Chairman	4
Shri M.M.Mohta	Executive Director - Non-Independent	Member	4
Shri R.B.Patil	Compliance Officer	Member	4

The Company has designated the E-mail ID: isc@bemcohydraulics.net exclusively for the purpose of registering complaints by investors electronically in terms of the requirement of Listing Agreement. This E-mail ID is displayed on the Company's Website. i.e.: www.bemcohydraulics.net.

Shri R.B.Patil, General Manager Finance, is the Compliance officer of the Company. During the year under review, the Company had not received any complaint from shareholder.

d. SHARE TRANSFER COMMITTEE

Share Transfer Committee of Directors was constituted by the Board of Directors. The Board has delegated the powers of share transfer, transmission and transposition to the Committee comprising of Executive and Non-executive Directors. The Committee attends the share transfer formalities once a month. The business transacted at the meeting is placed before the Board regularly.

a. Terms of reference

Terms of Reference of the Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges in India and pursuant to the provisions of the Articles of Association of the Company. The Committee has been delegated authority and power to administer share transfer activities, formalities and mechanism.

Gist of terms of reference

- To approve and effect transfer of shares.
- To approve transmission of shares.
- To approve transposition of names.
- To issue duplicate share certificates, as and when, required and also to issue certificates in respect thereof under the Common Seal of the Company.
- To confirm demat/remat requests.
- To do all such acts and deed as may be necessary and/or incidental to the above.

b. Composition

As on 31.03.2014, the Shareholders'/Investors' Grievance Committee comprised of 3 (Three) members, of this, 1 (one) member is Non-Executive Independent Director who is Chairman of the Committee, 1 (One) is Executive Non-Independent Promoter Director and 1 (One) is Compliance Officer of the Company. During the year, the Committee had 6 (six) Meetings for approval of transfer of shares lodged with the Company and the attendance of members was as under:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Shri Dilip Chandak	Non- Executive Director -Independent	Chairman	6
Shri M.M.Mohta	Executive Director - Non-Independent	Member	6
Shri R.B.Patil	Compliance Officer	Member	6

There were no valid share transfers pending for registration for more than 30days as on 31.03.2014.

4. Subsidiary Company

The Company does not have any wholly owned subsidiary or subsidiaries.

5. General Body Meeting

A. Location and time of last three Annual General Meetings held:

Financial Year	AGM	Date	Time	Location
2012-13	55	29.07.2013	3.30 PM	Registered office of the Company at: Khanapur Road, Udyambag, BELGAUM – 590 008
2011-12	54	30.07.2012	3.30 PM	Registered office of the Company at Khanapur Road, Udyambag, BELGAUM – 590 008
2010-11	53	29.07.2011	3.30 PM	Registered office of the Company at Khanapur Road, Udyambag, BELGAUM – 590 008

B. Details of special resolutions passed in the previous three Annual General Meetings.

AGM Date	As per Companies Act, 1956 U/s	Particulars of Special Resolutions
14.02.2014	81(1a)	Authorizing board to issue and allot 3,40,000 equity shares to promoters and other than promoters' on preferential basis at a premium of Rs. 50 per share.
29.07.2013	293(1)(d)	Borrowing Power, by way of loans of the Board of Directors shall not exceed the sum of Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only)
30.07.2012	293(1)(d)	Borrowing Power, by way of loans of the Board of Directors shall not exceed the sum of Rs. 15,00,00,000/- (Rupees Fifteen Crores Only)
29.07.2011	94,16,31	Increase in Authorized Share Capital of the Company from Rs.4.00 Crores to Rs.8.00 Crores and authorization to Board to issue and allot 3,00,000 redeemable preference shares of Rs. 100 each to promoters and promoter group. .

C. No special resolution for the equity shareholders was put through Postal Ballot in last year, as there were no such items, which required passing through Postal Ballot.

6. GREEN INITIATIVES DRIVE BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA.

The Company, as a responsible corporate citizen welcomes and supports the green initiatives taken by the Ministry of Corporate Affairs, Government of India by as circular, enabling electronic delivery of documents to the shareholders. The Company has sent the communication to the shareholders by electronic mode at their e-mail address registered with the Depository/Registrar & Share Transfer Agent and all such communications were immediately uploaded on Company's website.

7. DISCLOSURES

a. Related party Transactions

Related party transactions during the year have been disclosed in the Notes to Accounts in the Annual Report as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. The transactions with the Companies, where the Directors of the Company were interested, were in the normal course of business and there were no related party transactions that had potential conflict with the interest of the Company at large.

b. Disclosure of accounting treatment.

In preparation of the Financial Statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies have been set out in the notes to accounts.

c. Risk Management.

Your company has already taken the steps to cope up with market as well as uncertain market condition risks, by diversifying and focusing on fixed and long term customers particularly from Government Sectors like Indian Railway. Also Company is in continuous process of forecasting the threats well in advance so as to find the alternates to overcome such threats.

Management is very keen on avoidance/minimizing the business threats those may be from outside as well as from internal.

Having said this company cannot be wholly insulated from market conditions.

Management perceives the market conditions as the prime risk factor.

d. Management Discussion and Analysis Report.

Management discussion and Analysis forms part of the Director's Report and is given separately in the Annual Report.

e. Information pursuant to Clause 49IV(G) of the Listing Agreement.

A brief resume and name of the Companies in which Director, who are being appointed/re-appointed, hold Directorship/Committee Membership are given in the notice of the 56th Annual General Meeting

of the Company under heading " Information about Directors seeking appointment/ re-appointment as required under the Corporate Governance Clause of the Listing Agreement."

Name of the retiring Director	Date of Birth	Qualification	Experience	Name of Other Companies in which she/he are Director	Share Holding in this Company
Shri R.M.Shah	05.04.1944	Diploma in Automobile Engineering	48 years experience as an automobile dealer. Director since 5 th January 1988.	Manickbag Automobiles Pvt Ltd	5680 of Equity Shares (i.e. 0.39% of Total Equity Capital)
Shri Dilip Chandak	15.07.1962	B. Com.	28 years experience in automobile spares business. Director since 29 th April 2004.	- Vega Auto Accessories Pvt Ltd - Vega Fun mobiles Pvt Ltd - Vega Composites Ltd - Vega Aviation Products Pvt Ltd - LSBS Developers LLP	Nil
Shri. Naval Kishore Daga	21.03.1941	B.Com	50 years experience in Trading business	Nil- Not Applicable	Nil

f. Details of non-compliance with regard to Capital Market.

There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

g. Details of Compliance with mandatory requirements.

The Company has fully complied with all the mandatory requirements of the Listing Agreement of the Stock Exchanges.

h. CEO/CFO Certificate

The company has complied with provisions under Clause 49(v) of listing agreement as to certification by CEO and CFO to the Board of Directors.

i. Details of adoption of non-mandatory requirements.

The Company has complied with and adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement:

1. Shareholder's Rights.

Since the Company publishes its quarterly results in newspapers (English and Kannada) having wide circulation, and since the results are also displayed on the website of the Company and that of Stock Exchange, the Company does not send any declaration of half yearly performance to the shareholders.

2. Whistle Blower Policy

The company has framed a whistle Blower Policy which has been accepted by the Board of Directors in its Meeting held on 28th May 2014.

Bemco Hydraulics Limited ("Bemco") is committed to complying with the domestic laws that apply to them, satisfying the Company's Code of Conduct and Ethics, and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face governmental investigation, prosecution, fines, and other penalties. That can be costly. Consequentially, and to promote the highest ethical standards, the Company will maintain a workplace that facilitates the reporting of potential violations of Company policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and free of any fear of retaliation.

e. Means of Communication

The Company has been disclosing financial performance i.e. quarterly, half-yearly and annual audited

financial results well within the stipulated period to the Stock Exchange after being approved by the Board. The results are normally published in the main editions of one national and vernacular daily such as Indian Express and Kannada Prabha. The Company has established its own website as www.bemcohydraulics.net and started displaying these results on Company web site.

f. General Shareholders Information.
i. Annual General Meeting:

Venue : Registered Office at Khanapur Road, Udyambag, BELGAUM-590 008
 Time : 3.30 PM
 Day & Date : Friday 12th September 2014

ii. Financial Year

1st April 2013 to 31st March 2014
 During the year the financial results were announced as under:
 First Quarter : 13th August 2013
 Second Quarter : 14th November 2013
 Third Quarter : 14th February 2014
 Annual : 28th May 2014

iii. Date of Book Closure:

Friday, August 29, 2014 to Friday, September 12, 2014 (both the days inclusive)

iv. Dividend Payment Date:

No dividend has been declared by the Company on equity shares for the financial year 2013-14.

v. Listing on Stock Exchange:

Sr.No.	Name of the Stock Exchange	Stock Code
1.	Bombay Stock Exchange, Mumbai	522650

vi. Market Price Data

Details of Monthly high/ Low during the year 2013-14 on the BSE

Stock Exchange	Bombay Stock Exchange (SCRIP Code - 522650)	
	High (Rs.)	Low (Rs.)
Apr-13	53.25	50.75
May-13	60.80	55.75
Jun-13	64.00	59.00
Jul-13	63.75	60.70
Aug-13	58.00	51.00
Sep-13	56.00	53.55
Oct-13	57.00	49.85
Nov-13	56.00	54.00
Dec-13	56.70	49.85
Jan-14	60.45	49.85
Feb-14	66.40	52.55
Mar-14	66.00	59.95

vii. Distribution of Shareholding:

The distribution of shareholding as on March 31, 2014

Sr. No.	No. Of Equity Shares held	No. Of Share holders	Percentage Of total Share-holders	No of Shares held	Amount (Rs.)	Percentage Of total Shares
1.	Up to - 500	2036	97.18	244096	244096	13.66
3.	501-1000	28	1.34	21208	212080	1.19
4.	1001-2000	13	0.62	17400	174000	0.97
5.	2001-3000	1	0.05	2500	25000	0.14
6.	3001-4000	2	0.10	7466	74660	0.42
7.	4001-5000	0	0	0	0	0
8.	5001-10000	1	0.05	5680	56800	0.32
9.	10001 & Above	14	0.67	1488350	14883500	83.30
	Total	2095	100.00	1786700	17867000	100.00

viii. Shareholding Pattern as on 31st March 2014. (Equity listed Capital)

S.No.	Category	No of Shares held	(%) Shareholding
1	Promoters/ persons acting in concert	13,33,270	74.62
2	Financial Institutions, Banks and Mutual Funds (Central Government & State Government)	93	0.01
3	NRI's, Foreign Nationals, OCBs and FIIs	1,000	0.06
4	Private Corporate Bodies	87,321	4.89
5	Indian Public	3,65,016	20.42
Total		17,86,700	100.00

ix. Shareholding Pattern as on 31st March 2014. (Redeemable Non Convertible Preference Non Listed Capital)

S. No.	Category	No of Shares held	(%) Shareholding
1	Promoters/ persons acting in concert	3,20,000	100

x. Registrar and Share Transfer Agent (R & T Agent)

The Company has appointed M/S. Adroit Corporate Services Pvt. Ltd as its Share Transfer Agents for both Physical and Demat. Shares Transfer in Physical form and other communication regarding shares, change of address etc., may be addressed to:

M/s. Adroit Corporate Services Pvt. Ltd
 19, Jaferbhoy Industrial Estate, Makawana Road,
 Marol Naka, Andheri (E), Mumbai - 400 059
 Phone No.022-2859 0942, 2859 4060, 2859 6060
 Fax No.022-2850 3748
 Email: adroits@vsnl.net

Share Transfer System.

- a. The applications for transfer of shares lodged at the Company's Registrar and Share Transfer Agent in Physical form are processed within 30 days of receipt of valid and complete documents in all respects. After such processing, the Registrar and Share transfer agent will issue share certificate to the respective shareholders within 30 days of receipt of certificate for transfer. Shares under objection are returned within a week's time. The transfer applications are approved periodically by the Share Transfer and Investor Grievance Committee of the Company.
- b. Pursuant to Listing Agreement, a certificate on half yearly basis is obtained from the Practicing Company Secretary for compliance with share transfer formalities by the Company.

Dematerialization of shares and liquidity.

As on 31st March 2014, 15,74,820 equity shares out of 17,86,700 of the total equity share capital being 88.14 % of the Company, were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN allotted to the Company's equity shares is INE142E01014

xi. Secretarial Reconciliation of Share Capital

A qualified practicing Company Secretary carried out the reconciliation of share capital pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued/paid-up listed equity capital of the Company.

The Secretarial reconciliation report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the dematerialisation form.

xii. PAN mandatory for transfer of shares

SEBI vide its circular dated May 20, 2009, has stated that for securities market transactions and off market transactions involving transfer of shares in physical form of Listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company or Company's RTA for registration of such transfer of shares in physical form. Accordingly shareholders are requested to furnish copy of PAN Card to the Company or its RTA for registration of transfer of shares in their name.

xiii. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity.

As on 31st March 2014, the Company has no outstanding GDRs/ADRs/warrants or any convertible instruments.

xiv. Plant Location & Address for Correspondence:

The Investors can personally contact or send their correspondence either to Share Transfer Agent or at the Company's following address:

BEMCO HYDRAULICS LTD

Khanapur Road, Udyambag

Belgaum - 590 008

Tel: 0831-4219000, 2441980, 2440173, 2440270,

Fax: 0831-2441263

Email : isc@bemcohydraulics.net

finance@bemcohydraulics.net

DECLARATION OF CODE OF CONDUCT

In accordance with Clause 49(I)(D)(ii) of the listing Agreement with the Stock Exchanges, I hereby confirm that all the directors and the senior management personnel of the Company have affirmed compliance with the code of conduct, as applicable to them for the financial year ended 31st March 2014.

For BEMCO HYDRAULICS LIMITED

ANIRUDH MOHTA

Managing Director

DIN- 00065302

2 Mohanam, 10th Cross, Bhagyanagar,
Belgaum, 590006, Karnataka.

Place : Belgaum

Dated : 8th August 2014

CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

In terms of Clause 49 of the Listing Agreement, it is certified as under that:

- a. The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain 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. There are, to the best of our knowledge and belief, 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 accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the company and have disclosed to the Auditors and the 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 propose to take to rectify these deficiencies.

- d. We have indicated to the Auditors and the Audit committee:
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board

M. M. MOHTA
Chairman
DIN-00068884
2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka,

ANIRUDH MOHTA
Managing Director
DIN-00065302
2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka,

Place : BELGAUM
Dated : 08th August 2014

S. R. DESHPANDE
COMPANY SECRETARY

150, BUDHWAR PETH
TILAKWADI, BELGAUM
deshpandecs@gmail.com
Phone : 0831-2467378
Cell : 9845058386

CERTIFICATE OF CORPORATE GOVERNANCE

To
THE MEMBERS
BEMCO HYDRAULICS LIMITED
KHANAPUR ROAD
UDYAMBAG
BELGAUM - 590 008

I have examined all relevant records of BEMCO HYDRAULICS LIMITED, for the purpose of certifying compliance of the conditions of corporate governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange for the financial year ended 31st March 2014. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of corporate governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished, in my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that subject to the observations that (1) *Company has not appointed whole time company secretary during the financial year, as it was not bound to appoint one in terms of section 383A of the Companies Act, 1956 read with applicable Rules as they stood during the year, as a result, the Company Secretary could not act as the Secretary to the Audit Committee and (2) Delay in submission of quarterly report on corporate governance,* the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

Place : Belgaum
Dated : 08th August 2014

S.R. DESHPANDE
Company Secretary
C.P. No. 1865

MANAGEMENT DISCUSSION AND ANALYSIS

Bemco Hydraulics Limited ('BEMCO' or 'the Company'), is known for more than five decades as capital Goods Manufacturer, particularly in Hydraulic Presses and its allied hydraulic equipments. Since inception, Bemco is serving the Nation by providing the quality products to various Government Sectors such as Defence, Indian Railways, Nuclear project, Space Centers etc. apart from many private sectors in India and overseas customers.

Since, we are press manufacturers basically and our expertise lies in the field of hydraulics and the most critical machines required for process of manufacture. With the experience in the field, we are improving the design, incorporating new features / updated technologies, from time to time, with the intention to supply the sophisticated presses to our customers' and also to meet the need of updated trend in the Indian and Overseas Market.

In the course, to fetch the Market need, earlier we had tied up with M/s Towler Brothers of UK - form manufacture of high pressure pumps, M/s. Vogel of Germany - for C frame presses and M/s. Cesare Galdabini of Italy - for servo presses.

OVERVIEW, STRUCTURE & DEVELOPMENT

Bemco has a proven track record of customization of hydraulic systems to many critical applications.

During past few years your company has spent on the Development of light weight hydraulics re-railing equipment. This equipment is primarily designed to re-rail all types of de-railed rail vehicles. However it is also used for various applications like lifting and shifting of heavy structures, girders, machineries etc. With all critical inputs imported from the reputed overseas manufactures, Bemco's Re-railing equipment is comparable with any global brands.

It is proud to mention here that Your Company is the sole supplier for re-railing Equipment to Indian railways and 3rd of its kind in the Globe. With the good response due to quality of product the overseas customers' have also shown their interest to have such a developed updated Re-Railing Equipment and we met with their requirement too.

Economy

Since past few years, not only the Indian Economy but overall Global Economy experiencing the many hurdles, while stepping forward on its way towards growth.

In spite of a big hit to Indian Economy during the year 2013-14, the management is seeing the rising sun in the forthcoming years as there is major political changes are being taken place and new positive.

Performance Highlights

The estimated Gross revenue, during year under report has been hit by not only by Indian recessionary trend but also by downward trend in Global Economy.

The company's status in this respect is as under:

- The net Revenue Income during year under review has been decreased by 16.87%
- Gross loss during the year under review is Rs. 177.34 Lakhs as against the Gross profit of Rs. 466.51 Lakhs during the previous year ended on 31st March 2013.
- The Loss occurred for the year 2013-14 contains the a Big Impact of:
 1. Rs. 108.04 Lakhs on account of Currency Fluctuation on the payables of Foreign Currency to the foreign collaborators, which is not the actual loss but it is Notional Loss and are required to be accounted for, as per the Indian Accounting Standards.
 2. Rs. 36.03 Lakhs on account of Provision for the receivables more than three years which are actually not the bad debts, but, again those are accounted for, as per the Indian Accounting Standards.
- However, looking at future growth company has extended the production facilities by investing in additional factory shed and plant & machinery.

Your company is in continual process of changing over of product-mix by using the advanced technology & adding some critical components in the product list of the company.

At present your Company has already executed the orders worth Rs. 1287.46 Lakhs till date and the orders worth Rs. 1966.24 Lakhs are in hand to execute in the current year. In addition to this, orders worth Rs. 1551.93 Lakhs are in pipelines. Further healthy enquiries are being received regularly, and the management feels that most of them will be converted into firm orders. However, company is setting the sales target, for 2014-15, of Rs. 3720/- Lakhs on conservative basis.

Company is studying the possibilities of adding the line of Mechanical Presses in its product mix which may help to grow its sales turnover.

To sum up, the outlook for the next year looks bright.

Internal Controls and their adequacy

BEMCO has a adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, periodical review by management, documented policies, guidelines and procedures.

Human Resources

During 2013-14, the focus from an organization development perspective was to implement strong processes and controls to continuously improve efficiencies and improve organization capabilities.

The process of realigning the organization along functional lines in various areas of business like business acquisition, business execution and technology adoption continued through 2013-14. On the operations side of business, management changes were undertaken to create more focus and greater accountability.

For and on behalf of the Board

M. M. MOHTA

Chairman

DIN-00068884

2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka,

ANIRUDH MOHTA

Managing Director

DIN-00065302

2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka,

Place : BELGAUM

Dated : 08th August 2014

S. R. DESHPANDE

COMPANY SECRETARY

CIN: L51101KA1957PLC001283

Authorised Capital: Rs.8,00,00,000/-

To

The Members,

BEMCO HYDRAULICS LIMITED

Regd. Office: Udyambag, Khanapur Road,

BELGAUM-590008

150, BUDHWAR PETH, TILAKWADI, BELGAUM

Phone: 0831- 2467378

Cell : +91 9845058386

deshpandecs@gmail.com

COMPLIANCE CERTIFICATE

I have examined the registers, records, books and papers of BEMCO HYDRAULICS LIMITED, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers, I certify that in respect of the aforesaid financial year:

1. Subject to the notes in the Annexure A, the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries there in have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Karnataka, Bangalore through the portal provided by the Ministry of Corporate Affairs, www.mca.gov.in within the time stipulated under the Act and the rules made there under. Attention is invited to Annexure 'C' that shows the forms and returns filed after the end of financial year but that relate to events during the financial year.
However, the Company was not required to file any form or return with the Central Government, Company Law Board, Regional Director or other authorities under the Act.
3. The Company being public company, the restrictive conditions in section 3(1)(iii) of the Act are not relevant.
4. The Board of Directors duly met 7 (seven) times respectively on 28th May 2013, 13th August 2013, 17th September 2013, 14th November 2013, 15th January 2014, 14th February 2014 and 28th February 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the minutes book maintained for the purpose. The meeting convened on 30th August 2013 was adjourned sine die and meeting convened on 28th March 2014 was adjourned to 1st April 2014.
5. The Company had closed its register of members from Monday, 15th July, 2013 to Monday, 29th July, 2013 (both the days inclusive) and necessary compliance of section 154 has been made.
6. The annual general meeting for the financial year ended on 31st March, 2013 was held on 29th July, 2013 after giving due notice to the members of the Company and others concerned and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the financial year on 14th February, 2014 after giving due notice to all members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose. The EOGM was held to pass a special resolution in terms of Section 81 (1A) of the Act, authorizing preferential allotment of 3,40,000 equity shares to promoter group companies and independent investor.
8. The Company has not advanced any loans to its directors or firms or companies referred to under section 295 of the Act as well as section 185 of the Companies Act, 2013 during the financial year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act in respect of arrangements with companies under the same management and Directors for acceptance of unsecured loans and payment of interest to them.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from Board of Directors, members or Central Government.
12. The Board of Directors has approved the issue of duplicate share certificates.
13.
 - i) (a) In respect of allotment of 3,40,000 equity shares of Rs. 10/- each made on 28th February 2014 the management informs that these shares were allotted in dematerialized mode and are listed on BSE. Attention is invited to the fact that the company is a listed company.

¹Pursuant to the MCA circulars on Green initiatives, the Company had sought for the e mail addresses of the members and as the response was not encouraging, the Company has posted printed annual report containing notice through regular post.

- (b) On the aspect of delivery of share certificates upon lodgment for transfer/ transmission, attention is invited to the fact that pursuant to the SEBI directive on appointment of common agency for shares in demats and physical mode, the Company has appointed M/s Adroit Corporate Services Pvt. Ltd. Mumbai (RTA) as its common Agents for both modes of shares. Relevant records in this regard are not available with the Company at its registered office. Nonetheless, the company has obtained certificates under clause 47C of the listing agreement on half yearly basis from Company Secretaries, Mumbai to the effect that it has delivered all certificates duly endorsed as per the listing agreement.
- ii) The Company has not deposited the amount of dividend on preference shares in a separate Bank Account within five days from date of declaration in annual general meeting held on 29th July, 2013.
- iii) However, the Company paid dividend to its redeemable preference share holders at 11% immediately after conclusion of its last Annual General Meeting held on 29th July 2013 and there are no unclaimed dividend accounts.
- iv) The Company was not required to transfer any amount to Investor Education and Protection Fund as the company has no accounts in respect of unclaimed dividends, share application money due for refund, matured deposits, matured debentures and interest accrued thereon.
- v) The Company has duly complied with provisions of section 217 of the Act.
14. The Board of Directors is duly constituted. There was no appointment of additional Director, alternate Directors and Directors to fill casual vacancy during the financial year.
15. There was no appointment of Managing Director/Whole time Director during the financial year. The five year tenure of Mr. M M Mohta and Mr. Anirudh Mohta as Chairman and Managing Director and Joint Managing Director respectively ended on 31/03/2014 and re-appointment is an event in the current financial year and hence referred to mere disclosure.
16. The Company has not appointed any sole selling agents during the financial year.
17. During the year under report, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued and allotted 3,40,000 (three lakhs forty thousand) equity shares of Rs. 10 each at a price of Rs. 60/- per share (including premium of Rs.50/-) aggregating to a sum of Rs.2,04,00,000/- (Rupees two crores and four lakhs only) on 28th February, 2014 and complied with the applicable provisions of the Act. The allotment of equity shares on preferential basis was made to promoter group companies and independent investors and the issue was approved by the Company u/s 81(1A) through a special resolution passed at the EOGM held on 14th February, 2014 of the Act.
20. The Company has not bought back any shares during the financial year.
21. The Company has redeemed 18,000 , 11% redeemable preference shares of Rs. 100 each aggregating to a sum of Rs. 18,00,000/-(Rupees eighteen lakhs only) falling due on 31st March 2014, out of proceeds of fresh issue during the financial year and complied with provisions of the Act.
22. There were no transactions necessitating the company to keep in abeyance the right to dividend, right shares and bonus shares, pending registration of transfer of shares.
23. The Company has not invited /accepted any public deposits or unsecured loans falling within the purview of section 58A of the Act during the financial year.
24. The amount borrowed by the company from directors, members, financial institution, banks and others during the financial year ending 31st March 2014 is within the borrowing limits of the Company u/s 293(1)(d) of the Act namely Rs. 25 Crores as specified by the resolution passed in the 55th Annual General Meeting held on 29th July, 2013.
25. The Company has not made loans and advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries are made during the year in the register to be kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the object of the company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.

31. There was no prosecution initiated against or show cause notices received by the company or fines or penalties imposed on the company during the financial year for the offences under the Act.
32. The Company has not received any money as security from its employees during the year.
33. The Company has not constituted a separate provident fund trust for its employees or class of employees as contemplated under section 418 of the Act.

Lastly, it is stated that the compliance of all applicable provisions of the Companies Act, 1956 is the responsibility of the company, my examination, on test basis, was limited to the procedures followed by the company for ensuring the compliance with the said provisions. I state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the company has conducted its affairs. I further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the company.

Place: Belgaum
Date: 8th August 2014

S. R .DESHPANDE
Company Secretary
C.P. No. 1865

ANNEXURE - A

REGISTERS AS MAINTAINED BY BEMCO HYDRAULICS LIMITED

STATUTORY REGISTERS

1. The Register of Members' u/s 150.

Attention is invited to the fact that the equity shares of the Company are listed on the Stock Exchange. The Company explains that pursuant to the SEBI directive dated 31st December 2002, bearing no. D &CC/FITTC/CIR-16/2002 on appointment of common agency for shares in the demat and physical mode, it has appointed Adroit Corporate Services Pvt. Ltd. 19, Jaferboy Industrial Estate, 1st Floor, Makwana Road, Moral Naka, Mumbai 400059 (RTA) as its common Agency for shares in both the aforesaid modes. The Register of members, Register of Transfers and related correspondence is maintained by the RTA in Mumbai i.e. at a place outside the city limits of Belgaum where the registered office of the Company is situated. The other place is not approved by a special resolution of the members of the company and the company states that it has been advised that formality of special resolution under the proviso to section 163(1) of the Act is not effective as the place where these registers are maintained is outside the city limits of the Belgaum, where the Company's registered office is situated.

The Company is 56 years old with large number of shareholders and therefore, verification of changes during the year is made and not all entries therein.

2. Register of Preference shareholders
3. Register of Directors / Managing Director u/s 303 entitled particulars of Directors, Managers and Secretaries
4. Register of Directors' shareholding
5. Register of Investments (sic)
6. Register of Charges u/s 143
7. Register of interest of Directors (sic)
8. Register of contracts u/s 301
9. Minutes Book of proceedings of the meetings of Board of directors and committees.
10. Minutes Book of the proceedings of the general meetings.
11. Register of Renewed and duplicate share certificates under Rule 7 of Companies(issue of Share Certificates) Rules, 1960
12. Register of Destruction of Records / Document.

OTHER REGISTERS

1. Register of Shareholders' attendance
2. Register of Directors' attendance

The Company has not maintained the following registers as it was informed that there were no entries / transaction to be recorded therein. Reliance is placed on the certificate issued by the management in this regard.

1. Register of Securities bought back u/s 77A
2. Register of Debenture holders
3. Register of Investments or loans made u/s 372A

Place: Belgaum
Date: 8th August 2014

S. R .DESHPANDE
Company Secretary
C.P. No. 1865

ANNEXURE - B

Forms and Returns as filed by BEMCO HYDRAULICS LIMITED with the Registrar of Companies, Karnataka, Bangalore during the financial year ended 31.03.2014

S. No.	Form/ Return	Filed U/S	For	Date of Filing with service request number (SRN)	Whether Filed Within Prescribed Time Yes/No	If delay in Filing, Whether requisite Additional fee paid, Yes/No	Track transaction status on web site
1	Form 66	383A	Compliance Certificate for the financial year ended 31 st March 2013	6 th August, 2013 Q09888421	Yes	Not Applicable	Approved
2	Form 23	192(4) (a)	Special resolution for raising the borrowing limit u/s 293(1) (d) to Rs. 25 crores in the AGM held on 29 th July, 2013.	8 th August, 2013 B81240210	Yes	Not Applicable	Approved
3	Form 20B	159	Annual Return up to AGM held on 29 th July 2013 for the year ended 31 st March, 2013.	2 nd September, 2013 Q10670917	Yes	Not Applicable	Approved
4	Form 23D	233B	Information to Central Government by cost auditor	7 th September 2013 S22166649	Yes	Not Applicable	Approved
5	Form I-XBRL	233B (4)	Filing cost audit report with the central government by the auditor.	20 th September 2013 S22406599	Yes	Not Applicable	Approved
6	Form 23AC-XBRL & Form 23ACA-XBRL	220	Balance Sheet and Profit & Loss Account for the year ended 31 st March 2013	24 th September, 2013 Q11609468	No	Yes	Approved
7	Form 8	125	Creation of State Bank of India charge of Rs.4.81 lakhs on 19 th September,2013	15 th October, 2013 B86853785	Yes	Not Applicable	Approved
8	Form 17	135	Satisfaction of charge amounting to Rs.3,80,000/- of Kotak Mahindra Prime Limited on 18 th October, 2013.	24 th October, 2013 B87607222	Yes	Not Applicable	Approved
9	Form 8	135	Modification of charge of Bank of Maharashtra (lead bank) & SBI charge of Rs. 25.50 cr. on 8 th October, 2013	7 th November, 2013 B88576764	Yes	Not Applicable	Approved
10	Form 8	135	Modification of charge of Bank of Maharashtra (lead bank) & SBI charge of Rs.25.50 Crs. on 10 th October, 2013	7 th November, 2013 B88576707	Yes	Not Applicable	Approved

11	Form 8	125	Creation of State Bank of India charge of Rs. 3.75 Lakhs on 26 th October, 2013	23 rd November, 2013 B89763437	Yes	Not Applicable	Approved
12	Form 8	125	Creation of State Bank of India charge of Rs.5 lakhs on 26 th October, 2013	23 rd November, 2013 B89764559	Yes	Not Applicable	Approved
13	Form 8	125	Creation of State Bank of India charge of Rs.3.75 lakhs on 26 th October, 2013	23 rd November, 2013 B89765051	Yes	Not Applicable	Approved
14	Form 8	125	Creation of State Bank of India charge of Rs. 4.20 Lakhs on 31 st October, 2013	23 rd November, 2013 B89765572	Yes	Not Applicable	Approved
15	Form 17	138	Satisfaction of Charge amounting to Rs.10,10,000/- of Axis Bank Limited charge on 21 st November, 2013	5 th December, 2013 B90729112	Yes	Not Applicable	Approved
16	Form 8	125	Creation of State Bank of India charge of Rs. 3.15 lakhs on 21 st November, 2013	12 th December, 2013 B91283994	Yes	Not Applicable	Approved
17	Form 8	125	Creation of State Bank of India charge of Rs. 3.20 lakhs on 21 st November, 2013	12 th December, 2013 B91284612	Yes	Not Applicable	Approved
18	Form17	138	Satisfaction of Charge amounting to Rs. 3,76,000/- of HDFC Bank Limited on 4 th February, 2014	27 th February, 2014 B97240824	Yes	Not Applicable	Approved
19	Form 8	125	Creation of State Bank of India charge of Rs.6 lakhs on 24 th February, 2014	7 th March, 2014 B97987879	Yes	Not Applicable	Approved
20	Form 23	192(4) (a)	Special resolution passed in EOGM to issue 3,40,000 equity shares on preferential basis on 14 th February, 2014	12 th March, 2014 B98370901	Yes	Not Applicable	Approved
21	Form 2	75 (1)	Allotment of 3,40,000 equity shares on preferential basis on 28 th February, 2014	13 th March, 2014 S29556511	Yes	Not Applicable	Approved

ANNEXURE - 'C'

Forms and Returns as filed by BEMCO HYDRAULICS LIMITED with the Registrar of Companies Karnataka, Bangalore through the portal www.mca.gov.in after the end of financial year ending 31st March 2014 but that relate to events during the financial year.

Sl. No.	Form No. / Return	Filed u/s	For	Date of filing with service request number	Whether filed within the stipulated time? Yes/No	If no, whether requisite add. fee paid Yes/No	Track transaction status on MC web site
1	SH-7 for the old form 5	64(1) (c) old section 95(e)	Notice of redemption of 18,000 preference shares of Rs.100/- each on 31st March, 2014.	11 th June, 2014 C05875059	No	Yes	Approved

Place: Belgaum
Date: 8th August 2014

S. R. Deshpande
C. P. No. 1865

A. C. BHUTERIA & CO.
Chartered Accountants**Independent Auditor's Report
To the Members of Bemco Hydraulics Limited
Report on the Financial Statements**

We have audited the accompanying financial statements of Bemco Hydraulics Limited ('the Company') which comprise the Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014
AND
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date
AND
- (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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;
 - 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;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.

- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : 2, India Exchange Place,
Kolkata - 700 001.
Dated : 28-05-2014

For **A. C. BHUTERIA & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No: 303105E

(MOHIT BHUTERIA)
Partner
Membership No.: 056832

Annexure to Independent Auditors Report referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. The fixed assets are physically verified by the management in a phased manner, over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification. There was no substantial disposal of fixed assets during the year.
- 2) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification as compared to book records, which were not material, have been properly dealt with in the books of accounts.
- 3) a) As informed, the company has not granted any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
b) The Company has taken unsecured loan from five companies and one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 9,84,34,925/- and year - end balance of such loan taken was Rs. 6,45,33,376/-.(including interest)
- c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from companies and parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- d) The Company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- 4) In our opinion and according to the information & explanation given to us, there is an adequate internal control system commensurate with the size of the Company & nature of its business, for the purchases of inventory and fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) a) According to the information and explanations given to us, we are of the opinion the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in cases where comparison could not be made in the absence of similar transactions with other parties.
- 6) In our opinion & according to the information & explanations given to us, the Company has not accepted any deposit from public during the year.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by

the Central Government for the maintenance of cost records under Sec. 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.

- 9)
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Excise duty, Cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income tax, Wealth tax, Sales tax, Service Tax, Custom duty, Excise duty and Cess were in arrears as at 31.03.2014 for a period of more than six months from the date they became payable.
 - (c) According to the information & explanation give to us, there are no dues of Income tax, Wealth tax, Sales tax, Service Tax, Custom duty, Excise duty or Cess which have not been deposited on account of any dispute.
- 10) The Company does not have any accumulated losses. It has incurred cash losses during the financial year covered by our audit. It has not incurred any cash losses in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information & explanation given by the management, there has been delays in repayment of dues to working capital bankers aggregating to Rs.3,59,04,130 which had been made good during the year. The status of belated payment as at 31st March, 14 which has since made good is as under:

Period	Amount involved
Less than 30 days	Rs. 59,15,387/-

- 12) As informed and explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund / nidhi / mutual benefit fund/societies.
- 14) Since the Company is not dealing or trading in shares, securities, debentures and other investment, clause 4(xiv) of the Order is not applicable.
- 15) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used to finance long term investments.
- 18) The Company has made preferential allotment of 2,55,000 Equity Shares to companies covered in the Register maintained under Section 301 of the Companies Act, 1956, based on price determined as per SEBI guidelines. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- 19) During the period covered by our audit report, the Company has not issued any debentures.
- 20) The Company has not raised any money from public issue during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

Place : 2, India Exchange Place,
Kolkata - 700 001.
Dated : 28-05-2014

For **A. C. BHUTERIA & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No: 303105E

(MOHIT BHUTERIA)
Partner
Membership No.: 056832

BALANCE SHEET AS ON 31ST MARCH 2014

	Note Ref.	31-Mar-14 Rs	31-Mar-13 Rs
I EQUITY AND LIABILITIES			
(a) Shareholders Funds			
Share Capital	2.1	4,99,33,500.00	4,83,33,500.00
Reserves & Surplus	2.2	1,46,47,801.64	4,58,41,176.34
		6,45,81,301.64	9,41,74,676.34
(b) Non-Current Liabilities			
Long Term Borrowings	2.3	7,09,97,781.28	7,76,84,720.87
Other Long Term Liabilities	2.4	35,48,733.00	15,40,853.00
		7,45,46,514.28	7,92,25,573.87
(c) Current Liabilities			
Short Term Borrowings	2.5	20,30,85,859.94	17,71,06,940.12
Trade Payables	2.6	8,00,76,185.30	8,49,20,872.78
Other Current Liabilities	2.7	7,82,32,177.62	6,40,58,551.34
Short Term provisions	2.8	34,61,516.00	84,97,087.56
		36,48,55,738.86	33,45,83,451.80
TOTAL		50,39,83,554.78	50,79,83,702.01
II ASSETS			
(a) Non-Current Assets			
Fixed Assets	2.9		
(i) Tangible Assets		7,92,54,016.00	6,44,78,448.00
(ii) Intangible Assets		2,63,33,302.00	3,31,51,233.00
(iii) Capital Work-in-progress		-	20,60,905.00
		10,55,87,318.00	9,96,90,586.00
Non-Current Investments	2.10	41,760.00	41,760.00
Deferred Tax Assets	2.11	2,38,86,000.00	23,89,000.00
Long term Loans and advances	2.12	12,77,410.96	70,60,941.00
Other Non-Current Assets	2.13	1,19,31,141.00	97,75,717.00
		14,27,23,629.96	11,89,58,004.00
(b) Current Assets			
Inventories	2.14	21,61,50,689.00	23,92,84,022.00
Trade receivables	2.15	12,46,17,976.35	12,21,14,992.61
Cash and bank balances			
(i) Cash and Cash Equivalents	2.16	28,97,204.92	47,58,288.18
(ii) Other Bank Balances	2.17	51,40,623.00	52,23,228.00
Short Term Loans and Advances	2.18	1,24,53,431.55	1,76,08,339.22
Other Current Assets	2.19	-	36,828.00
		36,12,59,924.82	38,90,25,698.01
TOTAL		50,39,83,554.78	50,79,83,702.01
Significant accounting policies and notes to financial statements	1 & 2	-	-

As per our Report of even date
for **M/S A. C. BHUTERIA & CO.**
Chartered Accountants

For and on behalf of the Board

Mohit Bhuteria
Partner

M. M. Mohta
Chairman

Anirudh Mohta
Managing Director

Place : Kolkata
Date : 28-05-2014

Place: Belgaum
Date : 28-05-2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31-Mar-14

	Note Ref.	31-Mar-14 Rs	31-Mar-13 Rs
I REVENUE FROM OPERATIONS (Gross)	2.20	35,35,69,958.98	42,35,36,483.87
Less:Excise duty		3,31,54,433.00	3,92,05,858.37
REVENUE FROM OPERATIONS (Net)		32,04,15,525.98	38,43,30,625.50
II OTHER INCOME	2.21	18,89,289.30	33,87,951.23
III TOTAL REVENUE (I + II)		32,23,04,815.28	38,77,18,576.73
IV EXPENSES			
Cost of Material Consumed	2.22	15,21,27,438.04	19,83,70,795.04
Changes in inventories of finished goods and work-in-progress	2.23	3,64,83,956.00	1,65,77,209.00
Employee benefits expense	2.24	5,64,57,694.98	5,50,16,575.79
Finance Cost	2.25	3,93,10,119.06	3,04,12,042.39
Depreciation and amortization expense	2.26	1,20,44,807.00	61,73,918.00
Other expenses	2.27	9,49,69,954.90	7,11,03,380.69
TOTAL EXPENSES		39,13,93,969.98	37,76,53,920.91
V PROFIT BEFORE TAX (III-IV)		(6,90,89,154.70)	1,00,64,655.82
VI TAX EXPENSES			
Current Tax		-	(21,10,750.00)
Deferred Tax		2,14,97,000.00	(15,36,000.00)
Income tax earlier years		(72,910.00)	(8,08,629.00)
		2,14,24,090.00	(44,55,379.00)
VII PROFIT (LOSS) FOR THE PERIOD (V-VI)		(4,76,65,064.70)	56,09,276.82
VIII EARNINGS PER EQUITY SHARE:	2.28		
Basic		(35.23)	0.87
Diluted		(35.23)	0.87
Significant accounting policies and notes to financial statements	1 & 2		

As per our Report of even date
for **M/S A. C. BHUTERIA & CO.**
Chartered Accountants

For and on behalf of the Board

Mohit Bhuteria
Partner

M. M. Mohta
Chairman

Anirudh Mohta
Managing Director

Place : Kolkata
Date : 28-05-2014

Place: Belgaum
Date : 28-05-2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and under historical cost convention on accrual basis except for certain fixed assets which are carried at revalued amounts. All the Assets and Liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act 1956. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of Current and Non Current classification of Assets and Liabilities.

b) Use of Estimates

The preparation of the financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statement. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Tangible Fixed Assets

(i) Recognition

Tangible Fixed Assets are stated at cost of acquisition or construction (net of Cenvat credits) less accumulated depreciation except in case of certain fixed assets which have been revalued are stated at revalued amount less accumulated depreciation. All costs relating to the acquisition and installation of fixed asset are capitalised and include borrowing costs directly attributable to construction or acquisition of qualifying fixed assets.

(ii) Depreciation

Depreciation on tangible fixed assets is charged on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets purchased / acquired during the year is charged from the date of addition / purchase of the asset. Similarly, depreciation on assets sold / discarded during the year is charged up on the sale / discard of the assets. Depreciation on addition on account of revaluation is recouped from Revaluation Reserve.

d) Intangible Fixed Assets

(i) Recognition

Intangible fixed assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

(ii) Amortization

Intangible assets are amortized on straight line basis over the estimated useful economic life of the asset. The company presumes that the useful economic life of Technical Knowhow is five years from the year in which it is acquired and is ready to use and therefore, Technical Knowhow is amortized on straight line basis over a period of five years from the year in which it is acquired and is ready to use.

e) Non-Current/Long Term Investment

Non-Current/Long Term Investments are stated at cost. Provision is made for diminution in value, if the same is considered to be other than temporary in nature.

f) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is arrived at on weighted average method. Scrap is valued at estimated realizable value. Excise duty payable on finished goods lying in the factory is provided for and included in closing stock of inventory.

g) Employee Benefits

1 Short term employee benefits :

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like Salary, wages and Performance incentives, and are recognized as expenses in the period in which the related service is rendered.

2 Post- employment Benefits**a. Defined Contribution Plans**

The Company has Defined Contribution Plans for Post employment benefits in the form of Superannuation Fund and Provident Fund for all employees which are administered by Life Insurance Corporation (LIC) and Regional Provident Fund Commissioner respectively. Superannuation Fund and Provident Fund are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution plans are charged to the Statement of Profit and Loss as and when incurred.

b. Defined Benefit Plans

Funded Plan: The Company has a defined benefit plan for Post-employment benefit in the form of Gratuity, which is administered through Life Insurance Corporation (LIC).

Liability for the above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

c. Other Long-term Employee Benefit

Liability for Compensated Absences is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The Actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

3 Termination benefits are recognised as an expense as and when incurred.**4 The Actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss.****h) Research and Development:**

Revenue expenditure on Research and Development is charged against the profit for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to fixed assets and depreciated accordingly.

i) Revenue RecognitionSale of goods

Sales are recognized, net of returns, on transfer of significant risks and reward of ownership to the customer, which generally coincides with the delivery of the goods to the customer. Sales includes excise duty but excludes value added tax and central sales tax collected.

Rendering of services

Revenue from maintenance contracts are recognized pro-rata over the period of contract.

Revenue from other service contracts are recognized when services are rendered and related costs are incurred.

Other income

"Interest income is accounted for on accrual basis. Dividend income is accounted for when the right to receive dividend is established. Other items of income are recognized on accrual basis."

j) Borrowing Cost.

Interest on borrowings directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the assets up to the date the asset is ready for use. Other borrowing costs are charged to the Statement of Profit & Loss in the year in which they are incurred.

k) Foreign Currency Transactions.**Initial recognition**

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.

Measurement of foreign currency monetary items at Balance Sheet date.

Foreign currency monetary items (other than derivative contracts) as at Balance Sheet date are restated at the year end rates

Exchange difference

"Exchange differences arising on settlement of monetary items are recognised as income or expense in the period in which they arise. Exchange difference arising on restatement of foreign currency monetary items as at the year end being difference between exchange rate prevailing on initial recognition/subsequent restatement on reporting date and as at current reporting date is adjusted in the Statement of Profit & Loss for the respective year. "

l) Earnings Per Share:

"The earnings in ascertaining the Company's EPS comprises the net profit/loss after tax attributable to equity shareholders and includes the post tax effect of any extraordinary items. The number of shares used in computing Basic – EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period."

m) Taxation:

Tax expense for the year, comprising, current tax and deferred tax are included in determining the net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable incomes and accounting income at currently or substantively enacted tax rates. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

n) Provisions and Contingent Liabilities:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent Assets: Contingent Assets are neither recognised nor disclosed in the Financial Statements.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

o) Impairment of Assets:

Impairment is ascertained at each balance sheet date in respect of cash generating units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

p) Segment Reporting**Identification of a segment**

The Company identifies primary segment based on the dominant source, nature of risk and returns associated.

Segment Accounting

The accounting policies applicable to the reportable segment are the same as those used in the preparation of the financial statements as set out above. Segment revenue and expenses include amounts which can be directly identifiable to the segment or allocable on a reasonable basis. Segment assets include all assets directly identifiable to the segment. Segment liabilities include all liabilities directly identifiable to the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis are included under unallocated revenue, unallocated expenses, unallocated assets and unallocated liabilities.

q) Leases

"Assets leased by the company in its capacity as a lessee where substantially all the risks and rewards of ownership vest in the company are classified as the finance leases. Such leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight line basis."

(2) NOTES TO FINANCIAL STATEMENTS
(2.1) SHARE CAPITAL

(a) Authorized Share Capital	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Preference Shares of Rs. 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000
	44,00,000	8,00,00,000	44,00,000	8,00,00,000
(b) Issued Share Capital	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each	18,22,750	1,82,27,500	14,82,750	1,48,27,500
Preference Shares of Rs. 100/- each	3,27,268	3,27,26,800	3,45,268	3,45,26,800
	21,50,018	5,09,54,300	18,28,018	4,93,54,300
(c) Subscribed Share Capital	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each	18,00,000	1,80,00,000	14,60,000	1,46,00,000
Preference Shares of Rs. 100/- each	3,20,000	3,20,00,000	3,38,000	3,38,00,000
	21,20,000	5,00,00,000	17,98,000	4,84,00,000
(d) Paid-up Share Capital	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each fully paid	17,86,700	1,78,67,000	14,46,700	1,44,67,000
Shares Forfeited	-	66,500	-	66,500
	17,86,700	1,79,33,500	14,46,700	1,45,33,500
Preference Shares of Rs. 100/- each fully paid	3,20,000	3,20,00,000	3,38,000	3,38,00,000
	21,06,700	4,99,33,500	17,84,700	4,83,33,500
(e) Reconciliation of Equity shares of Rs. 10/- each outstanding at the beginning and at the end of the reporting period.	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
Balance as at the beginning of the period	14,46,700	1,45,33,500	14,46,700	1,45,33,500
Add/(Less): Equity Shares of Rs. 10/- each issued during the year on Preferential basis	3,40,000	34,00,000	-	-
Balance as at the end of the period	17,86,700	1,79,33,500	14,46,700	1,45,33,500
(f) Reconciliation of Preference shares of Rs. 100/- each outstanding at the beginning and at the end of the reporting period.	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
Balance as at the beginning of the period	3,38,000	3,38,00,000	3,38,000	3,38,00,000
Add: Allotment during the year	-	-	-	-
Less: Redemption during the year	(18,000)	(18,00,000)	-	-
Balance as at the end of the period	3,20,000	3,20,00,000	3,38,000	3,38,00,000
(g) Shareholders holding more than 5% of Equity Share Capital.	As at	31-Mar-14	As at	31-Mar-13
	(Nos.)	(%)	(Nos.)	(%)
1 Mohta Capital Pvt Ltd	4,65,606	26.06	3,80,606	26.31
2 Sri Ramchandra Enterprises Pvt Ltd	2,84,697	15.93	1,99,697	13.80
3 U D Finnvest Pvt Ltd	2,18,400	12.22	1,33,400	9.22
4 Urmila Devi Mohta	1,93,668	10.84	1,93,668	13.39

(h) **Rights/preferences attached to Equity Shares**

The Company has Equity Shares having par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Holders of Equity Shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

(i) **Rights, Preferences and Restrictions attached to Preference Shares of Rs. 100/- each**

The dividend on preference shares proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. Each holder of Preference Share is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the said shares. In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital but shall not be entitled to any surplus arising thereto.

(j) **Terms of redemption of preference shares.**

Particulars	As at	31-Mar-14	As at	31-Mar-13
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
(i) 11% Cumulative Redeemable Preference shares of Rs. 100/- each redeemable at par on 31/03/2031.	3,00,000	3,00,00,000	3,00,000	3,00,00,000
(ii) 11% Cumulative Redeemable Preference shares of Rs. 100/- each redeemable at par on 31/03/2020.	20,000	20,00,000	20,000	20,00,000
(iii) 11% Cumulative Redeemable Preference shares of Rs. 100/- each redeemable at par on 31/03/2014.	-	-	18,000	18,00,000

(k) Shareholders holding more than 5% of Preference Share Capital.	As at	31-Mar-14	As at	31-Mar-13
	(Nos.)	%	(Nos.)	%
1 Mohta Capital Pvt Ltd	1,90,000	59.38	3,15,000	93.20
2 U D Finnvest Pvt Ltd	65,000	20.31	-	-
3 Sri Ramchandra Enterprises Pvt Ltd	65,000	20.31	-	-

(2.2) RESERVES AND SURPLUS

Particulars		As at 31 Mar 14 Rs. P.	As at 31 Mar 13 Rs. P.
Capital Reserve			
Opening Balance		6,44,876.00	6,44,876.00
	(A)	6,44,876.00	6,44,876.00
Capital Redemption Reserve			
Opening Balance		14,73,200.00	14,73,200.00
	(B)	14,73,200.00	1,473,200.00
Securities Premium			
Opening Balance		38,31,700.00	38,31,700.00
Add: Addition during the year		1,70,00,000.00	-
	(C)	2,08,31,700.00	38,31,700.00
Revaluation Reserve:			
Opening Balance		2,29,39,215.00	2,34,72,669.00
Less: Deductions /adjustments made during the year		5,28,310.00	5,33,454.00
	(D)	2,24,10,905.00	2,29,39,215.00
General Reserve			
Opening Balance		65,00,000.00	55,00,000.00
Add: Additions during the year		-	10,00,000.00
	(E)	65,00,000.00	65,00,000.00

Surplus/(deficit) in Profit & Loss Statement		
Opening Balance		1,04,52,185.34
Add: Surplus/(deficit) for the period		1,01,92,782.52
		56,09,276.82
		(3,72,12,879.36)
Less: Appropriation		1,58,02,059.34
Transfer to General Reserve		-
Proposed Dividend on Preference Shares		(10,00,000.00)
Tax on Proposed Dividend		(37,18,000.00)
		(6,31,874.00)
Balance carried forward	(F)	(3,72,12,879.36)
		1,04,52,185.34
Total (A to F)		1,46,47,801.64
		4,58,41,176.34

(2.3) LONG TERM BORROWINGS

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Secured		
Term Loans		
- From Banks [see note (i) & (ii) below]	1,11,21,500.00	1,43,97,800.00
- Motor Car loan from Banks [see note (iii) below]	38,44,180.78	33,42,509.87
Unsecured		
Deferred Payment Liabilities	5,60,32,100.50	5,99,44,411.00
	7,09,97,781.28	7,76,84,720.87

Note:

- (i) Term loan from Bank of Maharashtra is secured by equitable mortgage of Land & Building and 1st charge on the Fixed Assets of the company on pari-passu basis with State Bank of India and personal guarantee of three directors of the company. Interest payable thereon is at base rate + 4.75% repayable in 54 monthly installments of Rs. 1.86 lacs each after a moratorium period of 6 months. Interest shall be serviced as and when applied. As on 31-03-2014, 43 installments are due for repayment amounting to Rs. 79,53,500/- excluding interest (P.Y. Rs. 1,00,44,000/-).
- (ii) Term loan from State Bank of India is secured by equitable mortgage of Land & Building and 1st charge on the Fixed Assets of the company pari-passu basis with Bank of Maharashtra and personal guarantee of three directors of the company. Interest payable thereon is at base rate + 4.60% repayable in 40 monthly installments after a moratorium period of 8 month. Of the 40 installments, first 20 installments would be of Rs 2 lacs each and the balance 20 installments would be of Rs. 3 lacs each. As on 31-03-2014, 31 installments are due for repayment amounting to Rs. 82,00,000.00 excluding interest (P.Y. Rs. 1,00,00,000/-).
- (iii) Motor Car Loans from banks are secured by hypothecation of motor car, repayable in equated monthly installments carrying interest on reducing balance method varying between 10% per annum to 12.5% per annum. As on 31-03-2014 734 installments (Previous Year 542 installments) are due for repayment amounting to Rs 62,55,421/- excluding interest (Previous Year Rs 60,37,599/-)

(2.4) OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Other Payables- Deposits	35,48,733.00	15,40,853.00
	35,48,733.00	15,40,853.00

(2.5) SHORT TERM BORROWINGS

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Secured		
Loans repayable on demand		
- Cash credit from Banks [see note (i) below]	11,18,17,470.72	7,69,02,778.90
Raw Material Assistance Scheme from NSIC [see note (ii) below]	97,53,818.22	98,54,545.22
Unsecured		
Loans repayable on demand		
- Loans from Related Parties (Refer Note 2.30)	6,08,55,367.00	6,30,21,384.00
- Loans from other parties	2,06,59,204.00	2,73,28,232.00
	20,30,85,859.94	17,71,06,940.12

Note

- (i) Cash credit availed from Bank of Maharashtra is secured by hypothecation of inventory and receivables upto 120 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of respective bank plus spread varying between 5% to 5.50% at monthly rests.
- (ii) Cash credit availed from State bank of India is secured by hypothecation of inventory and receivables upto 120 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of respective bank plus spread varying between 4% to 4.50% at monthly rests.
- (iii) Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to Rs 10,000,000/- . Interest is payable @ 11% per annum on amount outstanding. Additional interest at the rate of 2% percent per annum is payable if payment is not made within stipulated time limit.
- (iv) As on 31-03-2014 , default in repayment of Cash Credit ("CC") limit maintained with Bank of Maharashtra ("BOM") amounts to Rs 66,53,031/-
- (v) As on 31-03-2014 , default in repayment of Cash Credit ("CC") limit maintained with State Bank of India ("SBI") amounts to Rs 1,50,469/-.

(2.6) TRADE PAYABLES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Trade Payables		
- Due to Micro Enterprises & Small Enterprises	-	-
- Due to Other than Micro Enterprises & Small Enterprises	8,00,76,185.30	6,75,14,598.78
- Acceptances	-	1,74,06,274.00
	8,00,76,185.30	8,49,20,872.78

(2.7) OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Current maturities of long term debts		
- Term Loan from Banks	50,32,000.00	38,46,000.00
- Motor Car loan from Banks	24,11,240.35	26,95,089.38
- Current portion of deferred liability for Intangible Assets	1,19,88,360.50	-
Interest accrued but not due on borrowings car Loans	29,144.00	47,601.00
Interest accrued and due on borrowings	28,30,469.00	31,88,237.00
Other Payables		
- Advance from Customers	3,96,39,890.05	2,99,59,439.25
- Deposits from Employees	6,17,802.00	9,49,661.00
- Liabilities for Statutory Dues	91,10,490.56	1,79,23,167.30
- Liabilities for Expenses	65,72,781.16	54,49,356.41
	7,82,32,177.62	6,40,58,551.34

(2.8) SHORT TERM PROVISIONS

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Provision for employee benefits		
- Provision for Leave Encashment	25,37,800.00	30,07,069.00
Provision - Others		
- Provision for Income Tax (Net)	2,07,799.00	2,38,996.56
- Provision for Dividend	-	37,18,000.00
- Provision for Dividend Tax	-	6,31,874.00
- Provision for Product Warranty	7,15,917.00	9,01,148.00
	34,61,516.00	84,97,087.56

FIXED ASSETS

NOTE NO. - 2.9

SL NO	PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
		AS AT 1-Apr-13 Year Rs.	Additions Rs.	Deductions/ Adjustments Rs.	AS AT 31-Mar-14 Rs.	UP TO 1-Apr-13 Rs.	For the Year Rs.	Deductions Rs.	TOTAL As at 31-Mar-14 Rs.	As on 31-Mar-14 Rs.	As on 31-Mar-13 Rs.
A	TANGIBLE ASSETS										
	LEASED										
1	LEASEHOLD LAND	1,33,10,040	-	-	1,33,10,040	-	-	-	-	1,33,10,040	1,33,10,040
	OWNED										
2	BUILDINGS	3,72,80,578	82,36,599	-	4,55,17,177	86,08,107	12,65,065	-	98,73,172	3,56,44,005	2,86,72,471
	NEW FACTORY SHED	-	-	-	-	-	-	-	-	-	-
3	BOREWELL	1,57,861	-	-	1,57,861	8,995	2,573	-	11,568	1,46,293	1,48,866
4	PLANT AND MACHINERY	4,83,07,311	78,33,403	22,68,711	5,38,72,003	4,05,46,243	19,85,414	22,16,167	4,03,15,490	1,35,56,513	77,61,068
5	OFFICE EQUIPMENTS	12,30,886	22,981	-	12,53,867	4,42,945	50,729	-	4,93,674	7,60,193	7,87,941
6	VEHICLES	1,65,94,977	55,24,877	32,62,400	1,88,57,454	48,00,328	15,79,687	16,11,012	47,69,003	1,40,88,451	1,17,94,649
7	ELECTRICAL INSTALLATIONS	33,45,367	3,88,925	-	37,34,292	31,83,111	51,397	-	32,34,508	4,99,784	1,62,256
8	FURNITURE AND FIXTURES	19,64,652	10,250	-	19,74,902	16,47,879	55,933	-	17,03,812	2,71,090	3,16,773
9	COMPUTERS	33,23,501	2,17,651	-	35,41,152	22,85,143	2,78,362	-	25,63,505	9,77,647	10,38,358
	B INTANGIBLE ASSETS	12,55,15,173	2,22,34,686	55,31,111	14,22,18,748	6,15,22,751	52,69,160	38,27,179	6,29,64,732	7,92,54,016	6,39,92,422
10	COMPUTER SOFTWARE	4,93,255	-	-	4,93,255	7,229	79,957	-	87,186	4,06,069	4,86,026
11	TECHNICAL KNOW - HOW	7,53,48,488	-	-	7,53,48,488	4,21,97,255	72,24,000	-	4,94,21,255	2,59,27,233	3,31,51,233
	Total	20,13,56,916	2,22,34,686	55,31,111	21,80,60,491	10,37,27,235	1,25,73,117	38,27,179	11,24,73,173	10,55,87,318	9,76,29,681
	Previous Year	14,21,93,426	5,98,00,151	6,36,661	20,13,56,916	9,72,30,383	67,07,372	2,10,520	10,37,27,235	9,76,29,681	

(2.10) NON-CURRENT INVESTMENTS

Particulars	Face value (Rs.)	31-Mar-14		31-Mar-13	
		Nos	(Rs.)	Nos.	(Rs.)
(Long Term Non-Trade at cost fully paid up unless otherwise stated)					
Unquoted Equity Shares					
Belgaum Coal and coke Consumer Co-op Ass. Ltd	1,000	4	4,000	4	4,000
Belgaum Manufacturers Co-op Industrial Estate Ltd	25	40	1,000	40	1,000
WG Forge and Allied Industrial Limited	10	50	402	50	402
Sarswat Co-op Bank Ltd	10	783	7,830	783	7,830
Quoted Equity Shares					
Alfa Laval Limited	10	-	-	-	-
Alfred Herbert (India) Limited	6	5	40	5	40
American Refrigerator Company Limited	10	100	400	100	400
Andhra Sinter Limited	10	1,000	10,000	1,000	10,000
Best and Cropmpton Engineering Limited	10	105	1,782	105	1,782
BF Investment Ltd (Bonus)	5	26	-	26	-
BF Utilites Ltd	5	26	-	26	-
Bharat Forge Company Limited	2	130	1,300	130	1,300
Bosch Rexroth India Ltd	10	6	65	6	65
Dynamic Technologies Limited	10	40	272	40	272
E.C.E. Industries Limited	10	30	300	30	300
Eaton Fluid Power Ltd (Vickers Systems International Limited)	10	24	672	24	672
Eicher Motors Ltd (Bonus)	10	1	-	1	-
Eicher Tractors Limited	10	4	875	4	875
Elecon Engineering Co. Limited (Including Bonus)	2	360	707	360	707
Guest Keen Williams Limited	10	1	24	1	24
Jyoti Limited	10	50	722	50	722
Kulkarni Power Tools Limited (F.V Change)	5	200	602	200	602
Larsen and Tubro Limited	2	256	3,156	256	3,156
Larsen and Tubro Limited Bonus	2	128	-	-	-
LML Limited	10	27	562	27	562
Mahindra and Mahindra Limited(F.C Change)	5	52	196	52	196
Manuqraph Industries Limited	2	240	1,120	240	1,120
Nesco Ltd (New Standard Engineering Company Limited)	10	40	113	40	113
Scooters India Limited	10	50	230	50	230
SLM Maneklal Industries Limited	100	1	204	1	204
Tata Construction & Projects Ltd	10	50	500	50	500
Tata Motors Ltd	2	115	924	23	924
Texmaco Ltd	10	10	240	10	240
U. T. Limited	10	100	607	100	607
Ultratech Cement (Bonus)	10	51	-	51	-
Voltas Limited	1	150	165	150	165
Quoted Debentures					
Tata Enginerring & Locomotive Company Limited (NC)	150	3	300	3	300
TATA SSL Limited (NC)	50	45	2,250	45	2,250
Bharat Forge Limited (NC)	50	2	100	2	100
Un-Quoted Debentures					
Eicher Tractors Limited	100	1	100	1	100
			41,760		41,760

1	Book Value cost of Un-Quoted Investments	13,332	13,332
2	Book Value cost of Quoted Investments	28,428	28,428
3	Market Value Quoted Investments	870,659	689,718
4	Quoted Investments whose market value was not available are considered at cost to arrive at market value.		

(2.11) DEFERRED TAX ASSETS

a) Particulars	Opening	Ch./Cr. To P/L A/C.	Closing
Expenses charged/credited to P/L account but allowed on Income Tax on payable basis	6,79,000.00	1,05,000.00	7,84,000.00
Provision for Product Warranty	2,78,000.00	(57,000.00)	2,21,000.00
Provision for doubtful debts / advances	12,65,000.00	11,13,000.00	23,78,000.00
Tax impact of difference between carrying amount of fixed assets as per books of account and as per Income Tax	1,67,000.00	(13,39,000.00)	(11,72,000.00)
Unabsorbed Business Loss/ Depreciation	-	1,83,31,000.00	1,83,31,000.00
Foreign Currency Fluctuations charged to revenue, allowable in future, on capitalisation to intangible asset/ payment thereof	-	33,44,000.00	33,44,000.00
	23,89,000.00	2,14,97,000.00	2,38,86,000.00

b) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

c) Based of future projections, the management is reasonably certain that deferred tax assets will be realised.

(2.12) LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Unsecured, Considered Good		
Capital Advances	-	60,66,600.00
Advance Tax / TDS (net of provision)	5,80,530.96	3,35,581.00
Deposit with Govt., Public Bodies and Others	6,96,880.00	6,58,760.00
	12,77,410.96	70,60,941.00

(2.13) OTHER NON-CURRENT ASSETS

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
<u>Other Bank Balances</u>		
- Non-Current portion of fixed deposits with original maturity of more than 12 months	1,00,31,170.00	76,64,332.00
<u>Advances recoverable in cash or in kind or for value to be received</u>		
Considered good		
- Advances to staff	18,99,971.00	21,11,385.00
	1,19,31,141.00	97,75,717.00

Note:

(i) Above mentioned fixed deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

(2.14) INVENTORIES (At lower of cost or net realisable value, whichever is lower, unless otherwise stated)

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
(As valued and certified by a Director)		
Raw Materials	3,19,01,372.00	3,72,71,142.00
Intermediate and Components	1,73,36,353.00	-
Stores and Spares Parts	16,84,645.00	19,03,153.00
Work-in-Progress	12,03,02,000.00	16,59,72,500.00
Work-in-Progress for Export	-	31,30,000.00
Finished Goods	4,49,26,319.00	3,09,89,654.00
Scrap (At estimated realisable value)	-	17,573.00
	21,61,50,689.00	23,92,84,022.00

(2.15) TRADE RECEIVABLES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
<u>Unsecured Considered Good</u> Outstanding for a period of not more than six months from due date of payment Other Debts	4,87,40,090.82 7,58,77,885.53	7,62,41,384.53 4,58,73,608.08
	12,46,17,976.35	12,21,14,992.61
<u>Unsecured Considered Doubtful Provided for</u> Outstanding for a period exceeding six months from due date of payment Less: Provision for Doubtful Debts	72,96,820.00 (72,96,820.00)	36,94,227.00 (36,94,227.00)
	-	-
	12,46,17,976.35	12,21,14,992.61

(2.16) CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Balance with Scheduled Banks in current account(s) Cash-on-hand (As certified by a director)	19,59,605.19 9,37,599.73	40,20,160.91 7,38,127.27
	28,97,204.92	47,58,288.18

(2.17) OTHER BANK BALANCES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Current portion of fixed deposits with original maturity of more than 12 months	51,40,623.00	52,23,228.00
	51,40,623.00	52,23,228.00

Note:

- (i) Above mentioned fixed deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

(2.18) SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
<u>Advances recoverable in cash or in kind or for value to be received</u> <u>Considered good</u> - Advances to staff - Advances to Others	36,16,137.68 50,22,204.10	21,34,106.75 87,22,318.70
Advances / TDS (net of provision) Prepaid Expenses Balance with Excise authorities	3,35,581.00 22,54,851.00 12,24,657.77	- 15,73,193.00 51,78,720.77
Considered doubtful provided for Less: Provision for Doubtful Advances	4,00,000.00 (4,00,000.00)	4,00,000.00 (4,00,000.00)
	1,24,53,431.55	1,76,08,339.22

(2.19) OTHER CURRENT ASSETS

Particulars	As at 31-Mar-14 Rs. P.	As at 31-Mar-13 Rs. P.
Interest Receivable	-	36,828.00
	-	36,828.00

(2.20) Revenue From Operations

Particulars	Current Year Rs. P.	Previous Year Rs. P.
Sale of goods manufactured Sale of services Other operating revenues	34,15,90,819.66 25,89,142.50 93,89,996.82	41,59,45,956.94 36,12,662.10 39,77,864.83
	35,35,69,958.98	42,35,36,483.87

(2.21) Other Income

Particulars	Current Year Rs. P.	Previous Year Rs. P.
Interest Income		
i Interest from Banks	12,92,035.00	13,65,994.00
ii Interest from Others	-	46,000.00
iii Interest on Security Deposit with Hubli	-	41,535.00
	12,92,035.00	14,53,529.00
Dividend from Non-Current/Long Term Investments	9,168.22	10,088.00
Miscellaneous Receipts	1,19,265.08	87,485.29
Prior Period Adjustments	2,472.00	-
Liability no longer required written back	4,12,391.00	17,07,908.94
Fluctuation in Foreign Currency	-	1,27,518.00
Profit on disposal of tangible Fixed Assets	53,958.00	1,422.00
	18,89,289.30	33,87,951.23

(2.22) COST OF MATERIAL CONSUMED

Particulars	Current Year Rs. P.	Previous Year Rs. P.
Raw Materials		
Opening Stock	3,72,71,142.00	2,40,01,083.00
Add: Purchases	7,31,93,022.04	11,53,28,521.23
Less: Closing Stock	(3,19,01,372.00)	(3,72,71,142.00)
	(A) 7,85,62,792.04	10,20,58,462.23
Intermediates and Components		
Opening Stock	-	1,10,21,510.00
Add: Purchases	8,07,57,437.00	7,92,11,285.75
Less: Closing Stock	(1,73,36,353.00)	-
	(B) 6,34,21,084.00	9,02,32,795.75
Packing material		
Opening Stock	-	-
Add: Purchases	10,77,690.00	18,77,950.00
Less: Closing Stock	-	-
	(C) 10,77,690.00	18,77,950.00
Stores and Spares		
Opening Stock	19,03,153.00	13,38,805.00
Add: Purchases	88,47,364.00	82,50,484.06
Less: Closing Stock	(16,84,645.00)	(19,03,153.00)
	(D) 90,65,872.00	76,86,136.06
Total (A+B+C+D)	15,21,27,438.04	20,18,55,344.04
Less: Materials consumed on account of warranties	-	(34,84,549.00)
Total	15,21,27,438.04	19,83,70,795.04

(2.23) Changes in inventories of finished goods and work-in-progress

Particulars	Current Year Rs. P.	Previous Year Rs. P.
Opening Stock		
Work-in progress	16,59,72,500.00	16,79,66,000.00
Work-in progress-Export	31,30,000.00	-
Finished Goods	3,09,89,654.00	5,10,09,514.00
Scrap	17,573.00	16,079.00
Total of Opening Stock (A)	20,01,09,727.00	21,89,91,593.00
Less: Excise Duty	35,69,669.00	58,74,326.00
Opening Stock	19,65,40,058.00	21,31,17,267.00
Closing Stock		
Work-in progress	12,03,02,000.00	16,59,72,500.00
Work-in progress-Export	-	31,30,000.00
Finished Goods	4,49,26,319.00	3,09,89,654.00
Scrap	-	17,573.00
Total of Closing Stock (B)	16,52,28,319.00	20,01,09,727.00
Less: Excise Duty	51,72,217.00	35,69,669.00
Opening Stock	16,00,56,102.00	19,65,40,058.00
Net changes in inventories of finished goods, work-in-progress	3,64,83,956.00	1,65,77,209.00

(2.24) Employee benefits expense

Particulars	Current Year	Previous Year
	Rs. P.	Rs. P.
Salaries, Wages, Bonus, etc.	4,89,34,518.55	4,78,47,288.89
Contribution to Provident fund & other funds	45,13,407.00	41,84,377.00
Gratuity	-	3,21,014.00
Staff welfare expense	30,09,769.43	26,63,895.90
	5,64,57,694.98	5,50,16,575.79

(2.25) Finance Cost

Particulars	Current Year	Previous Year
	Rs. P.	Rs. P.
Interest Expense	3,31,54,675.06	2,46,27,316.39
Other Borrowing cost	61,55,444.00	57,84,726.00
	3,93,10,119.06	3,04,12,042.39

(2.26) Depreciation

Particulars	Current Year	Previous Year
	Rs. P.	Rs. P.
Depreciation on Tangible Assets	47,40,850.00	32,05,151.00
Depreciation on Intangible Assets	73,03,957.00	29,68,767.00
	1,20,44,807.00	61,73,918.00

(2.27) Other expenses

Particulars	Current Year	Previous Year
	Rs. P.	Rs. P.
Power & fuel	27,77,505.00	29,96,917.00
Manufacturing Expenses	2,15,31,763.20	2,18,30,460.80
Freight & Transportation	69,59,618.00	93,61,202.00
Product Warranty Expenses	-	39,64,712.00
Repairs		
Buildings	1,75,190.00	4,08,964.00
Machinery	11,54,399.00	12,31,052.00
Computers	2,27,484.00	2,23,792.00
Others	3,49,591.00	2,75,403.00
Insurance	4,06,962.00	2,97,043.00
Rent	4,26,396.00	4,23,101.00
Rates & Taxes	6,61,571.00	1,71,378.00
Printing and Stationery	9,82,419.00	10,03,047.00
Postage, Telephone & Telegram	11,53,468.38	13,23,027.71
Travelling & Conveyance Expenses	1,22,71,656.36	1,23,73,110.97
Bad Debts / Advances Written Off	6,59,388.36	23,84,980.75
Sundry Creditor's Debit Balances Written off	-	-
Provision for Doubtful Debts and Advances	36,02,593.00	4,95,101.00
Brokerage, Commission & Discount	-	6,71,410.00
Miscellaneous Expenses	77,70,083.10	52,37,072.06
Payment to Auditors for:		
Audit Fees	2,00,000.00	2,00,000.00
Limited Review Certification charges	45,000.00	37,500.00
Other Certification	17,100.00	1,02,100.00
Auditor's Other Services	-	2,00,000.00
Reimbursement of Expenses (including service tax)	1,32,687.00	1,02,016.00
Company Law Matters	-	31,000.00
Directors' Sitting Fees	28,000.00	17,000.00
Loss on Sale of Assets	4,38,439.00	66,947.00
Loss in Foreign Currency Fluctuation (net)	1,08,03,751.00	-
Liquidated Damages	2,15,69,890.50	56,27,464.40
Prior Period Adjustments	-	47,579.00
Preferential Equity Shares Issue Expenses	6,25,000.00	-
	9,49,69,954.90	7,11,03,380.69

(2.28) Earnings per Share

PARTICULARS	Year Ended	Year Ended
	31-Mar-14	31-Mar-13
Profit After tax (Rs.)	(4,76,65,064.70)	56,09,276.82
Less: Dividend (including tax thereon) on Cumulative Preference Share (Excluding arrears)	(43,49,874.00)	(43,49,874.00)
Adjusted Net Profit attributable to Equity Share holders	(5,20,14,938.70)	12,59,402.82
Weighted average number of equity shares in issue	14,76,508	14,46,700
Basic Earnings per Equity Share of Rs.10/- each (in Rs.)	(35.23)	0.87
Diluted Earnings per Equity Share of Rs. 10/- each (in Rs.)	(35.23)	0.87

(2.29) EMPLOYEE BENEFITS

 a) Post Retirement Benefits :
 Defined Contribution Plans

(Figures in Rs.)

Particulars	2013-14	2012-13
1 Contribution to Employees' Provident Fund	13,32,356	19,86,723
2 Contribution to Employees' Family Pension Fund	21,98,473	13,20,445
3 Contribution to Employees' Superannuation Fund	9,82,578	8,77,209
	45,13,407	41,84,377

b) Defined Benefit Plans

(i) (Figures in Rs.)

Changes in the Present Value of Obligation	2013-14	2012-13
	Gratuity Funded	Gratuity Funded
a. Present Value of Obligation as at opening date	1,59,10,975	1,60,33,869
b. Interest Cost	12,45,591	13,09,810
c. Past Service Cost	-	-
d. Current Service Cost	9,78,580	9,80,147
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(14,70,648)	(18,20,877)
h. Actuarial (Gain)/Loss	(8,42,028)	(5,91,974)
i. Present Value of Obligation as at closing date	1,58,22,470	1,59,10,975

(ii) (Figures in Rs.)

Changes in the Fair Value of Plan Assets	2013-14	2012-13
	Gratuity Funded	Gratuity Funded
a. Present Value of Plan Assets as at opening date	1,67,19,848	1,26,61,543
b. Expected Return on Plan Assets	14,40,082	12,57,600
c. Actuarial Gain/(Loss)	(37,956)	1,19,369
d. Employers' Contributions	1,120	45,02,213
e. Employees' Contributions	-	-
f. Benefits Paid	(14,70,648)	(18,20,877)
g. Fair Value of Plan Assets as at closing date	1,66,52,446	1,67,19,848

(iii)

Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets	2013-14	2012-13
	Gratuity Funded	Gratuity Funded
a. Present Value of Obligation as at opening date	1,58,22,470	1,59,10,975
b. Fair Value of Plan Assets	1,66,52,446	1,67,19,848
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(8,29,976)	(8,08,873)
d. Present Value of unfunded Obligation as at Mar 31, 2013	-	-
e. Unrecognized Past Service Cost	-	-
f. Unrecognized Actuarial (Gains)/Losses.	-	-
g. Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv)

(Figures in Rs.)

Expenses recognized in the Profit & Loss Account	2013-14	2012-13
	Gratuity Funded	Gratuity Funded
a. Current Service Cost	9,78,580	9,80,147
b. Past Service Cost	-	-
c. Interest Cost	12,45,591	13,09,810
d. Expected Return on Plan Assets	(14,40,082)	(12,57,600)
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Net actuarial (Gain)/Loss	(8,04,072)	(7,11,343)
h. Employees' Contribution	-	-
i. Total Expenses recognized in the Profit & Loss Account	(19,983)	3,21,014

(V)

	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date	2013-14	2012-13
		Gratuity Funded	Gratuity Funded
a.	Government of India Securities	-	-
b.	Corporate Bonds	-	-
c.	Special Deposits Scheme	-	-
d.	Equity Shares of Listed Companies	-	-
e.	Property	-	-
f.	Insurer Managed Funds	100%	100%
g.	Others	-	-

c) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

d) The Actual Return on Plan Assets is as follows (Rs.) 1,402,126
(1,376,969)

e)

	Following are the Principal Actuarial Assumptions used as at the balance sheet date:	2013-14	2012-13
		a.	Interest Rate
b.	Discount Rate	9.00%	8.20%
c.	Expected Rate of Return on Plan Assets	9.00%	9.00%
d.	Salary Escalation Rate	6.00%	6.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

f) Retirement age 58 years or 70 years if extension is given

(2.30) Related party disclosures (where transactions have taken place).

i Key Management personnel:

Shri Madan Mohan Mohta
Shri Anirudh Mohta

ii Relatives of Key management personnel:

Smt. Urmila Devi Mohta

iii Enterprises where key management personnel have significant influence:

U. D. Finnvest Pvt Ltd
Mohta Capital Pvt Ltd
Bemco Precitech Pvt Ltd
U.D.Polyproducts Pvt Ltd
Sri Ramachandra Enterprises Private Limited

Related party relationship in terms of AS-18 – Related party Disclosures have been certified by the management and relied upon by the Auditors. There are no related parties where control exists in terms of AS-18.

iv In respect of above parties, there is no provision for doubtful debts as at year end and no amount has been written off or written back during the year in respect of debts due from / to them.

v The following related party transactions were carried out during the year.

Nature of Transaction	Equity Shares		Liability		Interest	Expenditure		Short term borrowings		Balance as at year end (Cr)
	Issued on preferential basis	Preference Shares	Preference Shares	Redemption of Preference Shares		Sitting Fees	Remuneration	Accepted	Repaid	
Key Management Personnel										
Shri Madan Mohan Mohta	-	-	-	-	-	-	-	-	-	-
Shri Anirudh Mohta	(-)	(-)	(-)	(-)	1,65,984	-	-	-	8,72,481	-
Total					1,65,984			(28,00,000)	8,72,481	(8,72,481)
Relatives of Key Management Personnel										
Smt. Urmila Devi Mohta	-	-	-	-	-	-	5,000	-	-	-
							(5,000)	-	-	-
Enterprises where Key Management Personnel have Significant Influence										
U.D. Finnvest Pvt Ltd	51,00,000.00	(-)	65,00,000.00	3,00,000.00	2,70,543	-	-	57,60,000	1,54,62,000	40,17,773
	(-)	(8,00,000)	(-)	(-)	(9,21,337)	-	-	(1,03,83,179)	(19,35,000)	(1,21,82,597)
Sri Ramachandra Enterprises Pvt Ltd	51,00,000.00	(-)	65,00,000.00	(-)	3,88,325	-	-	2,25,62,000	1,67,23,000	81,96,780
	(-)	(15,00,000)	(-)	(-)	(3,43,744)	-	-	(6,73,120)	(11,90,000)	(17,81,763)
Mohta Capital Pvt Ltd	51,00,000.00	(-)	1,90,00,000	15,00,000.00	14,81,353	-	-	4,06,50,000	4,72,40,000	5,02,07,175
	(-)	(3,15,00,000)	(-)	(-)	(43,35,623)	-	-	(3,09,35,031)	(45,10,000)	(4,97,29,363)
Bemco Precitech Pvt Ltd	-	(-)	(-)	(-)	4,384	-	-	-	27,000	1,52,107
	(-)	(-)	(-)	(-)	(22,693)	-	-	(4,693)	(6,000)	(1,58,561)
U.D.Polyproducts Pvt Ltd	-	(-)	(-)	(-)	6,263	-	-	-	27,000	2,17,314
	(-)	(-)	(-)	(-)	(30,568)	-	-	(6,334)	(6,000)	(2,16,031)
Total	1,53,00,000	(-)	3,20,00,000	(-)	21,50,868	(-)	(-)	6,89,72,000	7,94,79,000	6,45,33,376
	(-)	(-)	(3,38,00,000)	(-)	(56,53,965)	(-)	(-)	(4,20,02,357)	(76,47,000)	(6,40,68,315)

(Figures in bracket pertain to Previous Year)

(2.31)

a) Land, Building, Plant and Machinery, Office equipment and major portion of other fixed assets acquired before 4th October 1999 were revalued on the basis of the valuation of these assets carried out by a firm of registered valuer. According to the Valuer's Report these fixed assets were valued on the following basis:

Land : Market value basis
Building : Present day cost less depreciation
Machinery : Market value basis, present cost less depreciation

The surplus arising thereon as compared to net book value amounting to Rs.468.73 lacs was credited to Revaluation Reserve.

b) Total depreciation for the year is Rs. 1,25,73,117 /- (Previous year Rs. 67,07,372/-), out of this the extent of depreciation charged on the write up on account of revaluation amounting to Rs. 5,28,310/ - (Previous year Rs. 5,33,454/-) has been recouped from Revaluation Reserve and the balance of Rs. 1,20,44,807/- (Previous year Rs. 61,73,918/-) is charged to the Statement of Profit and Loss.

(2.32) The Company is engaged in the manufacturing and sale of hydraulic press machine and related equipments, which as per the Accounting Standard AS-17 is considered the only reportable business segment. The geographical segment is not relevant as exports are insignificant.

(2.33) In accordance with the provisions of Accounting Standard on Impairment of Assets (AS 28), the management has made an assessment of assets in use and considering the business prospects related thereto, no provision is considered necessary on account of impairment of Assets.

(2.34)

a) Disclosure of the amount due to the Micro, Small & Medium Enterprises (on the basis of the information and records available with the management)

PARTICULARS		As At 31-Mar-14	As At 31-Mar-13
1	The principal amount and the Interest due thereon remaining unpaid to any Micro/Small supplier - Principal amount - Interest thereon	NIL NIL	NIL NIL
2	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
3	The amount of Interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small And Medium Enterprises Act Development Act 2006.	NIL	NIL
4	The amount of interest accrued and remaining un paid at the end each accounting year.	NIL	NIL
5	The amount of further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	-	25,962

b) Company has written to the suppliers asking them to confirm their status under Micro, Small & Medium Enterprises Development Act 2006, however no intimation has been received from any of the suppliers.

(2.35) Disclosure of loans / advances and investments in its own shares by the listed companies, their subsidiaries, associates etc (as certified by the management)

Sr. No.	PARTICULARS	Outstanding Balance As On 31-Mar-2014	Outstanding Balance As On 31-Mar-2013
i	Loans and advances in the nature of loans to subsidiaries	-	-
ii	Loans and advances in the nature of loan to associates	-	-
iii	Loans and advance in the nature of loan where there is	-	-
	a) No repayment schedule or repayments beyond seven years	-	-
	b) No interest or interest below Section 372 A of the Companies Act 1956.	-	-
iv	Loans and advance in the nature of loans to firms/companies in which director are interested.	-	-
v	Investments by loanee in the shares of parent company and subsidiary companies when the company has made loan or advance in the nature of loan.	-	-

(2.36) C.I.F. VALUE OF IMPORTS, EXPENDITURE (INCLUDING CAPITAL EXPENDITURE) AND EARNINGS IN FOREIGN CURRENCY:

	PARTICULARS	2013-14	2012-13
1	C.I.F. Value of Imports: Raw Materials And Components	1,66,13,121.00	54,65,317
2	Expenditure in Foreign Currency:(paid/payable) - Traveling - Technical Know How (including exchange fluctuation) - Advertisement Expenses	3,45,987 1,59,31,128 6,96,509	4,90,066 3,19,79,161 -
3	Earnings in Foreign Exchange: FOB value of Exports	65,76,500	-

(2.37) OPENING STOCK, CLOSING STOCK AND TURNOVER OF FINISHED GOODS:

PRODUCTS	Opening Stock Amount	Closing Stock Amount	Turnover Amount
Hydraulic Presses	2,76,05,477 (4,28,77,513)	3,45,07,867 (2,76,05,477)	21,64,90,556 (30,46,97,562)
Axial Piston Pumps	-	-	28,12,088 (34,73,295)
Hydraulic Equipments	23,37,203 (80,40,745)	1,04,18,452 (23,37,203)	6,64,15,706 (5,11,95,350)
Others	10,46,974 (91,256)	- (10,46,974)	2,27,18,037 (1,73,73,892)
Scrap	17,573 (16,079)	- (17,573)	1,20,390 (1,66,770)
Total	3,10,07,227 (5,10,25,593)	4,49,26,319 (3,10,07,227)	30,85,56,777 (37,69,06,869)

Note: The sales turnover is excluding of Excise duty however the Opening & Closing Stock is inclusive of excise duty.

(2.38) RAW MATERIALS AND COMPONENTS CONSUMED:

Particulars	2013-14 Amount	2012-13 Amount
MS rounds, Squares, Flats, Plates and Angles	3,61,12,752	9,96,28,681
Rough Castings	2,37,77,123	1,25,01,686
Hydraulic Pumps and Valves	1,01,07,515	18,09,616
Steel Pipes	23,61,434	1,49,08,288
Packing Material	10,77,690	18,77,950
Components and Others	7,86,90,924	6,76,34,573
Total	15,21,27,438	19,83,60,794

IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED:

	2013-14 Value Rs.	%	2012-13 Value Rs.	%
Imported	1,63,46,163	10.75%	59,92,649	3.02%
Indigenous	13,57,81,275	89.25%	19,23,68,145	96.98%
Total	15,21,27,438	100.00%	19,83,60,794	100.00%

(2.39) WORK IN PROGRESS

Particulars	2013-14 Amount	2012-13 Amount
500T WHEEL FORCING PRESS	42,57,000	2,22,57,000
1500T CLOSED FRAME PRESS	1,47,37,000	2,16,40,000
Others	10,13,08,000	12,52,05,500
Total	12,03,02,000	16,91,02,500

(2.40) SERVICES RENDERED

Particulars	2013-14 Amount	2012-13 Amount
Job Charges	12,34,893	19,52,404
Servicing charges	13,54,250	16,60,258
Total	25,89,143	36,12,662

(2.41) Stores consumed in the current year and previous year is 100% indigenous.

(2.42) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under:

Particulars	2013-14 Amount (Rs)	2012-13 Amount (Rs)
Deferred payment Liabilities :		
a) Payable for Technical Know-How (in Euros)	8,13,350	8,48,350
Payable for Technical Know-How (in INR)	6,80,20,461	5,99,44,411
b) Payable on account of commission (in Euros)	-	-
Payable on account of commission (in INR)	-	-

(2.43) The estimated amount of contracts remaining to be executed on capital account not provided for amounts to Rs. Nil (P.Y. Rs. 8,34,000/-) (net of advance)

(2.44) Warranty expenses on rectification work are accounted for on natural heads as and when incurred & charged to provision on year end. Warranty expenses include Rs. Nil/- (P.Y. Rs. 34,84,549/-) on account of free supplies of materials under warranty period.

(2.45) Disclosures pursuant to Accounting Standards AS - 29 "Provisions, Contingent Liabilities and Contingent Assets"

(Figures in Rs.)

Particulars	Balance as at 01/04/2013	Additions during the year	Amount paid/ reversed/ used during the year	Balance as at 31/03/2014
Provision for Liquidated Damages	-	2,15,69,891	2,15,69,891	-
Provision for Warranty Claims	9,01,148	-	1,85,231	7,15,917

(2.46) Previous period figures have been recast/restated wherever necessary.

(2.47) The company had issued 3,40,000 Equity Shares of Rs. 10/- each at a premium of Rs. 50/- per share on preferential basis to Promoters and an Independent Investor aggregating to Rs. 204 lakhs during the year. The funds raised on preferential basis has been utilised for repayment of unsecured loans and redemption of preference shares.

As per our Report of even date
for **M/S A. C. BHUTERIA & CO.**
Chartered Accountants

For and on behalf of the Board

Mohit Bhuteria
Partner
Place : Kolkata
Date : 28-05-2014

M. M. Mohta
Chairman

Anirudh Mohta
Managing Director
Place: Belgaum
Date : 28-05-2014

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

(Amount in Rs. P.)

Particulars	31-Mar-14		31-Mar-13	
A Cash Flow from Operating Activities:				
Net Profit Before Tax and Extraordinary Items		(6,90,89,154.70)		1,00,64,656.00
Adjustments for:				
Loss on Sale of Fixed Assets	4,38,439.00		66,947.00	
Provision for doubtful debts and advances	36,02,593.00		4,95,101.00	
Bad Debt and advances written off	6,59,388.36		23,84,981.00	
Finance Cost	3,93,10,119.06		3,04,12,042.00	
Depreciation and Amortization expense	1,20,44,807.00		61,73,918.00	
Unrealised Foreign Exchange Gain/ Loss	1,08,22,063.00		(62,039.00)	
Equity share issue expenses	6,25,000.00		-	
Profit on Disposal of Fixed Assets	(53,958.00)		(1,422.00)	
Liability no longer required written back	(4,12,391.00)		(17,07,909.00)	
Dividend from Non-Current Investments	(9,168.22)		(10,088.00)	
Interest Income	(12,92,035.00)	6,57,34,857.20	(14,53,529.00)	3,62,98,002.00
Operating Profit before Working Capital Changes		(33,54,297.00)		4,63,62,658.00
Movements in Working Capital				
Decrease/ (Increase) in Inventories	2,31,33,333.00		1,60,68,969.00	
Decrease/ (Increase) in Trade and Other Receivables	(11,01,182.00)		(1,47,95,460.40)	
Increase/ (Decrease) in Trade and Other Payables	(13,93,615.00)	2,06,38,536.00	(4,80,44,361.07)	(4,67,70,852.47)
Cash Generated from Operations		1,72,84,239.00		(4,08,194.47)
Direct Taxes paid		(6,84,639.00)		(36,05,592.72)
Net Cash from/used in Operating Activities (A)		1,65,99,600.00		(40,13,787.19)
B Cash Flow from Investing Activities:				
Purchase of Tangible/Intangible Fixed Assets (incl Cap WIP)	(1,68,53,194.00)		(3,58,86,456.00)	
Sale of Fixed Assets	13,19,451.00		3,60,616.00	
Sale of Investments	-		10,000.00	
Investment in Fixed Deposits	(23,35,807.00)		70,37,429.00	
Dividend Received	9,168.00		10,088.00	
Interest Received	13,80,437.00		14,16,701.00	
Net Cash Used in Investing Activities (B)		(1,64,79,945.00)		(2,70,51,622.00)
C Cash Flow from Financing Activities:				
Proceeds/ (Repayment) of Long term Borrowings (net)	(18,72,478.12)		1,71,05,968.36	
Proceeds/ (Repayment) of Short term Borrowings(net)	2,59,78,920.00		4,81,76,246.56	
Proceeds from issue of Equity Shares	2,04,00,000.00		-	
Share Issue Expenses	(6,25,000.00)		-	
Redemption of Preference Shares	(18,00,000.00)		-	
Dividend Paid	(37,18,000.00)		(27,80,052.00)	
Tax on Dividend paid	(6,31,874.00)		(4,50,994.00)	
Interest Paid	(3,97,12,306.06)		(2,84,00,788.00)	
Net Cash from/used in Financing Activities (C)		(19,80,738.00)		3,36,50,380.92
Net Increase in Cash & Cash Equivalents (A+B+C)		(18,61,083.00)		25,84,971.73
Cash & Cash Equivalents at the beginning of the Year		47,58,288.00		21,73,316.77
Cash & Cash Equivalents at the End of the Year		28,97,205.00		47,58,288.50

Note:

Cash Flow Statement has been prepared using the indirect method in accordance with Accounting Standard AS 3-"Cash Flow Statement" notified under the Companies (Accounting Standard) Rules, 2006.

As per our Report of even date
for **M/S A. C. BHUTERIA & CO.**
Chartered Accountants

For and on behalf of the Board

Mohit Bhuteria
Partner
Place : Kolkata
Date : 28-05-2014

M. M. Mohta
Chairman

Anirudh Mohta
Managing Director
Place: Belgaum
Date : 28-05-2014

FIVE YEARS TREND ANALYSIS

(Rs. in Lakhs)

S.NO	Particular	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
1	Total Sales	3,204.16	3,843.31	2,491.78	2,436.43	1,763.74
2	Other Income	18.89	33.88	33.59	22.49	123.23
3	Total Income	3,223.05	3,877.19	2,525.37	2,458.92	1,886.97
4	Operating Profit	(177.34)	466.51	351.42	351.42	284.72
5	Interest	393.10	304.12	207.81	172.84	118.29
6	Depreciation	120.45	61.74	88.38	100.28	95.03
7	Profit / (Loss) before Tax	(690.89)	100.65	68.77	78.30	71.40
8	Tax	-	(21.11)	(41.18)	(40.12)	(28.36)
9	Deferred Tax Assets	214.97	(15.36)	14.94	9.29	15.64
10	Fringe Benefit Tax	-	-	-	-	-
11	Income tax earlier years	(0.73)	(8.09)	(1.88)	(5.54)	(0.26)
12	Profit / (Loss) after Tax	(476.65)	56.09	40.64	41.93	58.42
13	Transitional Provision	-	-	-	-	-
14	Transferred to general Reserve	-	10.00	10.00	10.00	10.00
15	Dividend & Tax-Preference Shares	-	43.50	32.31	6.74	6.76
16	Net Surplus for the year	(476.65)	2.59	(1.67)	25.19	41.66
17	Surplus / (Deficit) B/F	119.26	116.66	118.34	93.15	51.49
18	Balance Carried to Balance Sheet	(357.39)	119.26	116.66	118.34	93.15
19	Paid-up Equity Share Capital	178.67	144.67	144.67	144.67	144.67
20	Reserve & Surplus (inclusive of	146.48	458.41	451.15	457.04	427.23
21	Equity Shareholders' Net worth	325.15	603.08	595.82	601.71	571.90

**BEMCO HYDRAULICS LIMITED****(CIN: L51101KA1957PLC001283)****Registered Office:** Udyambag, Industrial Estate, BELGAUM - 590 008**Email:** isc@bemcohydraulics.net **Website:** www.bemcohydraulics.com**Phone No. :** 0831-4219000, **Fax No. :** 0831-2441263**ATTENDANCE SLIP**

(To be presented at the entrance)

**56th ANNUAL GENERAL MEETING ON FRIDAY, THE 12TH SEPTEMBER 2014 AT 3.30 PM
at Udyambag, Industrial Estate, Khanapur Road, BELGAUM - 590 008 (Karnataka)**

Folio No. _____ DP ID No. _____ Client ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

1. Only Member / Proxyholder can attend the Meeting.
2. Member/ Proxy holder should bring his/her copy of Annual Report for reference at the Meeting.

**BEMCO HYDRAULICS LIMITED****(CIN: L51101KA1957PLC001283)****Registered Office:** Udyambag, Industrial Estate, BELGAUM - 590 008**Email:** isc@bemcohydraulics.net **Website:** www.bemcohydraulics.com**Phone No. :** 0831-4219000, **Fax No. :** 0831-2441263**PROXY FORM**Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies
(Management and Administration) Rule 2014

Name of the Member (s) _____

Registered Address: _____

Folio / Client No: _____ DP ID No: _____

I/we, being the member(s) of _____ Shares of Bemco Hydraulics Limited, hereby appoint

Name: _____ Email ID: _____

Address: _____ Signature: _____

Of failing which

Name: _____ Email ID: _____

Address: _____ Signature: _____

Of failing which

Name: _____ Email ID: _____

Address: _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/our behalf at the Fifty Sixth Annual General Meeting OF THE Company to be held on Friday, 12th September 2014 at 3.30 PM at Udyambag, Industrial Estate, Khanapur road, Belgaum - 590 008 (Karnataka)

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To Appoint of Director in place Smt. Urmila Devi Mohta who retires by rotation and is eligible re-election.
3. To Appoint the Statutory Auditors and Authorize Board to fix their remuneration.
4. To Appoint Mr. N. K. Daga as an Independent Director.
5. To Appoint Mr. R. M. Shah as an Independent Director.
6. To Appoint Mr. Dilip Chandak as an Independent Director.
7. To confirm appointment of Mr. Anirudh Mohta as Managing Director and terms of his remuneration.
8. To approve and adopt new set of Articles of Association in substitution of the existing set of Articles.
9. To approve keeping of Register of Members and related records along correspondence with Company' RTA M/S Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, Makawana Road, Marol Naka, Andheri (E), Mumbai - 400 059 as per Section 94(1).

Signed this _____ day of _____ 2014

Signature of the Shareholder(s) _____ Signature of Proxy holder(s) _____

Notes : This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Udyambag, Industrial Estate, Khanapur road, Belgaum - 590 008 (Karnataka), not less than 48 hours before the commencement of the Meeting.Affix a
1Rs.
Revenue
stamp

PRINTED MATTER

REGD. - POST



56th ANNUAL REPORT 2013-2014

To

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56th ANNUAL REPORT 2013-2014

If undelivered, please return to :

BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

KHANAPUR ROAD, UDYAMBAG,
BELGAUM - 590 008 (Karnataka)

