



ISO 9001:2015 Certified Company  
Reg. No. RQ91/6325

# BEMCO HYDRAULICS LIMITED



# 60

## ANNUAL REPORT & ACCOUNT 2017-2018

# BEMCO HYDRAULICS LIMITED

\*\*\* SHRI \*\*\*

## DIRECTORS

<b>MADAN MOHAN MOHTA</b>	- CHAIRMAN – NON EXECUTIVE
<b>ANIRUDH MOHTA</b>	- MANAGING DIRECTOR - EXECUTIVE
<b>URMILA DEVI MOHTA</b>	- DIRECTOR – NON EXECUTIVE
<b>RAMESH SHAH</b>	- DIRECTOR – INDEPENDENT NON- EXECUTIVE
<b>NAWAL KISHOR DAGA</b>	- DIRECTOR – INDEPENDENT NON- EXECUTIVE
<b>DILIP CHANDAK</b>	- DIRECTOR – INDEPENDENT NON- EXECUTIVE

## CHIEF FINANCE OFFICER

**R.B.PATIL**  
EMAIL:- cfo@bemcohydraulics.net

## COMPANY SECRETARY

**MS. AMRUTA A. TARALE (ACS 42288)**  
EMAIL:- cs@bemcohydraulics.net

## AUDITOR

**S. JAYKISHAN.**  
CHARTERED ACCOUNTANTS  
HO CHI MINH SARANI, SUIT-2D,  
KOLKATA- 700 001

## COST AUDITOR

**UMESH NARASIMHA KINI, B. COM, ACMA**  
COST ACCOUNTANT,  
SHANTI NIKETAN, BANVASI ROAD,  
SIRSI - 581 401

## INTERNAL AUDITOR

**M/S A.C. BHUTERIA & CO.**  
CHARTERED ACCOUNTANTS  
2, INDIA EXCHANGE PLACE,  
KOLKATA- 700 001

## TAX AUDITOR

**ULHAS KINI & CO– CHARTERED ACCOUNTANTS**  
97, PUSHPANJALI, FIRST FLOOR,  
MANGALWAR PETH, TILAKWADI,  
BELGAUM – 590 004

## SECRETARIAL AUDITOR

**SDR AND ASSOCIATES**  
ANANDI RESIDENCY  
150, BUDHWAR PETH,  
TILAKWADI, BELGAUM 590006.

## BANKERS

**BANK OF MAHARASHTRA,**  
CITY BRANCH,  
KIRLOSKAR ROAD,  
BELGAUM 590 002  
(CONSORTIUM LEADER)

**STATE BANK OF INDIA,**  
SME BRANCH;  
CONGRESS ROAD, TILAKWADI,  
BELGAUM 590 006  
(CONSORTIUM MEMBER BANK)



## BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC0012830)

REGISTERED OFFICE: UDYAMBAG, INDUSTRIES ESTATE, BELGAUM – 590 008 (KARNATAKA) INDIA

EMAIL: isc@bemcohydraulics.net / website: www.bemcohydraulics.com

PHONE NO. +91-0831-2441980, FAX NO.+91-0831-2441263

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## Annual General Meeting Venue

REGISTERED OFFICE: UDYAMBAG, INDUSTRIES ESTATE, BELGAUM - 590 008 (KARNATAKA) INDIA

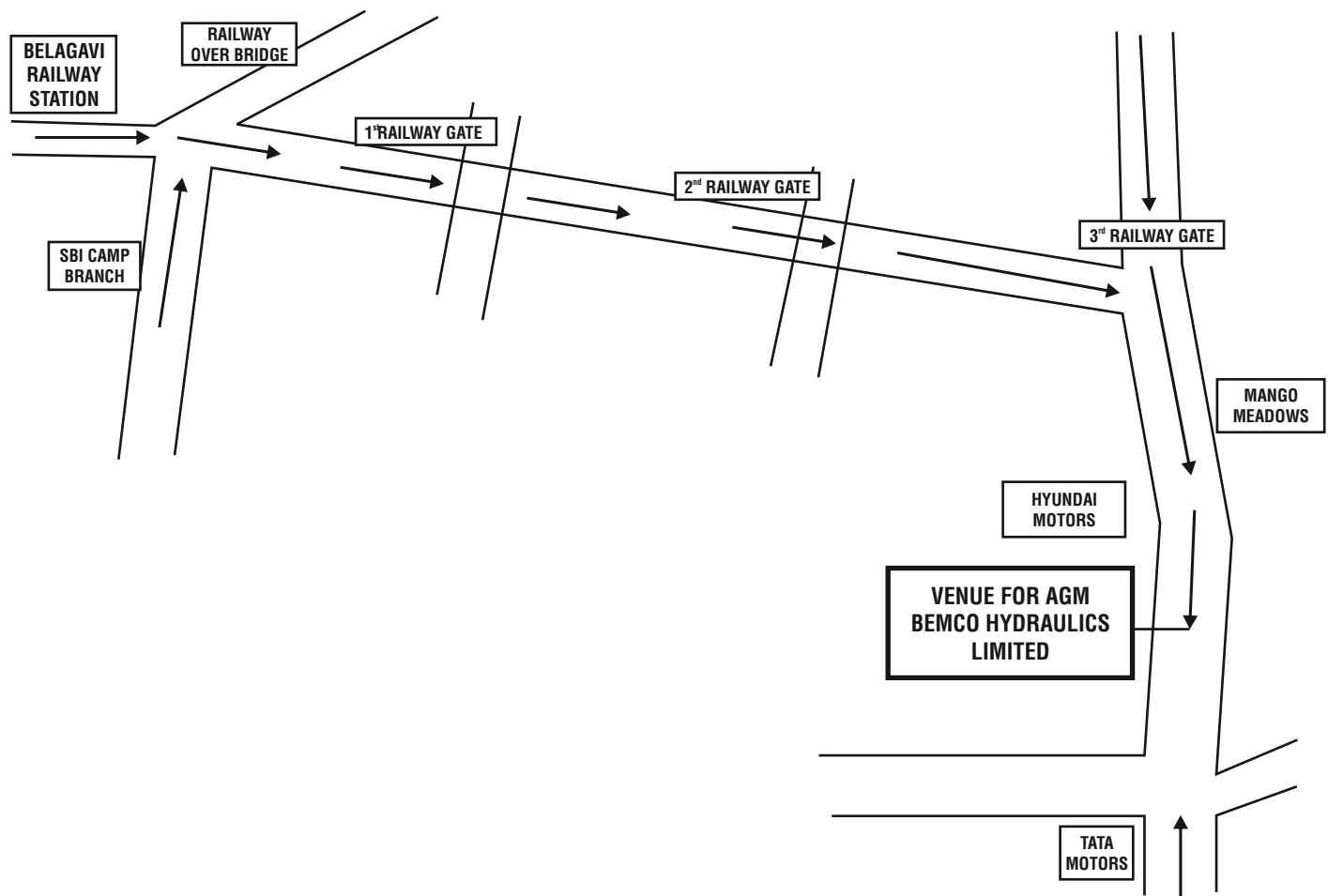
Date-29<sup>th</sup> August 2018

Time- 3.30pm

### ROUTE MAP

#### ROUTE MAP

**LANDMARK :**  
**HYUNDAI MOTORS**  
KHANAPUR ROAD, UDYAMBAG,  
BELGAUM - 590 008



**BEMCO HYDRAULICS LIMITED**

(CIN: L51101KA1957PLC001283)

**Registered Office :** Udyambag, Industrial Estate, BELGAUM-590 008**Email:** [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net) **Website :** [www.bemcohydraulics.net](http://www.bemcohydraulics.net)**Phone No.:** 0831-2441980, Fax No.0831-2441263**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE SIXTIETH 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 WEDNESDAY THE 29TH AUGUST, 2018 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<sup>st</sup>, 2018, the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the consolidated financial statement of the Company for the financial year ended March 31<sup>st</sup>, 2018, the reports of Auditors thereon.
3. 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 offers herself for re-election.

**AS SPECIAL BUSINESS**

4. To appoint a Director in place of Shri M. M. Mohta (DIN 00068884), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election and in this regard to consider and if thought fit, to pass, with or without modification's the following resolutions as special resolution.

RESOLVED THAT, pursuant to the provisions of section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with sub regulation 1A of regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, Mr. M. M. Mohta aged 79 years, a Director of the Company who retires by rotation at this meeting and being eligible for re-election be and is hereby re-elected as Director whose period of office will be liable for retirement by rotation.

Place: Belgaum  
 Date: 20<sup>th</sup> June, 2018

Registered Office:  
 Udyambag, Industrial Estate  
 BELGAUM-590008 (Karnataka)  
 CIN: L51101KA1957PLC001283  
 E-mail: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)

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

**Amruta A. Tarale**  
**Company Secretary**  
**ACS- 42288**  
 684, "SAVALI", Saraswati Nagar,  
 Ganeshpur Road, Belgaum-591108

**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.**

**The instructions for filling, stamping, signing and or depositing Proxy:**

No instrument of Proxy shall be valid unless it is signed by the members/s or by his /her attorney duly authorised in writing or in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing, provided that an instrument of Proxy shall be sufficiently signed by any member who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto and attested by a Judge, Magistrate, Registrar or Sub-Registrar of assurances or Govt. Gazetted officers or any officer of nationalised bank.

Person appointed as the Proxy shall prove his/her identity at the time of attending the meeting and for the purpose such person shall carry proof of his/her identity via PAN Card, Voters ID or Aadhar Card, Driving Licence or Passport

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 Listing Regulations 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 17<sup>th</sup> August, 2018 to Wednesday 29<sup>th</sup> August, 2018** (both days inclusive) for determining the names of members eligible for the purposes of Annual General 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](http://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 60<sup>th</sup> 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 25<sup>th</sup> August, 2018 at (10.00 am)** and ends on **Tuesday 28<sup>th</sup> August, 2018 at (5.00 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 **Wednesday 22<sup>nd</sup> August, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- IV. Click on "Shareholders" tab.
- V. Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format)
Bank Details OR Date of Birth (DOB)	As recorded in your demat account or in the Company records in orders to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank Details field as mentioned in instruction (v)</li> </ul>

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

- XIX. Note for Non – Individual Shareholders and Custodians.
- Non – Individual Shareholders ( i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> 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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- XXI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XXII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XXIII. Mr. S. R. Deshpande, Practicing Company Secretary (CP No. 01865) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XXIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XXV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.bemcohydraulics.net](http://www.bemcohydraulics.net) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**— voting**

Central Depository Services (India) Limited is pleased to announce the launch of **m-voting a mobile app** for m voting. This m-voting app enables Android based smart phone users to cast their vote on company resolutions even while they are on the move. M-voting can also be used for voting at the AGM/EGM venue. The m-voting app can be downloaded from Google play store for android based phones, while the users of iphone and windows based phones can download the app from the app store and windows phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

CDSL is also pleased to introduce a single sign on facility for e-voting which enables clients of registered proxy advisory firms, depository participants and stock broker to vote directly from their registered login. Both facilities m-voting and single sign on, are currently been offered free of cost to the investors.

CDSL's internet based e-Voting Platform enables shareholders to vote online at a place and time of their convenience. The e-Voting Platform can be used to conduct voting at AGMs / EGMs (including Venue Voting), Postal Ballots and other meetings thus obviating the need for shareholders to be physically present at the venue of the meeting to participate in the decision making process of companies. To know more about e-Voting, visit [www.evotingindia.com](http://www.evotingindia.com).

**Go Green Initiative launched by the Ministry of Corporate affairs**

Members are requested to support the "Green Initiatives" by registering their Email address with the company, if not already done.

Those members who have changed their Email id are requested to register their new Email ID with the Company in case of the shares are held in physical form and with the depository participant where shares are held in demat mode.

Members holding in physical mode are also requested to register their email address with our Registrar and Transfer Agent **Adroit Corporate Services Pvt Ltd**, 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059 or Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com) such registration of email address may also be made with the Company at its registered office as per the address mentioned above or at the email id [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)

**AN EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.****ITEM NO. 4:**

To appoint a Director in place of Shri M. M. Mohta (DIN 00068884), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election and in this regard to consider and if thought fit, to pass, with or without modification's the following resolutions as special resolution.

**EXPLANATION TO THE ABOVE MENTIONED ITEM NO :4.**

As per the provisions of section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) there is the normal rule regarding retirement of Directors by rotation and who are eligible for re-election. Now as per sub regulation 1A of regulation 17 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 (A new sub regulation inserted by SEBI in SEBI (Listing obligations and disclosure requirements) Regulations, 2015 through notification dated 09<sup>th</sup> May, 2018, Effective from 01<sup>st</sup> April, 2019) the appointment/ reappointment of any person above the age of 75 years requires to be made through a special resolution.

Mr. M M Mohta Chairman and Non executive director of the company is aged 79 years and who retires by rotation at this annual meeting and being eligible for re-appointment, the reappointment shall be made by taking the shareholders consent by passing special resolution in the this Annual General Meeting.

The Board commends his appointment as a Director as he holds considerable experience in trade and industry.

**MEMORANDUM OF INTEREST**

Mrs Urmila Devi Mohta and Mr. Aniruda Mohta are interested in this item of special business as the appointee Director happens to be related to them.

Place: Belgaum  
Date: 20<sup>th</sup> June, 2018

Registered Office:  
Udyambag, Industrial Estate  
BELGAUM-590008 (Karnataka)  
CIN: **L51101KA1957PLC001283**  
E-mail: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)

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

**Amruta A. Tarale**  
**Company Secretary**  
**ACS- 42288**  
684, "SAVALI", Saraswati Nagar,  
Ganeshpur Road, Belgaum-591108

**Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting**

Name of the Director	Shri Madan Mohan Mohta	Smt. Urmila Devi Mohta
Date of Birth	05.09.1939	01.10.1945
Date of Appointment	23.03.1991	30.05.1992
DIN	00068884	00068906
Nationality	Indian	Indian
Expertise in specific functional areas	Wide experience in Management, he was chairman & managing director till 31.03.2014. Working as chairman till date.	Vast Management experience and a Woman Director.
Qualifications	B.com	Matriculate
List of Public/ Private Companies in which outside Directorship held as on 31 <sup>st</sup> March 2018.	<ul style="list-style-type: none"> <li>- Mohta Capital Pvt Ltd</li> <li>- Sri Ramachandra Enterprises Pvt Ltd</li> <li>- U.D.Finnvest Pvt Ltd</li> <li>- Bemco Precitech Pvt Ltd</li> <li>- U.D.Polyproducts Pvt Ltd</li> </ul>	<ul style="list-style-type: none"> <li>- Mohta Capital Pvt Ltd</li> <li>- Sri Ramachandra Enterprises Pvt Ltd</li> <li>- U.D.Finnvest Pvt Ltd</li> <li>- Bemco Precitech Pvt Ltd</li> <li>- U.D.Polyproducts Pvt Ltd</li> <li>- Bemco Fluidtechnik LLP</li> </ul>
Chairman/member of the Committees of the Public Companies on which he is a Director as on 31 <sup>st</sup> March 2018.	NIL NIL	
No of Shares held	67183	208668
Relationship with any Director of the Company.	Father of Mr. Anirudh Mohta, Managing Director & Husband of Smt. Urmila Devi Mohta, Director.	Wife of Mr. Madan Mohan Mohta & Mother of Mr. Anirudh Mohta, Managing Director.

**BEMCO HYDRAULICS LIMITED**

(CIN: L51101KA1957PLC001283)

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

Email: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net) Website : [www.bemcohydraulics.net](http://www.bemcohydraulics.net)

Phone No.: 0831-2441980, Fax No.0831-2441263

## BOARD'S REPORT

### To the Members,

The Directors have pleasure in presenting their 60<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018 incorporating therein the consolidated financial statement covering the activities of its subsidiary BEMCO FLUIDTECHNIK LLP.

### 1. FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

[Read with Section 134 of the Companies Act 2013 and Rule 5 (i) of Cos (Accounts) Rules, 2014]

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2017. Accordingly, the financial statement for the year ended 31st March, 2018 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS.

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue From Operations	4092.31	4581.47	4226.95	4642.60
Other Income	44.54	68.92	43.54	69.25
Total Income	4136.85	4650.39	4270.49	4711.85
Profit/(loss) before exceptional items & tax	145.98	102.53	123.18	46.28
Exceptional Items	-	282.42	-	282.42
Profit/(loss) before tax	145.99	384.95	123.18	328.70
Tax Expense/(Credit) net	40.81	86.57	40.82	86.57
Profit / (Loss) for the period from continuing operations	105.17	298.38	82.37	242.12
Other Comprehensive Income	13.91	(3.74)	13.91	(3.74)
Total Comprehensive Income/ (loss) for the period	119.08	294.64	96.28	238.39

#### Standalone

The company has achieved turn over of Rs. 4136.85 Lakhs as against Rs. 4650.39 Lakhs for the previous year. The Total comprehensive income for the year works out to Rs. 119.08 Lakhs as against the profit of Rs. 294.65 Lakhs of the previous year.

#### Consolidated

The consolidated statement of Bemco hydraulics Limited with Bemco Fluidtechnik LLP is reproduced in brief. The consolidated turnover was Rs.4270.49/- Lakhs as against Rs. 4711.85 lakhs for the previous year. The consolidated Total comprehensive income for the year is of Rs. 96.28/- Lakhs as against the profit of Rs. 238.39/- lakhs for the previous year.

### 2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Subsequent to the date of Financial Statements (i.e. after 31<sup>st</sup> March 2018) no significant event has occurred.

### 3. CHANGE IN THE NATURE OF BUSINESS:

During the year under operation there was no change in the nature of business.

### 4. SHARE CAPITAL

There is no change in the capital structure of the company.

### 5. DIVIDEND:

#### Equity Shares:

As the company's profit amounts to Rs.119.08/- lakhs the board decided to set off past accumulated losses and therefore no dividend is proposed for the financial year 2017-18.

#### Preference Shares:

Due to set off past accumulated losses, the Company is unable to pay dividend on preference shares for the year including arrears thereof for the year ended on 31<sup>st</sup> March, 2018 as under:

F. Y. ended on	No. of Preference Shares	Amount of Dividend in Rs.
31 <sup>st</sup> March 2016	3,20,000	1,05,60,000/-
31 <sup>st</sup> March 2017	3,20,000	1,40,80,000/-
31 <sup>st</sup> March 2018	3,20,000	1,67,20,000/-

These preference shares are held by the promoters themselves as borne by the list of preference share holders as under:

1. MOHTA CAPITAL PRIVATE LIMITED
2. U D FINNVEST PRIVATE LIMITED
3. SRI RAMACHANDRA ENTERPRISES PRIVATE LIMITED

In view of the above, Company is carrying the above amount as Liability towards Dividend on Preference Shares

As, no Dividend is paid on preference shares for F. Y. 2015-16, 2016-17 and also for F Y 2017-18, the Preference Share holders would get voting rights on par with equity share holders, in terms of the provisions of Section 47 of the Companies Act 2013 on and after the forthcoming AGM.

### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

There is no change in the composition of Board of Directors of the Company during the year under report:

#### DIRECTORS

- |                           |   |
|---------------------------|---|
| 1. Mr. M. M. MOHTA        | - Chairman – Non Executive              |
| 2. Mr. ANIRUDH MOHTA      | - Managing Director – Executive         |
| 3. Mrs. URMILA DEVI MOHTA | - Director – Non Executive              |
| 4. Mr. R. M. SHAH         | - Director – Independent Non- Executive |
| 5. Mr. N. K. DAGA         | - Director – Independent Non- Executive |
| 6. Mr. DILIP CHANDAK      | - Director – Independent Non- Executive |

**KEY MANAGERIAL PERSONNEL – KMP**

- |                         |                           |
|-------------------------|---------------------------|
| 1. MR. ANIRUDH MOHTA    | – Managing Director       |
| 2. MR. R. B. PATIL      | – Chief Financial Officer |
| 3. MS. AMRUTA A. TARALE | – Company Secretary       |

**7. COMPOSITION OF COMMITTEES:**
**a. AUDIT COMMITTEE**

- |                |  |
|----------------|--|
| Chairman:      | Mr. Dilip Chandak- Independent Director  |
| Other Members: | Mr. R. M. Shah – Independent Director<br>Mr. N. K. Daga- Independent Director<br>Mr. Anirudh Mohta – Managing Director |

**b. NOMINATION AND REMUNERATION COMMITTEE**

- |                |  |
|----------------|--|
| Chairman:      | Mr. R. M. Shah – Independent Director  |
| Other Members: | Mr. Dilip Chandak – Independent Director<br>Mr. N K Daga – Independent Director<br>Mrs. Urmila Devi Mohta – Non Executive Director |

**c. STAKE HOLDERS RELATIONSHIP COMMITTEE**

- |                |  |
|----------------|--|
| Chairman:      | Mr. Dilip Chandak – Independent Director   |
| Other Members: | Mr. Anirudh Mohta – Managing Director<br>Mrs. Urmila Devi Mohta – Non Executive Director |

**d. COMMITTEE FOR PREVENTION OF SEXUAL HARRSSMENT OF WOMAN AT WORKPLACE/INTERNAL COMPLAINTS COMMITTEE**

- |                |  |
|----------------|--|
| Chairman:      | Ms. Kirti Ramchandra Devale – Company Employee                                 |
| Other Members: | Mrs. Madhuri Kulkarni- Company Employee<br>Ms. Amruta Tarale- Company Employee |

**8. STATUTORY DISCLOSURE UNDER COMPANIES ACT, 2013 (PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014)**

		ANNEXURE	PAGE NO
a.	Extract of annual return- Form MGT-9	ANNEXURE- I	10
b.	Number of meetings of the board	ANNEXURE- II	15
c.	a. Directors responsibility Statement b. details in respect of fraud reported by auditors under sub section (12) of section 143 other than those which are reportable to the central government	ANNEXURE- II	15
d.	A statement on declaration given by independent directors under sub- section (6) of section 149.	ANNEXURE- III	16
e.	Companies policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters provided under sub- section (3) of section 178 Ratio of remuneration to each directors	ANNEXURE- III	16
f.	Qualification and remarks	ANNEXURE- IV	17
g.	Particulars of loan, guarantees or investment under section 186.	ANNEXURE- IV	17
h.	Particulars of Subsidiary Company AOC-1	ANNEXURE- V	18
i.	Particulars of contracts or arrangement with related parties referred to in Sub-section 1 of section 188- AOC-2	ANNEXURE- VI	19
j.	The conservation of energy technology absorption, foreign exchange earnings and outgo.	ANNEXURE- VII	20
k.	A statement indicating development and implementation of a risk management Policy for the company including identification therein of elements of risk, if any which in the opinion of the board may threaten the existence of the company.	ANNEXURE- VIII	21
l.	The details of the policy developed and implemented by the company on corporate social responsibilities taken during the year.	ANNEXURE- VIII	21
m.	A statement indicating the manner in which formal annual evaluation has been made by the board of its own performance and that of its committees and individual directors.	ANNEXURE- VIII	21
n.	The state of the companies affairs Material changes and commitments if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the Company.	MANAGEMENT DISCUSSION AND ANALYSIS REPORT	22

**9. DISCLOSURE PURSUANT TO SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

At Bemco, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

At Bemco every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in values and in the Code of Ethics & Conduct of Bemco. The Direct Touch (Whistle-Blower & Protection Policy) Policy provides a platform to all employees for reporting unethical business practices at workplace without the fear of reprisal and help in eliminating any kind of misconduct in the system. The Policy also includes misconduct with respect to discrimination or sexual harassment.

The Company also has in place 'Prevention of Sexual Harassment Policy'. This Anti-Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. There were no complaints before the ICC during the Financial year 2017-18 as borne out by following table.

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

**10. STATUTORY AUDITOR**

The members at the 59th Annual General meeting of the company held on 28th September, 2017 had appointed M/s. S Jaykishan, a partnership firm of Chartered Accountants (Firm Registration number 309005E) as the statutory auditors of the Company to hold office for a period of five consecutive years i.e. from the conclusion of the said Annual General Meeting until the conclusion of 64th Annual General Meeting of the Company to be held in 2022, subject to ratification of their appointment by the shareholders every year.

The Ministry of corporate affairs vide its notification dated 7th May 2018, has dispensed with the requirement of ratification of auditors appointment by the share holders every year. Hence the resolution relating to ratification of auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

**11. AUDIT REPORTS**

The audit conducted by M/s S. Jaykishan, a firm of Chartered Accountants, (Firm Registration No. 309005E) for financial year 2017-18 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report and it is self explanatory.

**12. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company had appointed M/s SDR & ASSOCIATES, a Firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report issued in this regard is enclosed to this Report Comments & Observations in Secretarial Audit Report are Explained in Annexure-IV to the Directors Report.

**13. INTERNAL AUDIT:**

CA Prabhakar Latkan (Chartered Accountant) was appointed to conduct internal audit of the company for the Half financial year ending 30th September, 2017 and M/s. A. C. Bhuteria & Co., Chartered Accountant were appointed as internal auditor for the remaining tenure upto the year ending 31st March, 2018. as required under section 138 read with rule 13 of companies (Accounts) Rules, 2014. The internal audit report given by both the auditors does not contain any qualification remark.

**14. DISCLOSURE ABOUT COST AUDIT**

In pursuance of Section 148 of Companies Act 2013 read with Rule 5(1) of Companies (Cost Record and Audit) Amendment Rules 2014. Mr Umesh Kini, Cost Accountant was appointed to carry out cost compliance certification for the financial year 2017-18. The Company is not covered by cost Audit, Nonetheless, Records on routine basis and the Company obtains Cost Compliance report from a practicing Cost Accountant as a matter of good corporate practice and to instill cost consciousnesses at all level of operations.

**15. RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year under review were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance. None of the transactions entered into with related parties falls under the scope of Section 188(1) of the Act. Details of transactions with related parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure -VI in Form AOC-2 and forms part of this Report. The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board may be viewed on the Company's website at [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

**16. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

As per regulation 15 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 preparation of Corporate governance report is not applicable to our company as it does not fall under the criteria laid down in regulation 25 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 i.e. our companies paid up equity share capital is not exceeding Rupees ten crore and net worth is not exceeding Rupees twenty five crores as on the last date of previous financial year, but as a good ethical practice BEMCO continues to follow corporate Governance practices and a report on corporate governance is uploaded on our website [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

**17. VIGIL MECHANISM:**

The Vigil Mechanism acts as an additional internal element of the Company's compliance and integrity policies. All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with BEMCO can raise concerns regarding malpractices and events which may negatively impact the company. Vigil Mechanism has been established under the supervision of the Chief financial Officer and the Company Secretary of the Company. The Audit Committee, and the company secretary reviews the working of the Vigil Mechanism from time to time and make suggestions, if needed. The Vigil protects the whistleblower against victimization for the disclosures made by him/her and ensures complete confidentiality of the whistleblower's identity and the information provided by him/her. The investigation is conducted honestly, neutrally and in an unbiased manner. The subject or other involved persons in relation with the protected disclosure are also given an opportunity to be heard. Strict disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism. The company has adopted a policy on whistle blower and vigil mechanism where the policy also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The policy on whistle blower and vigil mechanism is also uploaded on the company's website [www.bemcohydraulics.net](http://www.bemcohydraulics.net)

**18. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

No regulatory authority has passed any orders having material impact on the Company.

**19. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

There are sound internal controls commensurate with nature and size of the Company that have been incorporated in the Policy to detect the financial discrepancies well in time. Key policies are defined, understood and enforced. Operating procedures are clearly defined; detailed and harmonized procedures are available across the organization. Several controls are preventive in nature and automated. All stakeholders are aware of their roles and responsibilities with respect to processes and controls. The culture of compliance with laid down guidelines and procedures is evident through the actions and behavior of individuals and teams. The Management Information System ensures that adequate and accurate information is available for reporting and decision making. The Audit committee also evaluates the operating effectiveness of Internal Financial Control systems.

**Moreover:-** Internal Audit is carried out at regular intervals by an Independent Chartered Accountant, who submits his report to the Audit Committee and Board

- Statutory Auditors carry out the verification of Books on every Quarter before submitting their Limited Review Report

Board is prompt in maintaining the adequacy of Internal Financial Controls with reference to the Financial Statements

**20. LISTING WITH STOCK EXCHANGE:**

The Company has paid the Annual Listing Fees for the year 2018-19 to Bombay Stock Exchange where the Company's Shares are listed.

**21. GO GREEN INITIATIVE**

Members are requested to support the "Green Initiatives" by registering their Email address with the company, if not already done.

Those members who have changed their Email id are requested to register their new Email ID with the Company in case of the shares are held in physical form and with the depository participant where shares are held in demat mode.

Members holding in physical mode are also requested to register their email address with our Registrar and Transfer Agent **Adroit Corporate Services Pvt Ltd**, 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059 or Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com) such registration of email address may also be made with the Company at its registered office as per the address mentioned above or at the email id [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)

**22. ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the Government, the Banks/ Financial Institutions and other stakeholders such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

Date -20th June, 2018  
 Place - BELGAUM

**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

## ANNEXURE-I

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

i) CIN	L51101KA1957PLC001283
ii) Registration Date	14/03/1957
iii) Name of the Company	<b>BEMCO HYDRAULICS LIMITED</b>
iv) Category / Sub category of the Company	Public Company/ Limited by Shares
v) Address of the Registered Office and contact details Address Town/City State Pine Code: Country Name: Country Code Telephone (With STD Area Code Number) Fax Number Email Address Website	Udyambag, Industrial Estate BELGAUM KARNATAKA 590008 INDIA 091 0831-2441980 2441263 <a href="mailto:finance@bemcohydraulics.net">finance@bemcohydraulics.net</a> <a href="http://www.bemcohydraulics.net">www.bemcohydraulics.net</a>
vi) Whether shares listed on recognized Stock Exchanges(s)	YES
vi) Name, Address & contact details of Registrar & Transfer Agent, if any; Registrar & Transfer Agents (RTA):- Address Town/City State Pine Code: Telephone (With STD Area Code Number) Fax Number Email Address	ADROIT CORPORATE SERVICES PVT LTD 17-20, Jaferbhoy Industrial Estate, Makawana Road, Marol Naka, Andheri(E) MUMBAI MAHARASHTRA 400059 022-42270400 022-28503748 <a href="mailto:info@adroitcorporate.com">info@adroitcorporate.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hydraulics Press	8462	61%
2	Hydraulic Equipments	8425	39%

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

S. No.	Name and address of the Company	LLPIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	BEMCO FULIDTECHNIK LLP	AAI-6810	Subsidiary	65.00%	2(87)

## IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	12,18,703		12,18,703	55.73%	12,18,703		12,18,703	55.73%	0.00%
e) Banks / FI									
f) i) Directors Relatives	35,456		35,456	1.62%	35,456		35,456	1.62%	0.00%
ii) Directors	3,79,111		3,79,111	17.34%	3,79,111		3,79,111	17.34%	0.00%
<b>Sub Total (A) (1)</b>	<b>16,33,270</b>		<b>16,33,270</b>	<b>74.69%</b>	<b>16,33,270</b>		<b>16,33,270</b>	<b>74.69%</b>	<b>0.00%</b>
(2) Foreign									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Any other									
<b>Sub Total (A) (2)</b>									
<b>TOTAL (A)</b>	<b>16,33,270</b>		<b>16,33,270</b>	<b>74.69%</b>	<b>16,33,270</b>		<b>16,33,270</b>	<b>74.69%</b>	<b>0.00%</b>



<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt	93		93	0.01%	93		93	0.01%	0.00%
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>93</b>		<b>93</b>	<b>0.01%</b>	<b>93</b>		<b>93</b>	<b>0.01%</b>	<b>0.00%</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,72,494	1,500	1,73,994	8.00%	1,55,282	1,500	1,56,782	7.17%	-0.83%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	82,659	1,93,550	2,76,209	12.63%	1,06,675	1,85,350	2,92,025	13.35%	0.72%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	97,000		97,000	4.44%	97,000		97,000	4.44%	0.00%
c) Others Clear Mem	49		49	0.00%	25		25	0.00%	0.00%
Non Resident Indians	405		405	0.01%	1,825		1,825	0.08%	0.07%
Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Directors		5,680	5,680	0.26%		5,680	5,680	0.26%	0.00%
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>3,58,287</b>	<b>1,95,050</b>	<b>5,53,337</b>	<b>25.30%</b>	<b>3,60,807</b>	<b>1,92,530</b>	<b>5,53,337</b>	<b>25.30%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>3,58,380</b>	<b>1,95,050</b>	<b>5,53,430</b>	<b>25.31%</b>	<b>3,60,900</b>	<b>1,92,530</b>	<b>5,53,430</b>	<b>25.31%</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>			<b>21,86,700</b>	<b>100.00%</b>			<b>21,86,700</b>	<b>100.00%</b>	<b>0.00%</b>

ii) Shareholding of Promoter

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ANANYA ANIRUDH MOHTA	16,728	0.76%		16,728	0.76%	-	0.00%
2	ANIRUDH MOHTA	1,03,260	4.27%	-	1,03,260	4.27%	-	0.00%
3	MADAN MOHAN MOHTA	18,728	0.86%	-	18,728	0.86%	-	0.00%
4	MADAN MOHAN PREM RATAN MOHTA	67,183	3.07%	-	67,183	3.07%	-	0.00%
5	MOHTA CAPITAL PVT LTD	6,65,606	30.44%	3,80,606.00	6,65,606	30.44%	3,80,606.00	0.00%
6	SRI RAMCHANDRA ENTERPRISES (P) LTD	3,34,697	15.31%	1,99,697.00	3,34,697	15.31%	1,99,697.00	0.00%
7	U D FINNVEST PVT LTD	2,18,400	9.99%	75,707.00	2,18,400	9.99%	75,707.00	0.00%
8	URMILA DEVI MOHTA	2,08,668	9.54%	-	2,08,668	9.54%	-	0.00%

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

Sl No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No of Shares	% of total Shares of the Company
	NIL							

**iv) Shareholding Pattern of top ten Shareholders**
*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl No.	Shareholder's Name	Shareholding		Date (*)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No of Shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company				No of Shares	% of total Shares of the Company
1	Sungrace Finvest Pvt Ltd	1,69,755	7.76%	14.04.2017	1,000	SELL	1,68,755	7.71%
				07.07.2017	5800	SELL	1,62,955	7.45%
				14.07.2017	620	SELL	1,62,335	7.42%
				28.07.2017	500	SELL	1,61,835	7.40%
				04.08.2017	310	SELL	1,61,525	7.39%
				23.02.2018	8,508	SELL	1,53,017	7.00%
				02.03.2018	3,033	SELL	1,49,984	6.86%
				09.03.2018	327	SELL	1,49,657	6.84%
				26.03.2018	1,49,657	SELL	-	-
				30.03.2018	1,49,657	BUY	1,49,657	6.84%
2	Hitesh Ramji Javeri	49,000	2.24%			NIL movement during the year	49,000	2.24%
3	Harsha Ramji Javeri	48,000	2.20%			NIL movement during the year	48,000	2.20%
4	Dhruva Shumsher Rana	200	-	09.06.2017	200	BUY	400	0.00%
				16.06.2017	1300	BUY	1,700	0.07%
				23.06.2017	847	BUY	2,547	0.12%
				30.06.2017	101	BUY	2,648	0.12%
				07.07.2017	2175	BUY	4,823	0.22%
				17.07.2017	200	BUY	5,023	0.23%
				21.07.2017	300	BUY	5,323	0.24%
				28.07.2017	50	BUY	5,373	0.25%
				11.08.2017	190	BUY	5,563	0.25%
				22.09.2017	600	BUY	6,163	0.28%
				27.10.2017	200	BUY	6,363	0.29%
				03.11.2017	320	BUY	6,683	0.31%
				17.11.2017	30	BUY	6,713	0.31%
				01.12.2017	50	BUY	6,763	0.31%
				23.02.2018	6763	SELL	-	-
				02.03.2018	6663	BUY	6,663	0.30%
				09.03.2018	100	SELL	6,563	0.30%
				26.03.2018	6563	SELL	-	-
				30.03.2018	6462	BUY	6,462	0.29%
		6462	0.29%					
5	Ramesh Shah	5,680	0.26%		0	NIL movement during the year	5,680	0.26%
		5,680	0.26%					
6	Ami Hitesh Javeri	5,100	0.23%			NIL movement during the year	5,100	0.23%
		5100	0.00%					
7	Mitali Hitesh Javari	5,099	0.23%			NIL movement during the year	5,099	0.23%
		5,099	0.23%					
8	G C Jha	3,466	0.16%			NIL movement during the year	3,466	0.16%
		3,466	0.16%					
9	Bijal Kishorechand Madhani	-	0.00%	02.03.2018	3000	BUY	3,000	0.14%
10	Piyush rajnikant Shah	2,201	0.10%	07.04.2017	1	SELL	2,200	0.10%
				14.04.2017	300	SELL	1,900	0.08%
				28.04.2017	53	BUY	1,953	0.09%
				07.07.2017	1297	BUY	3,250	0.15%
				28.07.2017	650	BUY	3,900	0.18%
				04.08.2017	205	BUY	4,105	0.19%
				01.09.2017	1	BUY	4,160	0.19%
				23.02.2018	4,160	SELL	-	-
				02.03.2018	2,990	BUY	2,990	0.14%
				26.03.2018	2,990	SELL	-	-
		2990	0.14%	30.03.2018	2,990	BUY	2,990	0.14%

\* Date of transfer has been considered as the date on which the beneficiary position was provided by the Depository of the Company

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No of Shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company	No of Shares at the end of the year	% of total Shares of the Company
1	Madan Mohan Mohta	18,728 18,728	0.86% 0.86%	18,728	0.86%
2	Anirudh Mohta	1,03,260 1,03,260	4.72% 4.72%	1,03,260	4.72%
3	Urmila Devi Mohta	2,08,668 2,08,668	9.54% 9.54%	2,08,668	9.54%
4	R M Shah	5,680 5,680	0.26% 0.26%	5,680	0.26%
5	Dilip Chandak	- -	- -	-	0.00%
6	N K Daga	- -	- -	-	0.00%
7	R.B.Patil	35 35	0.00% 0.00%	35	0.00%
8	Amruta Ashok Tarale	- -	- -	-	0.00%

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No.	Particulars of Remuneration	Name of MD/WT/ Manager	Total Amount (₹)
	Name Designation	<b>Anirudh Mohta</b> Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	54,00,000/- 3,59,882/- -	54,00,000/- 3,59,882/- -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	- - -	- - -
5	Others, please specify - Retirement Benefits	-	-
	Total (A)	57,59,882/-	57,59,882/-
	Ceiling as per the Act	84,00,000/-	84,00,000/-

**B. Remuneration to other Directors**

Sl No.	Particulars of Remuneration	Name of Directors					Total Amount (₹)
		Madan Mohan Mohta	Urmila Devi Mohta	Ramesh M Shah	Dilip P Chandak	Naval K Daga	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	- - -	- - -	6,000 - -	7,000 - -	7,000 - -	20,000 - -
	Total (1)	-	-	6,000	7,000	7,000	20,000
2	Other Non-Executive Directors Fee for attending board committee meetings Commission * Others	- 7,000 - -	- 7,000 - -	- - - -	- - - -	- - - -	- 14,000 - -
	Total (2)	7,000	7,000	-	-	-	14,000
	Total (B)=(1+2)	7,000	7,000	6,000	7,000	7,000	34,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	N.A.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹)
		Rajagonda B Patil CFO	Amruta Ashok Tarale CS	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	7,29,500.00 1,37,799.00 -	2,88,000.00 1,41,451.00 -	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- - -	- - -	- - -
5	Others, please specify	-	-	-
	Total	8,67,299.00	4,29,451.00	12,96,750.00

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

Date-20th June, 2018  
Place - BELGAUM

**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

**ANNEXURE-II**

(Annexure to director's report- statutory Disclosures)

**NUMBER OF MEETINGS OF THE BOARD**

During the financial year under review, 7(Seven) Board Meetings were held &amp; the details of Board Meetings are given below:

Sr.No	Date of Meeting	Board Strength	No. of Directors Present
1	30/05/2017	6	5
2	18/08/2017	6	6
3	12/09/2017	6	6
4	13/10/2017	6	6
5	13/12/2017	6	6
6	09/02/2018	6	6
7	23/02/2018	6	6

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Date -20th June, 2018  
Place - BELGAUM

**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

## ANNEXURE-III

(Annexure to director's report- statutory Disclosures)

### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company confirming that, they meet the criteria of Independence as prescribed both under Section 149(6) of the Companies Act 2013 read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

### POLICY FOR SELECTION AND APPOINTMENT OF NON EXECUTIVE DIRECTORS AND THEIR REMUNERATION

#### CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation law, governance and general management.

The A&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under section 164 of the Companies Act, 2013

The A&R Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields
- Personal, Professional or business standing
- Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level

#### REMUNERATION

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board Meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### REMUNERATION POLICY FOR THE DIRECTORS, SENIOR MANAGEMENT, AND EMPLOYEES.

In determining the remuneration of the Senior Management Employees (i.e KMPs NA Executive Committee Members) and N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein- above, whilst recommending the annual increment and performance incentive to the N & R Committee for its review and approval.

#### Ratio of Remuneration

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Only Mr. Anirudh Mohta – MD is remunerated and Ratio of his Remuneration to that of the median remuneration of the Employees of the Company works out to 1.97.				
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<b>Name</b>	<b>Designation</b>	<b>2017-18</b>	<b>2016-17</b>	<b>Incr. %</b>
	Anirudh Mohta	MD	57,59,882/-	27,00,000/-	113%
	R B Patil	CFO	8,67,299/-	6,86,209/-	26%
	Amruta Tarale	CS	4,29,451/-	3,34,900/-	28%
(iii) the percentage increase in the median remuneration of employees in the financial year;	2016-17	2017-18	Incr.		
	1,18,611	1,21,533	2.46%		
(iv) the number of permanent employees on the rolls of company;	268				
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	1. Average Percentile Increase already made in the salaries of employees other than managerial in the last Financial year = 6.57% 2. percentile increase in the managerial remuneration = 89.64%				
(vi) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable				
(vii) Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid to all Employees is in accordance with the Remuneration Policy				

### STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

<ol style="list-style-type: none"> <li>the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;</li> <li>designation of the employee;</li> <li>remuneration received;</li> <li>nature of employment, whether contractual or otherwise;</li> <li>qualifications and experience of the employee;</li> <li>date of commencement of employment;</li> <li>the age of such employee;</li> <li>the last employment held by such employee before joining the company;</li> <li>the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and</li> <li>whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:</li> </ol> <p>The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;</p> <p>The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;</p> <p>The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.</p>	<p>None of the Employee of the Company including Managing Director is in receipt of Remuneration exceeding Rs. one crore and two Lakhs per annum or at the said rate for any part of the year.</p>
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Date -20th June, 2018  
Place - BELGAUM

**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

**ANNEXURE-IV**

(Annexure to director's report- statutory Disclosures)

**QUALIFICATIONS IN AUDIT REPORTS**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(a) by the statutory auditor in his report: NIL  
and

(b) by the Secretarial Auditor in their Secretarial Audit report:

Remark : "During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except that, though the company has submitted to stock exchange voting result as per regulation 44 (3) of the SEBI (LODR) Regulations, 2015, the same being not within forty eight hours of conclusion of its Annual General Meeting, but Scrutinizer report was filed within time."

It is true that there was delay of three days in intimating the outcome of the voting results at the AGM. The Directors seek to explain that the BSE had prescribed new XBRL format of intimation which was not accepting certain data hence a representation was made to the BSE who had had replied to the Company, besides, there were holidays in the intervening period namely, Saturday the 30th September 2017 was DASARA, next day was Sunday, Monday being 2<sup>nd</sup> October was again a holiday on account of Gandhi Jayanti. Nonetheless, the secretarial Department did the compliance on the earliest working day. Thus, the delay was of mere technical in nature.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The investments in shares and other securities held by the Company were made much prior to notification of section 186 of the Companies Act, 2013 and after notification of section 186 of the Companies Act, 2013 the company has not made any investment in shares and securities.

**SECURED LOANS:**

- Company has not provided any Secured Loan to anybody during the year.

**UNSECURED LOANS:**

- Company has not provided any Loan except to its Employees as Salary Advance.

**CURRENT/NON-CURRENT INVESTMENTS:**

- Company has not made any investments neither in Share Capital (Except its subsidiary company) nor in any other Form.

**GUARANTEES:**

- In normal course of business; Company does issue Bank Guarantees & Indemnity Bonds for Getting Advances from Customers / to collect the retention Money from Customers during warranty period of supply of Goods.

**SECURITIES EXTENDED**

- In normal course of business Company needs to provide the Warranty certificates for the goods supplied. And no other security is extended during the year.

**INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV****(1) Subsidiary Company:**

A subsidiary company namely BEMCO FLUIDTECHNIK PRIVATE LIMITED - (CIN U29248KA2015PTC078838) which was incorporated on 13<sup>th</sup> February, 2015 was converted as BEMCO FLUIDTECHNIK LLP, a Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 on 27<sup>th</sup> February, 2017.

The Limited Liability Partnership agreement was executed between the partners on 17<sup>th</sup> March, 2017. The partners to the LLP are:

1. BEMCO HYDRAULICS LIMITED.
2. MR. JAGDISH JOSHI
3. MR. NAVEEN PADAMNOOR and
4. MRS. URMILADEVI MOHTA.

The contribution to the LLP is Rs. 1,00,000/- and the amount of partner's contribution is as under:

- |                             |                |
|-----------------------------|----------------|
| 1. BEMCO HYDRAULICS LIMITED | - Rs. 65,000/- |
| 2. MR. JAGDISH JOSHI        | - Rs. 20,000/- |
| 3. MR. NAVEEN PADAMNOOR     | - Rs. 10,000/- |
| 4. MRS. URMILADEVI MOHTA.   | - Rs. 5,000/-  |

All the partners of the LLP are appointed as designated partners. Even after conversion into LLP the business activities remain the same as that of private Limited.

**FINANCIAL STATEMENTS**

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2017. Accordingly, the financial statement for the year ended 31st March, 2018 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure V to the Board's Report. The statement provides the details of performance and financial position of the subsidiary. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available on our website, [www.bemcohydraulics.net](http://www.bemcohydraulics.net). These documents will also be available for inspection till the date of the AGM during business hours at our registered office in Belgaum, India.

**(2) Associate Companies:**

In terms of sub Section (6) of Section 2 of the Companies Act 2013, the company has no Associate Company.

Date -20th June, 2018  
Place - BELGAUM

**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

**ANNEXURE-V**

(Annexure to director's report- statutory Disclosures)

**FORM NO. AOC.1**

(Pursuant to first proviso to sub- section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ Joint ventures.

**PART "A": Subsidiaries**

(Information in respect of each subsidiary to be presented in amount in Rs.)

1.	Name of subsidiary:	BEMCO FLUIDTECHNIK LLP (Formerly known as BEMCO FLUIDTECHNIK PRIVATE LIMITED)
2.	Reporting Period:	2017-18
3.	Reporting currency and exchange rate in case of foreign subsidiaries:	NA
4.	Share capital/Partners Contribution: reserves and surplus:	Rs. 1,00,000/- Rs. (1,26,32,906)/-
5.	Total Assets:	Rs. 1,43,24,396/-
6.	Total Liabilities:	Rs. 65,52,968/-
7.	Investment:	-
8.	Turnover:	Rs. 1,80,52,477/-
9.	Profit before taxation:	Rs. (22,80,669)/-
10.	Provision for taxation:	-
11.	Profit after taxation:	Rs. (22,80,669)/-
12.	Proposed dividend:	-
13.	% of share holding	65%

**Note:** The following information shall be furnished at the end of the statement

1. Name of subsidiaries which are yet to commence operations.-NIL
2. Name of subsidiaries which have been liquidated or sold during the year.-NIL

**PART "B": Associate and Joint Ventures**

Statement pursuant to section 129 (3) of the companies Act, 2013 related to associated companies and Joint venture.

Name of Associate/ Joint Venture	Name 1	Name 2	Name 3
1. Latest audited Balance sheet Date			
2. Shares of Associate/ Joint venture held by the Company on the Year end. No. Amount of investment in Associate/ Joint Venture Extent of Holding			
3. Description on how there is significant influence.			
4. Reason why the Associate/ Joint venture is not consolidated.			
5. Net worth attributable to shareholding as per latest audited Balance Sheet.			
6. Profit / Loss for the year i. Considered in consolidation ii. Not Considered in consolidation			

Date -20th June, 2018  
Place - BELGAUM

**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

**ANNEXURE-VI**

(Annexure to director's report- statutory Disclosures)

**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Details of contracts or arrangements or transactions not at arm's length basis**

(a)	Name(s) of the related party and nature of relationship	N.A
(b)	Nature of contracts/arrangements/transactions	N.A
(c)	Duration of the contracts/arrangements/transactions	N.A
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A
(e)	Justification for entering into such contracts or arrangements or transactions	N.A
(f)	date(s) of approval by the Board	N.A
(g)	Amount paid as advances, if any	N.A
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A

**Details of material contracts or arrangement or transactions at arm's length basis**

(a)	Name(s) of the related party and nature of	<b>BEMCO HYDRAULICS LIMITED</b>	<b>BEMCO FLUIDTECHNIK LLP, BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM- 590008.</b> Son Mr. Anirudh Mohta and Mother Mrs. Urmila Devi Mohta are directors of the Company.	<b>L &amp; G STEEL AND COMMODITIES (P) LTD- PLOT NO.3, DEFENCE COLONY, R. C. NAGAR, 2ND STAGE, BELGAUM-590008</b> Daughter & Grandson of Mr. M. M. Mohta & Mr. Urmila Devi Mohta are Director of this Company	<b>SREE RAM STEELS BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM- 590008.</b> Grandson of Mr. M.M. Mohta & Mr. Urmila Devi Mohta are Director of this Company
(b)	Nature of contracts/ arrangements/transactions	Remuneration paid to Managing Director- Appointment to any office or place of profit	Purchase of goods, and Renting of Immovable property	Purchase of steel and sale of scrap	Purchase of goods and Renting of Immovable property
(c)	Duration of the contracts/ arrangements/transactions	For FY 2017-18	For F Y 2017-18	For FY 2017-18	For FY 2017-18
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1) Rs. 57,57,482/- Remuneration payable.	1) Purchase of goods worth Rs. 44,50,130/- 2) Sale of Materials Rs. 2,30,464/- 3) Lease rent Rs. 1,20,000/	1) Purchase of goods worth Rs. 1,35,13,957/- 2) Sale of Scrap worth Rs. 57,691/- 3) Lease rent Rs. 7,29,643/	1) Purchase of goods worth Rs. 60,96,222 /- 2) Lease rent Rs. 52,428/-
(e)	Date(s) of approval by the Board, if any:	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Nomination & Remuneration committee	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Audit committee	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Audit committee	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Audit committee
(f)	Amount paid as advances, if any:		Nil	Nil	NIL

Date -20th June, 2018 **M.**  
Place - BELGAUM

**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

## ANNEXURE-VII

(Annexure to director's report- statutory Disclosures)

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

## A. CONSERVATION OF ENERGY:

Steps taken / impact on conservation of energy, with special reference to the following:	Operations of the Company are not energy intensive however, conscious efforts are made at all levels of operations to conserve energy and minimize its use. Over the years, the factory lay out is modified to allow maximum use of sun light in factory premises, power capacitors are used and automatic power shut down devices are installed when the machines are in idling mode.
Steps taken by the company for utilizing alternate sources of energy including waste generated	As above
Capital investment on energy conservation equipment	NIL

## B. TECHNOLOGY ABSORPTION:

1	Efforts, in brief, made towards technology absorption.	Company's Designing & Engineering team continuously keep track and keep updating new technology in field of operation.
2	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Products manufactured are technically superior to Conventional Products
3	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: (a) Details of technology imported. (b) Year of import. (c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.	Not Applicable. Company has not Imported any Technology during the last 3 years.
4.	The expenditure incurred on research and development.	NIL

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	2017-18 Rs.	2016-17 Rs.
i) C.I.F. Value of Imports: Raw Materials And Components	58,13,878/-	30,68,104/-
ii) Expenditure in Foreign Currency: (paid/payable) Traveling Technical Know How (Paid/Payable) Technical Assistance Exhibition Expenses	5,96,092/- NIL NIL NIL	5,21,664/- NIL NIL NIL
iii) Earnings in Foreign Exchange: FOB value of Exports	83,31,087/-	1,26,84,838/-

## 23. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

(a) Accepted during the year;	NIL
(b) Remained unpaid or unclaimed as at the end of the year;	N. A.
(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: i. at the beginning of the year ii. maximum during the year iii. at the end of the year	N. A. N. A. N. A.
(d) Details of deposits which are not in compliance with the requirements of Chapter V of the Act	N. A.

Date -20th June, 2018  
Place - BELGAUM

**M. M. MOHTA**  
Chairman  
DIN-00068884  
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Bhagya Nagar,  
Belgaum, 590006, Karnataka.

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

## **ANNEXURE-VIII**

(Annexure to director's report- statutory Disclosures)

### **RISK MANAGEMENT POLICY:**

- The RISK MANAGEMENT POLICY is in compliance with Section 134 (3) (n) of the Companies Act 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.
- The Board ensures that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management. The Company enables compliance with all appropriate laws and regulations, wherever applicable, through the adoption of best practices.
- The Board of Directors of the Company and the Audit Committee periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning, and they report to the Board and Audit Committee when circumstances require.
- Company is working at the Norms laid down in the ISO 9001-2008 & ISO 14001-2004 and strictly follow all the norms and procedures to overcome the various risk factors.

### **CORPORATE SOCIAL RESPONSIBILITY POLICY:**

As the company does not fall within the criteria laid down in section 135 of the Companies Act, 2013, nothing under this head is applicable statutorily but the Boards' commitment to social cause remains.

### **FORMAL ANNUAL EVALUATION /BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations').

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Date -20th June, 2018  
Place - BELGAUM

**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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and development:-

We are a Hydraulic engineering company and we bring out information in brief that is relevant to our current business interest and our strategy to grow in this segment.

Main mother Industry on whom we are mainly depended on are, heavy engineering works, Aeronautics, defense, Railways, Automobile, forging, Sheet metal. Apart from these there are many global companies expanding their manufacturing facilities. There is upward trend in the business year by year for past couple of years.

India is a growing country and every business house can grow in its own field provided of they add value to the investments of the buyers program. There is a business opportunity for all segments of business because country has not reached to the saturation point unlike European and American countries.

In Bemco, we have given major focus on Automotive and Rail Industry not only for business in home country but also in the neighboring countries. We have been successful in securing business as anticipated & much is expected in the years to come.

We believe we are better placed in this segment of industry and are well secured.

### Opportunities and Threats:

#### Opportunities -

We have different product verticals catering to the above segments therefore there are ample of opportunities to explore the business prospects from different segments of Industry.

1. In the western countries, forging and foundry industry are reduced as a result Indian Industry is doing better in this segment with export business opportunities. We cater to this segment and we are recognized in this segment of business so much so that, we get substantial business from this segment.
2. Automobile: Every Indian vehicle manufacturer has Bemco machines and we are recognized in this segment of business. Apart from supplying conventional machines, we also supply customized machines to these companies.
3. Railways: Indian Railways is perhaps second largest in the globe and has many workshops spread across length and breadth of the country. We supply Hydraulic wheel presses, spring testing machines and an Import Substitute equipment by name – Hydraulic Re-railing equipment which Railways buy in good numbers.
4. Aviation and Defense: Bemco has developed few import substitutes wherein the business is steady and secured although the size of business is not significant. But we value this business as it is a feather in our cap and add brand value to the company. We are being seen as one among the reputed and reliable within industry.

#### Threats:

1. We are a Hydraulic Engineering Industry who design and develop custom built, application specific Hydraulic machines from concept level to commissioning. Our responsibility ends after putting the machine into production and then we get paid. Time frame for returns on the investment is to the tune of 6 to 8 months for each machine. Our investment on the work in progress is for a longer period of time as a result we carry a huge inventory at a huge interest cost.
2. We need to retain our entire workforce in good and bad times because all are specialized brains trained for our business module. Unlike software industry, we cannot adopt hire and fire policy. We need to carry our work force at all times.
3. If government reduces import duty to promote imports, the domestic hydraulic industry would suffer competitiveness. This is highly unpredictable.
4. We largely depend on government orders. The decisions are normally taken after 180 days. Earnest money deposited is blocked for unknown period at a huge cost.
5. In case of disputes and arbitration, the decisions are delayed for unknown period of time and it is beyond our control. Our inventory gets blocked until dispute is resolved. Security deposits submitted as a surety remain with the government body for an extended period of time.
6. Bank interests are much higher when compared to the developed countries. Since realization on our investment is spread over 8 – 10 months, we lose major chunk of earnings in bank interest and government levies. At times, when dispute crop up, we end up paying interest and government levies and lose heavily.
7. We are better placed in selling large size machines because of our infrastructure and past track record than selling smaller capacity machines. It is often seen that, small entrepreneurs opens a new business account with our existing buyers with smaller machines and expand their business tentacles to secure larger business. We really need to strike balance in between although, business coming from smaller machines does not add much to the turnover. The only way to sustain in this segment is to make the machines more efficient than before and make it incomparable with other products technologically. There is a need for constant innovation, developments and meet expenses without anticipating quicker returns.
8. With the increased globalization, the buyer and the user are more knowledgeable than any single manufacturer. There is need to infuse latest technology and produce energy efficient intelligent machines. It is the time for change over to next generation technology to grow in this business. We need to either develop technology in-house or have technical collaboration with the experts of this field.
9. At times, private entrepreneurs do not take delivery after the machine is ready due many reasons not concerned to us. In this period, we would be carrying huge inventory of capital goods which otherwise cannot be sold to anyone else than the one who placed order.

### Segment wise and Product wise performance:

We are doing well in each of the above segment namely railways and automobiles and therefore honored with repeat orders. We have experts of each and every field who are responsible to give their best. The business is growing by word of mouth from one industry to another. We conceive new engineering concepts, develop, produce, test, prove said capabilities of the machine and then sell the first machine. The first machine speaks by itself and sells many more.

Bemco is always dedicated to its work responsibilities and enjoys crossing new mile stones of success in its undertakings. Every employee gives his best to his part of responsibility and it is in the culture of this organization thereby we convert every individual of the organization into an asset of the company. This is the secret behind our success.

### Outlook

We are confident and looking forward to a bright future and growth. We have planned for larger investments on the infrastructure development and induction of new technology.

### Risk and Concerns:

In true sense, we have lesser risk factors in our business. We are into manufacture of custom built products and our investment begins only after securing the business and after contracts are supported with sufficient advance payment.

We are aiming for 50% of the business from Government sector wherein we get paid upon delivery and returns on our investment are well secured. We are successful in reaching to these bench marks.

As a result dead inventory is not created which would otherwise compel us for distress selling or depleting stocks. This is one of the key factor for our 60 years of presence in this field of business in all circumstances of situation of industry prevailing in the country.

Our business is hardly affected by product or the technology becoming obsolete overnight unlike electronic and automobile industry. This process is very slow and as a requirement of industry, we are already having European technology partner to keep pace with time and technology in the relevant field.

#### Concerns:

Our major concern is on the bank interest on capital goods, security deposits for a longer period of time for government contracts, late decisions of government mechanism and huge inventory costs while work in progress. There is much things expected from the government in this regard.

#### Performance Highlights:

The Gross revenue, during year under report has been achieved due to a buoyant trend in Indian industry.

- During past couple of years our Government has announced various policies for revival of the Indian Economy and the effect can be seen in the market place.
- However, at the end of first half of the FY 2017-18 the changes are taking place and we observe that certain factors have inspired the Revival of the Indian Economy.
- The major Policy and move of our Government towards the Indigenization in all the government sectors like, Defence, Aviation, Indian Railways etc. has given boost and courage of the Indian Entrepreneur to plan and implement new projects.
- Now we feel the revival is taking place and we are happy to share the following to the members of the Company:

#### ESTIMATES FOR THE FINANCIAL YEAR 2018-19:

Estimates for the current and following Financial year are based on the corrections taken place in the overall market and taking into account the inflow of new Orders and Enquiries.

Looking at the revival in economy your company has set the growth in sales turnover at the rate of 15%.

In addition to this, Bemco hydraulics ltd has contributed 65% in its subsidiary company Bemco Fluidtechnik LLP which is engaged in manufacturing of hydraulic pumps, valves, hydraulic motors, hydraulic equipment/power packs, and manifold blocks and many such items and have targeted for a turnover of Rs. 4 crores for the current financial year.

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

#### Internal Controls and their adequacy:

Bemco has put in place adequate internal financial control with reference to the financial statement, some of which are outlined below:

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2017. Accordingly, the financial statement for the year ended 31st March, 2018 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS. Your Company has adopted accounting policies which are in line with the Accounting Standard prescribed in the Companies (Accounting Standards) Rules, 2006 that continues to apply under section 133 and other applicable provisions of the companies Act, 2013 read with rule 7 of the companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies if any are approved in the audit committee in consultation with the auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your company. The accounts of the subsidiary companies are audited and certified by their respective auditors for consolidation.

The company has proper and adequate system of internal audit and control which ensures that all the assets are safeguarded against loss from unauthorized use and that all transactions are authorized recorded and reported correctly.

The company continuously improves upon existing practices for each of its major functional areas with a view to strengthen the internal control system.

The Company has assigned internal audit function to a firm of Chartered accountant. Regular internal audit and checks are carried out to ensure that the responsibilities are discharged effectively. All major findings and suggestions arising out of internal audit are reported and reviewed by the Audit Committee. The management ensures implementation of these suggestions and reviews them periodically.

#### Human Resources:

Your company believes that human talent is its fundamental strength. The Company nurtures competencies and skills through learning and development programmes and recognizes talent, and rewards it through performance management system. During 2017-18, 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 2015-16. On the operational side of business, management changes were undertaken to create more focus and greater accountability.

Your company has enjoyed cordial relations with its employees, worker and staff employees are paid in accordance with the wage agreement established with trade unions.

The Employee strength of the company as on 31<sup>st</sup> March, 2018 was 268.

#### For and on behalf of the Board of Directors.

Date -20th June, 2018  
Place - BELGAUM

**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

## Compliance Certificate From CEO & CFO

*Pursuant to regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.*

- A. We have reviewed financial statement and cash flow statement for the year and that to the best of our knowledge and belief:
1. These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  2. These statement together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transaction entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control system of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiency in design and operations of such internal controls, if any, of which we are aware and the steps we have taken or have propose to take rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee
1. Significant changes in the internal control over financial reporting during the year.
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having the significant role in the listed entity's internal control system over financial reporting.

Date – 22<sup>nd</sup> May, 2018  
Place- BELGAUM

**ANIRUDH MOHTA**  
Managing Director/CEO  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**R. B PATIL**  
CFO  
PAN: AANPP9374M  
Plot no.37, "NAMOKAR"  
6<sup>th</sup> Cross, Adarsh Nagar,  
Hindwadi, Belgaum-590001

## SDR & Associates Practicing Company Secretaries

### FORM MR 3 SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2018  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration) Rules, 2014]

To,  
The Members,  
BEMCO HYDRAULICS LIMITED,  
Belgaum.

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BEMCO HYDRAULICS LIMITED (herein after called 'the company') Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made herein after.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March 2018, according to the provisions of:
  - i. The Companies Act, 2013(the Act) and the Rules made there under;
  - ii. The Securities Contracts( Regulation) Act,1956 (SCRA) and the Rules made there under,
  - iii. The Depositors Act, 1996 and the Regulations and Bye laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **Not Applicable during the financial year.**
  - v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act)
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011,
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading )Regulations 1992,
    - c. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2009 - **Not Applicable during the financial year,**
    - d. The Securities and exchange Board of India( Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable during the financial year
    - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008 - **Not Applicable during the financial year,**
    - f. The Securities and exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client,
    - g. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 - **Not Applicable during the financial year and**
    - h. The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998 - **Not Applicable during the financial year**
  - vi. **INDUSTRY SPECIFIC ACTS**  
The Company being engaged in the manufacture of hydraulic equipment and as an engineering goods manufacturer, the Company is covered by all major Acts and legislations which apply to any industrial company; thus, there is no industry specific law applicable to it.  
We have also examined compliance with the applicable clauses of the following –
    - a. Secretarial Standards issued by the Institute of Company Secretaries of India,
    - b. The Listing agreement entered in to by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except that, though the company has submitted to stock exchange voting result as per regulation 44 (3) of the SEBI (LODR) Regulations, 2015, the same being not within forty eight hours of conclusion of its Annual General Meeting, but Scrutinizer report was filed within time.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through and none of the members have expressed their dissent. Further on the verification of the minute's book for the year under review there were no instances of any Director having expressed a dissenting view.

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

We further report that during the audit period there was no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards referred to above.

**For SDR & Associates****Practicing Company Secretaries**

NAME	ROSHAN R RAIKAR
DESIGNATION	PARTNER
M.NO/CP.NO	32941, 12146
ADDRESS	190/11, KHANAPUR CROSS ROAD, NEAR RPD COLLEGE GROUND, TILAKWADI, BELGAUM - 590006

Place – Belgaum  
Date – 20<sup>th</sup> June, 2018

**Annexure – A to Secretarial Audit Report dated 20<sup>th</sup> June, 2018**

To,  
The Members,  
BEMCO HYDRAULICS LIMITED,  
Belgaum.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is a part of financial audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc., wherever required.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For SDR & Associates****Practicing Company Secretaries**

NAME	ROSHAN R RAIKAR
DESIGNATION	PARTNER
M.NO/CP.NO	32941, 12146
ADDRESS	190/11, KHANAPUR CROSS ROAD, NEAR RPD COLLEGE GROUND, TILAKWADI, BELGAUM - 590006

Place – Belgaum  
Date – 20<sup>th</sup> June, 2018

**S JAYKISHAN****Chartered Accountants**

Suite # 2D,2E &amp; 2F, 12, Ho- Chi-minh Sarani, KOLKATA- 700 071

Phone No – (033)4003-5801, Fax (033) 4003-5832

Email : info@sjaykishan.com

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of BEMCO HYDRAULICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for *our audit opinion on the standalone Ind AS financial statements*

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on *that date*.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - iv) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - v) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 5.26 to the standalone financial statements;
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Camp Belgaum  
Date: 22-05-2018

For **S JAYKISHAN**  
Chartered Accountants  
Firm's Registration No. 309005E

**Vivek Newatia**  
Partner  
Membership No. 062636

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventories has been conducted at reasonable intervals by the management. No material discrepancies were noticed on physical verification as compared to book record.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan/guarantee/security to or on behalf of any party referred to in Section 185 of the Companies Act 2013. The Company has complied with Section 186 in respect of investments made. The Company has not given any loan, guarantee or provided any security in connection with a loan to any body corporate or any other person.
- (v) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and therefore the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) The Company is generally regular in depositing undisputed statutory dues including Income Tax and other statutory dues applicable to it with the appropriate authority. There are no undisputed amount payable in respect of applicable statutory dues which were in arrears as at 31.03.2018 for a period of more than six months from the date they became payable.
- b) According to the information & explanation give to us, there are no dues of Income tax, Sales tax, Service Tax, Custom duty, or Excise duty which have not been deposited on account of any dispute except as stated as below:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Karnataka Tax on Entry of Goods, 1979	Entry Tax	75,755/-	2006-07	Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	28,666/-	2007-08	Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	34,580/-	2008-09	Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	70,632/-	2009-10	Joint Commissioner of Commercial Taxes (Appeals)

Out of the total amount of ₹ 2,09,633/-, 50% of the amount has been deposited.

- (viii) Based on our examination of books and records and according to the information & explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution or Banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Terms Loans were applied for the purposes for which those were raised.
- (x) On the basis of our examination of books and records of the Company and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore paragraph 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non cash transaction with directors or persons connected with him and therefore paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Camp Belgaum  
Date: 22-05-2018

For **S JAYKISHAN**  
Chartered Accountants  
Firm's Registration No. 309005E

**Vivek Newatia**  
Partner  
Membership No. 062636

## **Annexure - B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **BEMCO HYDRAULICS LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Camp Belgaum  
Date: 22-05-2018

For **S JAYKISHAN**  
Chartered Accountants  
Firm's Registration No. 309005E

**Vivek Newatia**  
Partner  
Membership No. 062636

## BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note No.	Figures as at 31/03/2018	Figures as at 31/03/2017	Figures as at 31/03/2016
(1) Non-Current assets				
(a) Property, Plant and Equipment	5.01	43,34,48,209	42,17,71,081	41,70,06,232
(b) Capital Work In Progress		11,98,109	-	-
(c) Other Intangible Assets	5.02	72,00,850	52,79,782	1,23,41,966
(d) Financial Assets				
(i) Investments	5.03	23,26,473	21,19,411	16,76,279
(ii) Loans	5.04	12,11,700	9,74,590	9,44,590
(iii) Other Financial Assets	5.05	52,04,503	1,27,67,666	82,34,944
(e) Other Non-Current Assets	5.06	2,90,000	22,63,068	2,49,773
<b>Total Non-Current Assets</b>		<b>45,08,79,844</b>	<b>44,51,75,598</b>	<b>44,04,53,784</b>
(2) Current Assets				
(a) Inventories	5.07	18,85,13,427	19,22,81,212	22,22,68,601
(b) Financial Assets				
(i) Trade Receivables	5.08	10,45,29,385	12,55,42,744	9,41,01,762
(ii) Cash and Cash Equivalents	5.09	17,74,637	31,74,480	17,01,407
(iii) Bank Balances other than (ii) above	5.10	2,06,63,784	1,20,45,042	1,12,55,821
(iv) Other Financial Assets	5.11	10,39,602	11,05,689	9,53,637
(c) Current Tax Assets (Net)	5.12	9,89,861	8,21,171	11,04,041
(d) Other Current Assets	5.13	1,63,91,425	1,84,87,172	68,44,246
<b>Total Current Assets</b>		<b>33,39,02,121</b>	<b>35,34,57,510</b>	<b>33,82,29,515</b>
<b>Total Assets</b>		<b>78,47,81,965</b>	<b>79,86,33,108</b>	<b>77,86,83,299</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	5.14	2,19,33,500	2,19,33,500	2,19,33,500
(b) Other Equity	5.15	31,51,80,664	30,31,85,473	27,36,34,647
<b>Total Equity</b>		<b>33,71,14,164</b>	<b>32,51,18,973</b>	<b>29,55,68,147</b>
<b>Liabilities</b>				
(1) Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	5.16	4,44,61,932	4,72,90,825	7,99,76,045
(ii) Other Financial Liabilities	5.17	1,56,040	1,56,040	25,000
(b) Provisions	5.18	10,53,797	5,51,065	6,21,611
(c) Deferred Tax Liabilities (Net)	5.19	6,25,48,089	6,38,76,777	5,53,00,602
(d) Other Non-Current Liabilities	5.20	26,40,305	47,54,548	34,03,284
<b>Total Non-Current Liabilities</b>		<b>11,08,60,163</b>	<b>11,66,29,255</b>	<b>13,93,26,542</b>
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	5.21	12,03,99,533	12,91,43,439	14,48,30,113
(ii) Trade Payables	5.22	10,91,17,910	10,27,61,922	9,51,83,594
(iii) Other Financial Liabilities	5.23	4,75,05,804	4,41,79,661	3,81,80,980
(b) Other Current Liabilities	5.24	4,75,75,891	7,64,02,932	6,18,54,491
(c) Provisions	5.25	70,03,737	43,96,926	37,39,432
(d) Current Tax Liabilities (Net)	5.26	52,04,763	-	-
<b>Total Current Liabilities</b>		<b>33,68,07,638</b>	<b>35,68,84,880</b>	<b>34,37,88,610</b>
<b>Total Equity and Liabilities</b>		<b>78,47,81,965</b>	<b>79,86,33,108</b>	<b>77,86,83,299</b>
Significant Accounting Policies	2	-	-	-
See accompanying Notes to Financial Statements	1 - 5	-	-	-

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note No.	Figures for the year ended	
		31/03/2018	31/03/2017
<b>I REVENUE FROM OPERATIONS</b>	5.27	40,92,31,368	45,81,46,786
<b>II OTHER INCOME</b>	5.28	44,54,249	68,91,975
<b>III TOTAL INCOME (I + II)</b>		<b>41,36,85,617</b>	<b>46,50,38,761</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	5.29	20,33,82,232	19,93,37,346
Changes In Inventories Of Finished Goods And Work-In-Progress	5.30	(71,31,864)	2,78,27,198
Employee Benefits Expense	5.31	8,44,11,338	6,85,38,375
Finance Costs	5.32	2,94,75,552	3,04,17,445
Depreciation And Amortization Expense	5.33	69,65,623	1,25,92,832
Other Expenses	5.34	8,19,83,709	11,60,72,798
<b>TOTAL EXPENSES</b>		<b>39,90,86,590</b>	<b>45,47,85,994</b>
<b>V PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)</b>		1,45,99,027	1,02,52,767
<b>VI EXCEPTIONAL ITEMS</b>		-	2,82,42,100
<b>VII PROFIT/(LOSS) BEFORE TAX (V - VI)</b>		<b>1,45,99,027</b>	<b>3,84,94,867</b>
<b>VIII TAX EXPENSE:</b>			
(i) Current Tax		53,23,467	(5,942)
(ii) Deferred Tax	5.19	(12,41,731)	86,63,132
		<b>40,81,736</b>	<b>86,57,190</b>
<b>IX PROFIT (LOSS) FOR THE YEAR (VII - VIII)</b>		<b>1,05,17,291</b>	<b>2,98,37,677</b>
<b>X OTHER COMPREHENSIVE INCOME</b>	5.36		
(i) Items that will not be reclassified to profit or loss		16,93,976	(3,73,808)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3,03,033)	-
<b>Other Comprehensive Income for the year</b>		<b>13,90,943</b>	<b>(3,73,808)</b>
<b>XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)</b>		<b>1,19,08,234</b>	<b>2,94,63,869</b>
<b>XII Earnings Per Equity Share of Face Value of ` 10/- each</b>	5.37		
(1) Basic		4.81	13.65
(2) Diluted		4.81	13.65
Significant Accounting Policies	2		
See accompanying Notes to Financial Statements	1 - 5		

As Per our Report of Even Date attached

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

For and on behalf of the Board of Directors

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital Equity Shares of ₹ 10/- each issued, subscribed and fully paid up				(Amount in ₹)	
Balance as at the beginning of the reporting period, i.e. 1st April, 2016	Changes in equity share capital during the year 2016-2017	Balance as at the end of the reporting period, i.e. 31st March, 2017	Changes in equity share capital during the year 2017-2018	Balance as at the end of the reporting period, i.e. 31st March, 2018	
2,19,33,500	-	2,19,33,500	-	2,19,33,500	

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Revaluation Surplus	Equity Instruments through OCI	Other Items of OCI (Remeasurement of Employee Defined Benefit Plans)	
<b>As At 31st March, 2017</b>									
Balance as at 1st April, 2016	27,89,92,737	14,73,200	70,24,153	4,48,31,700	(5,90,95,632)	-	15,69,034	(11,60,545)	27,36,34,647
Add/(Less): Movement During The Year	(2,02,980)	-	-	-	2,89,937	-	-	-	86,957
Profit for the year	-	-	-	-	2,98,37,677	-	-	-	2,98,37,677
Other Comprehensive Income for the year	-	-	-	-	-	-	4,43,132	(8,16,940)	(3,73,808)
<b>Balance as at 31st March, 2017</b>	<b>27,87,89,757</b>	<b>14,73,200</b>	<b>70,24,153</b>	<b>4,48,31,700</b>	<b>(2,89,68,018)</b>	<b>-</b>	<b>20,12,166</b>	<b>(19,77,485)</b>	<b>30,31,85,473</b>
<b>As At 31st March, 2018</b>									
Balance as at 1st April, 2017	27,87,89,757	14,73,200	70,24,153	4,48,31,700	(2,89,68,018)	-	20,12,166	(19,77,485)	30,31,85,473
Add/(Less): Movement During The Year	(2,02,980)	-	-	-	2,89,937	-	-	-	86,957
Profit for the year	-	-	-	-	1,05,17,291	-	-	-	1,05,17,291
Other Comprehensive Income for the year	-	-	-	-	-	-	2,07,062	11,83,881	13,90,943
<b>Balance as at 31st March, 2018</b>	<b>27,85,86,777</b>	<b>14,73,200</b>	<b>70,24,153</b>	<b>4,48,31,700</b>	<b>(1,81,60,790)</b>	<b>-</b>	<b>22,19,228</b>	<b>(7,93,604)</b>	<b>31,51,80,664</b>

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:000665302

Place : Camp Belgaum  
Date: 22-05-2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	31/03/2018	31/03/2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Exceptional Items and Tax	1,45,99,027	1,02,52,767
Adjustments For :		
Loss on Sale of Property, Plant & Equipment	1,00,558	7,316
Provision for doubtful debts and advances Written Back	(11,44,702)	(13,53,565)
Bad Debt and advances written off	36,64,798	56,45,839
Expected Credit Loss	14,06,673	1,12,159
Finance Cost	2,94,75,552	3,04,17,445
Depreciation and Amortization expense	69,65,623	1,25,92,832
Unrealised Foreign Exchange (Gain) / Loss (net)	46,12,000	(19,64,500)
Provision for Warranty Made/ (written back)	1,32,555	64,500
Profit on Disposal of Property, Plant & Equipment	-	(41,915)
Liability no Longer Required Written Back	-	(8,89,881)
Dividend from Non-Current/ Long Term Investments	(16,260)	(12,821)
Interest Income	(17,40,927)	(16,82,379)
Lease/ Rental Income from Subsidiary	(1,20,000)	(1,20,000)
Lease/ Rental Income from Others	(7,54,160)	(5,39,160)
Excess & Short Provision	-	182
<b>Operating Profit Before Working Capital Changes</b>	<b>5,71,80,737</b>	<b>5,24,88,819</b>
<b>Movements in Working Capital</b>		
Decrease/ (Increase) in Trade and Other Receivables	1,91,44,728	(4,74,93,336)
Decrease/ (Increase) in Inventories	37,67,785	2,99,87,389
Increase/ (Decrease) in Trade and Other Payables	(2,19,96,678)	2,39,48,682
Cash Generated From Operations	5,80,96,572	5,89,31,554
Direct Taxes Paid (Net)	(2,16,852)	2,40,023
<b>Net Cash Flow From (Used In) Operating Activities</b>	<b>(A) 5,78,79,720</b>	<b>5,91,71,577</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (incl. Capital Advances)	(2,30,13,897)	(1,15,74,745)
Sale of Property, Plant & Equipment	1,32,813	20,42,445
Investment in Fixed Deposits	(9,38,948)	(56,94,725)
Dividend from Non-Current/ Long Term Investments	16,260	12,821
Interest Received	14,80,375	18,13,416
Lease/ Rental Income from Others	1,20,000	5,39,160
Lease/ Rental Income from Subsidiary	7,54,160	1,20,000
<b>Net Cash Flow From (Used In) Investing Activities</b>	<b>(B) (2,14,49,237)</b>	<b>(1,27,41,628)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	23,81,000	54,01,000
Repayment of Long term Borrowings	(48,61,378)	(76,83,309)
Proceeds/(Repayment) of Short term Borrowings(net)	(87,74,582)	(1,56,63,623)
Interest Paid	(2,65,75,365)	(2,70,10,944)
<b>Net Cash Flow From (Used In) Financing Activities</b>	<b>(C) (3,78,30,325)</b>	<b>(4,49,56,876)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(A+B+C) (13,99,842)</b>	<b>14,73,073</b>
Cash & Cash Equivalents at the beginning of the Year	31,74,480	17,01,407
<b>Cash &amp; Cash Equivalents at the end of the Year (Refer Note 5.09)</b>	<b>17,74,637</b>	<b>31,74,480</b>

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

**BEMCO HYDRAULICS LIMITED**

Udyambag, Belgaum 590 008.  
CIN : L51101KA1957PLC001283

**1. Corporate Information**

Bemco Hydraulics Limited ("the Company") is a listed company incorporated in India having its registered office at Udyambag Industrial Estate, Belgaum, Karnataka-590 008. The Company is principally engaged in the business of manufacture of wide range of Portable re-railing equipment, Light weight re-railing equipment, Hydraulic Re-railing equipment, Re-railing Systems, Hydraulic press, Wheel fitting press and Straightening press. Apart from the principal place of business it has branches in Chennai, Delhi and Kolkata. The Company caters to both domestic and international markets. The Company's equity shares are listed on the Bombay Stock Exchange (BSE Ltd.) since 05th day of November, 2001. The financial statement for the financial year ended 31st March, 2018 were approved by the Board of Directors and authorised for issue on 22nd May, 2018.

**2. Significant Accounting Policies****2.01 Statement of Compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer Note 4 for the details of first time adoption exemptions availed by the Company.

**2.02 Basis of Preparation and Measurement**

Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015 laying down roadmap to implement the Indian Accounting Standards (Ind AS) by companies in India other than certain companies as specified therein. As per this roadmap, the company is required to apply Ind AS starting from the financial year beginning 1st April, 2017. Accordingly, these financial statements have been prepared to comply with Ind AS, including the rules notified under the relevant provisions of the Companies Act, 2013.

For all periods up to and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which included Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements."

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

**2.03 Current and Non-Current Classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

**An asset is current when it is:**

- (a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (b) held primarily for the purpose of trading;
- (c) expected to be realized within twelve months after the reporting period;
- (d) cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is current when it is:**

- (a) expected to be settled in normal operating cycle;
- (b) held primarily for the purpose of trading;
- (c) due to be settled within twelve months after the reporting period or,
- (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.;

All other liabilities are classified as non-current.

Deferred Tax Assets/ Liabilities are classified as non-current.

**2.04 Property, Plant & Equipment (PPE)**

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, other directly attributable costs including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than leasehold land which is stated at revalued amounts) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on the property, plant and equipment (except for leasehold land) is provided on straight-line method ("SLM") over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013 which is in line with the management estimates of the useful lives of the asset. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

**2.05 Capital Work-In-Progress**

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

**2.06 Intangible Assets**

On adoption of IndAS, the Company retained the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss as gains or losses, as the case may be.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset (Other than internally generated)	Useful Life
Computer Software	5 years
Technical Know-how	10 years

The management reviews the estimated useful life of intangible assets annually.

**2.07 Inventories**

Items of inventories are measured at lower of cost (on FIFO basis) and net realisable value after providing for obsolescence, if any, except in case of scrap which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**2.08 Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**2.09 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;"
- the amount of revenue can be measured reliably;
- it is probable that the economic benefit associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

Interest Income

For all financial instruments measured at amortised cost, interest income is accrued on a time basis, by reference to principal outstanding and at effective interest rate (EIR) applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset on initial recognition.

Dividend Income

Dividend income from investments is accounted for when the company's right to receive the same is established.

Lease Income

Lease rentals are recognised on straight-line basis as per the terms of the agreements in the Statement of Profit and Loss.

**2.10 Employee Benefits Expense****(a) Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(b) Post employment benefits**

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Superannuation Fund and Provident & Pension Fund are administered by Life Insurance Corporation of India (LIC) and Regional Provident Fund Commissioner respectively.

**Defined benefit plans:**

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

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**Other long-term employee benefits**

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 method used for measuring the liability is the Projected Unit Credit method.

**2.11 Borrowing Costs**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

**2.12 Foreign Currency Transactions**

The company's financial statements are presented in Indian Rupee (₹), which is also the company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary assets or liabilities are translated at exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit & loss.

**2.13 Earnings Per Share (EPS)**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential equity shares.

**2.14 Income Taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.15 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

**2.16 Research & Development Expenditure**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development cost of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

**2.17 Impairment of Non-Financial Assets: Property, Plant & Equipment & Intangible Assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**2.18 Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at Amortised Cost

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

Financial Assets At Fair Value Through Other Comprehensive Income (FVTOCI)

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

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial Assets At Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

All financial liabilities are recognized at fair value at initial recognition and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial Liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Investment in Subsidiary

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

Derecognition of Financial Instruments:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets (other than at fair value through Profit & Loss)

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**3 Critical Accounting Judgements & Key Sources of Estimation Uncertainty**

The preparation of the company's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies & Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company do not expect them to have a materially adverse impact on our financial position or profitability.

Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Provision for Liquidated Damages

Provision for liquidated damages are recognised on contracts for which revenue has been recognised during the reporting period and the delivery dates are exceeded as per the terms of the contract on a reasonable basis. The negotiations with the customers on the percentage deduction/ non-deduction of liquidated damages impacts the profitability in the period in which such negotiations are finalised.

**Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Warranty Provisions**

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**4 First Time Ind AS Adoption Reconciliations & Explanations**

As stated in Note 2, the Company's financial statements for the year ended 31 March, 2018 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1 April, 2016 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

**Reconciliations**

The accounting policies as stated above in Note 3 have been applied in preparing the financial statements for the year ended 31 March, 2018, the financial statements for the year ending 31 March, 2017 and the preparation of an opening Ind AS balance sheet as at 1 April, 2016. In preparing its Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

**4.01 Reconciliations of Equity**

(Figures in ₹)

Particulars	As At 31-03-17	As At 01-04-2016
Equity as per Previous GAAP	43,29,25,798	4,52,06,831
Reclassification of preference shares as financial liability	(3,20,00,00)	(3,20,00,000)
Recognition of unpaid dividends on preference shares (net of transaction costs amortized on effective interest method)	(1,38,88,239)	(1,03,62,541)
Revaluation Building as per Previous GAAP taken as deemed cos	9,12,883	-
Due to Increase in Value of Land due to Fair Value taken as deemed cost (Net of deferred taxes)	-	34,72,53,816
Amortization of Leasehold Land	(3,76,895)	-
Difference on account of recognition/ reversal of other costs (including amortization of transaction costs on financial liabilities as per effective interest method)	(5,89,963)	(7,98,390)
Difference on account of fair valuation of Equity Instruments (except investment in subsidiary)	20,12,166	15,69,034
Recognition of deferred taxes	(6,38,76,777)	(5,53,00,603)
Equity as per Ind AS	<b>32,51,18,973</b>	<b>29,55,68,147</b>

**4.02 Reconciliations of Total Comprehensive Income**

(Figures in ₹)

Particulars	For the year ended 31-03-17
Net Profit as per Previous GAAP	4,13,78,034
Recognition of unpaid dividends on preference shares (net of transaction costs amortized on effective interest method)	(35,25,698)
Actuarial (gain) / loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes)	8,16,940
Difference on account of recognition/ reversal of other costs (including amortization of transaction costs on financial liabilities as per effective interest method)	(1,68,467)
Income Tax adjustments (including deferred taxes)	(86,63,132)
Net Profit after tax as per Ind AS	2,98,37,677
Other Comprehensive Income (net of taxes)	(3,73,808)
<b>Total Comprehensive Income as per Ind AS</b>	<b>2,94,63,869</b>

**4.03 Explanation to material adjustments to Statement of Cash Flows for the year ended 31st March, 2017**

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except treatment of preference dividends debited to the Statement of Profit & Loss which has been considered as non-cash item as these are not yet declared by the company.

**4.04 Notes on exemptions adopted by the company under Ind AS 101 and notes on material effects on the financial position, financial performance and cash flows of the company.**

(i) the company has adopted exemption given in paragraph D7AA of Ind AS 101 relating to its property, plant & equipment as per which the company has elected to continue with the carrying value for all of its property, plant & equipment as recognised in the financial statements as at the date of transition, i.e. 1st April, 2016, measured as per Previous GAAP and used that as its deemed cost as at the date of transition to Ind AS. However in case of leasehold land, fair value on the date of transition has been considered as deemed cost as the Company was adopting revaluation model under the previous GAAP.

Accordingly, the balance outstanding in the revaluation reserve as on the date of transition the difference between the fair value and carrying value of leasehold land as on that date has been transferred to Capital Reserve Account under the head 'Other Equity'.

(ii) The company has reclassified its preference share capital from Equity to Financial Liabilities and also charged the unpaid/ undeclared dividends on these preference shares up to the date of transition in the opening reserves as at the date of transition.

**(iii) Deferred Tax:**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit & Loss for the subsequent periods.

**4.05 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS**  
**A. Effect of Ind AS adoption on the standalone balance sheet as at 31st March 2017 and 1st April 2016**

Particulars	As at 31-03-2017			As at 31-03-2016		
	Previous Gaap	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous Gaap	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>						
(1) Non-current assets						
(a) Property, Plant and Equipment	42,12,35,092	5,35,989	42,17,71,081	6,97,52,416	34,72,53,816	41,70,06,232
(b) Other Intangible assets	52,79,782	-	52,79,782	1,23,41,966	-	1,23,41,966
(c) Financial Assets						
(i) Investments	96,141	20,23,270	21,19,411	1,09,695	15,66,584	16,76,279
(ii) Loans	9,74,590	-	9,74,590	9,44,590	-	9,44,590
(iii) Other Financial Assets	1,32,47,731	(4,80,065)	1,27,67,666	88,01,202	(5,66,258)	82,34,944
(e) Other non-current assets	22,63,068	-	22,63,068	2,49,773	-	2,49,773
(2) Current assets						
(a) Inventories	19,22,81,212	-	19,22,81,212	22,22,68,601	-	22,22,68,601
(b) Financial Assets						
(i) Trade receivables	12,58,41,774	(2,99,030)	12,55,42,744	9,42,88,633	(1,86,871)	9,41,01,762
(ii) Cash and Cash equivalents	31,74,480	-	31,74,480	17,01,407	-	17,01,407
(iii) Bank balances other than (iii) above	1,20,45,042	-	1,20,45,042	1,12,55,821	-	1,12,55,821
(iv) Other Financial Assets	11,04,386	1,303	11,05,689	11,66,222	(2,12,585)	9,53,637
(c) Current Tax Assets (Net)	8,21,171	-	8,21,171	11,04,041	-	11,04,041
(d) Other current assets	1,84,87,172	-	1,84,87,172	68,44,246	-	68,44,246
<b>Total Assets</b>	<b>79,68,51,642</b>	<b>17,81,467</b>	<b>79,86,33,108</b>	<b>43,08,28,613</b>	<b>34,78,54,687</b>	<b>77,86,83,299</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share capital	2,19,33,500	-	2,19,33,500	2,19,33,500	-	2,19,33,500
(b) Other Equity	37,89,92,298	(7,58,06,825)	30,31,85,473	(87,26,669)	28,23,61,316	27,36,34,647
<b>LIABILITIES</b>						
(1) Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	4,75,10,189	(2,19,364)	4,72,90,825	8,01,82,917	(2,06,872)	7,99,76,045
(ii) Other financial liabilities	1,56,040	-	1,56,040	25,000	-	25,000
(b) Provisions	5,51,065	-	5,51,065	6,21,611	-	6,21,611
(c) Deferred tax liabilities (Net)	-	6,38,76,777	6,38,76,777	-	5,53,00,602	5,53,00,602
(d) Other non-current liabilities	47,54,548	-	47,54,548	34,03,284	-	34,03,284
(2) Current liabilities						
(a) Financial Liabilities						
(i) borrowings	12,92,62,557	(1,19,118)	12,91,43,439	14,49,26,181	(96,068)	14,48,30,113
(ii) Trade payables	10,29,58,350	(1,96,428)	10,27,61,922	9,52,08,594	(25,000)	9,51,83,594
(iii) Other financial liabilities	3,01,29,664	1,40,49,997	4,41,79,661	2,76,85,274	1,04,95,706	3,81,80,980
(b) Other current liabilities	7,62,06,504	1,96,428	7,64,02,932	6,18,54,490	-	6,18,54,490
(c) Provisions	43,96,926	-	43,96,926	37,39,432	-	37,39,432
(d) Current Tax Liabilities (Net)	-	-	-	-	-	-
<b>Total Equity and Liabilities</b>	<b>79,68,51,641</b>	<b>17,81,467</b>	<b>79,86,33,108</b>	<b>43,08,53,614</b>	<b>34,78,29,683</b>	<b>77,86,83,298</b>

**B. Reconciliation of total comprehensive income for the year ended 31st March, 2017**

Particulars	Indian GAAP	Adjustments	IND AS
I Revenue From Operation	45,81,46,786	-	45,81,46,786
II Other Income	68,91,974	-	68,91,975
<b>III Total Income (I+II)</b>	<b>46,50,38,760</b>	<b>-</b>	<b>46,50,38,761</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	19,93,37,346	-	19,93,37,346
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	2,78,27,198	-	2,78,27,198
Employee benefits expense	6,95,79,916	(10,41,541)	6,85,38,375
Finance costs	2,68,98,696	35,18,749	3,04,17,445
Depreciation and amortization expense	1,22,15,938	3,76,894	1,25,92,832
Other expenses	11,60,49,674	23,124	11,60,72,798
<b>Total expenses (IV)</b>	<b>45,19,08,769</b>	<b>28,77,225</b>	<b>45,47,85,994</b>
V Profit/(loss) before exceptional items and tax (I- IV)	1,31,29,992	(28,77,225)	1,02,52,767
VI Exceptional Items	2,82,42,100	-	2,82,42,100
<b>VII Profit/(loss) before tax (V-VI)</b>	<b>4,13,72,092</b>	<b>(28,77,225)</b>	<b>3,84,94,867</b>
VIII Tax expense:			
(1) Current tax	(5,942)	-	(5,942)
(2) Deferred tax	-	86,63,132	86,63,132
	<b>(5,942)</b>	<b>86,63,132</b>	<b>86,57,190</b>

(all fig. in ₹)

Particulars	Gross Block			As at 31/03/2018	Depreciation			Net Block		
	As at 01/04/2017	Addition During the Year	Deduction During the Year		Upto 31/03/2017	For the year	Deductions	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
<b>Leased Asset</b>										
Leasehold Land	36,05,63,856	-	-	36,05,63,856	3,76,894	3,76,894	-	7,53,788	35,98,10,068	36,01,86,962
<b>Owned Assets</b>										
Office Buildings	2,63,30,396	63,70,062	-	3,27,00,458	8,82,582	13,72,661	-	22,55,243	3,04,45,215	2,54,47,814
Factory Building	-	73,52,795	-	73,52,795	-	1,913	-	1,913	73,50,882	-
Plant and Equipment	2,24,68,591	1,20,202	-	2,25,88,793	12,97,038	17,04,972	-	30,02,010	1,95,86,783	2,11,71,553
Furniture and Fixtures	3,81,705	60,000	-	4,41,705	49,010	49,332	-	98,342	3,43,363	3,32,693
Vehicles	1,57,74,257	33,01,810	3,64,201	1,87,11,866	24,18,226	24,70,892	1,30,830	47,58,288	1,39,53,578	1,33,56,031
Goods Transport Vehicles	5,20,443	-	-	5,20,443	77,482	77,486	-	1,54,968	3,65,475	4,42,961
Office Equipments	2,67,023	33,779	-	3,00,802	1,37,787	46,226	-	1,84,013	1,16,789	1,29,236
Electrical Installations	3,50,623	4,97,017	-	8,47,640	50,414	50,806	-	1,01,220	7,46,420	3,00,209
Computers	5,36,218	5,38,745	-	10,74,963	1,40,491	2,12,729	-	3,53,220	7,21,743	3,95,727
Borewell	7,893	-	-	7,893	-	-	-	-	7,893	7,893
<b>TOTAL</b>	<b>42,72,01,005</b>	<b>1,82,74,410</b>	<b>3,64,201</b>	<b>44,51,11,214</b>	<b>54,29,924</b>	<b>63,63,911</b>	<b>1,30,830</b>	<b>1,16,63,005</b>	<b>43,34,48,209</b>	<b>42,17,71,081</b>

**Note:** Property, plant and equipment of the company are charged against various loan facilities availed by the company from Banks. The complete details in this regard are given in Note No. 5.21 to the financial statements.

(all fig. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/2017	Addition During the Year	Deduction During the Year	As at 31/03/2018	Upto 31/03/2017	For the year	Deductions	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Computer Software	2,99,573	25,22,780	-	28,22,353	1,29,261	1,26,080	-	2,55,341	25,67,012	1,70,312
Technical Know-how	1,20,42,393	-	-	1,20,42,393	69,32,923	4,75,632	-	74,08,555	46,33,838	51,09,470
TOTAL	1,23,41,966	25,22,780	-	1,48,64,746	70,62,184	6,01,712	-	76,63,896	72,00,850	52,79,782


**5.03 Investments**

Particulars	Face value per share (₹)	31/03/2018		31/03/2017		01/04/2016	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
<b>Non Current</b>							
<b>(i) Investments in Equity Instruments carried at fair value through other comprehensive income (FVTOCI)</b>							
<b>A. Quoted (Fully paid up, unless otherwise stated)</b>							
Alfred Herbert (India) Limited	10	5	4,425	5	2,731	5	1,810
Best and Crompton Engineering Limited	10	105	-	105	-	105	360
BF Investment Ltd (Bonus)	5	26	7,285	26	4,294	26	3,138
BF Utilites Ltd	5	26	9,923	26	11,478	26	14,699
Bharat Forge Company Limited	2	130	91,020	130	1,35,317	130	1,13,464
Bharat Forge Company Limited (Bonus)	2	130	91,020	-	-	-	-
Dynumatic Technologies Limited	10	40	68,414	40	1,08,600	40	69,200
E.C.E. Industries Limited	10	30	8,622	30	6,944	30	4,916
Eaton Fluid Power Ltd (Formerly, Vickers Systems International Limited)	10	24	-	24	-	24	240
Eicher Motors Ltd	10	1	28,337	1	25,554	1	19,140
Elecon Engineering Co. Limited (Including Bonus)	2	360	27,702	360	19,026	360	19,620
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	560	1	433	1	583
Jyoti Limited	10	50	3,283	50	2,545	50	3,500
Kulkarni Power Tools Limited	5	200	11,690	200	5,050	200	5,500
Larsen and Tubro Limited	2	256	3,35,846	256	4,03,866	256	3,11,327
Larsen and Tubro Limited (Bonus)	2	320	4,19,808	128	2,01,933	128	1,55,663
LML Limited	10	27	160	27	343	27	194
Mahindra and Mahindra Limited	5	52	38,490	52	66,804	52	62,902
Mahindra and Mahindra Limited (Bonus)	5	52	38,490	-	-	-	-
Manugraph Industries Limited	2	240	10,992	240	13,284	240	11,136
Nesco Ltd (New Standard Engineering Company Limited)	2	200	1,10,380	40	94,072	40	60,000
Scooters India Limited	10	50	3,023	50	2,000	50	1,288
Tata Motors Ltd	2	115	37,657	115	53,584	115	44,425
Tata Motors Ltd	2	15	4,912	15	6,989	15	5,795
Texmaco Rail Engineering Limited	1	100	-	100	9,250	100	10,490
U. T. Limited	10	100	-	100	-	100	657
Ultratech Cement (Bonus)	10	51	2,01,340	51	2,03,487	51	1,64,577
Voltas Limited	1	150	93,090	150	61,823	150	41,543
			<b>16,46,469</b>		<b>14,39,407</b>		<b>11,26,167</b>
<b>B. Unquoted (Fully paid up, unless otherwise stated)</b>							
Belgaum Coal and Coke Consumer Co-op Ass. Ltd.	100	4	38,224	4	38,224	4	36,834
Belgaum Manufacturers Co-op Industrial Estate Ltd.	100	40	4,03,804	40	4,03,804	40	2,78,078
WG Forge and Allied Industrial Limited	10	50	-	50	-	50	-
Saraswat Co-operative Bank Limited	10	783	1,72,976	783	1,72,976	783	1,70,200
Eicher Tractors Limited	10	4	-	4	-	4	-
			<b>6,15,004</b>		<b>6,15,004</b>		<b>4,85,112</b>
<b>C. Subsidiary (At Cost)</b>							
Unquoted							
Bemco Fluidtechnik Private Limited	10	6,500	-	-	-	6,500	65,000
<b>(ii) Investments in Limited Liability Partnership (At Cost)</b>							
Subsidiary							
Bemco Fluidtechnik LLP (Formerly, Bemco Fluidtechnik Private Limited upto 26-02-17)		-	65,000		65,000		-
			65,000		65,000		65,000
<b>TOTAL</b>			<b>23,26,473</b>		<b>21,19,411</b>		<b>16,76,279</b>
Aggregate book value of quoted investments			16,46,469		14,39,407		11,26,167
Aggregate market value of quoted investments			16,46,469		14,39,407		11,26,167
Aggregate amount of unquoted investments			6,80,004		6,80,004		5,50,112

## 5.04 Loans

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Unsecured, Considered Good</b>			
Security Deposits	12,11,700	9,74,590	9,44,590
	12,11,700	9,74,590	9,44,590

**Note:** No loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

## 5.05 Other Financial Assets

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Fixed Deposits</b>			
- Bank Deposits with remaining maturity of more than 12 months	43,98,096	1,17,86,887	71,17,884
Advances to Workers/ Employees	8,06,407	9,80,779	11,17,060
	52,04,503	1,27,67,666	82,34,944

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

## 5.06 Other Non-Current Assets

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Capital Advances	2,90,000	19,00,000	-
<b>Advances Other than Capital Advances</b>			
- Advance Tax / TDS (Net of Provision)	-	3,63,068	2,49,773
	2,90,000	22,63,068	2,49,773

## 5.07 Inventories

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>(At lower of cost and net realisable value)</b>			
Raw Materials	1,51,48,454	2,05,27,444	1,77,36,991
Intermediate and Components	1,57,69,290	1,90,35,752	2,51,73,446
Stores and Spares	24,58,218	47,12,415	35,25,365
Work-in-Progress	15,26,94,000	14,31,81,000	16,77,77,000
Work-in-Progress - Export	-	-	41,53,000
Finished Goods	24,39,145	48,10,021	38,95,891
<b>(At estimated realisable value)</b>			
Scrap	4,320	14,580	6,908
	18,85,13,427	19,22,81,212	22,22,68,601

**Note:** (i) The mode of valuation of inventories has been stated in Note 2.07.

(ii) The amount of inventories recognised as an expenses during the year was ₹ 20,06,79,721/- (Previous Year ₹ 27,23,20,534/-)

(iii) The Loans from Banks are secured by pari passu charge on inventories (including raw material, finished goods and work in progress) and book debts. Refer Note 5.21

## 5.08 Trade Receivables

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Unsecured, Considered Good</b>			
Trade Receivables	10,45,29,385	12,55,42,744	9,41,01,762
Other Debts			
<b>Unsecured, Considered Doubtful</b>			
Trade Receivables	24,21,213	22,71,401	36,99,678
Less: Allowance for Doubtful Debts & Liq. Damages	(24,21,213)	(22,71,401)	(36,99,678)
	10,45,29,385	12,55,42,744	9,41,01,762

**Note:** (i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**(ii) Movement in the expected credit loss allowance**

Particulars	Figures as at	
	31/03/2018 ₹	31/03/2017 ₹
<b>Unsecured, Considered Good</b>		
Balance as at the beginning of the year	22,71,401	36,99,678
Add: Provision made during the year	14,06,673	1,12,159
Less: Amount written back / collected during the year	12,56,861	15,40,436
	<b>24,21,213</b>	<b>22,71,401</b>

(iii) Borrowing are secured by pari passu charge on inventories and trade receivables. Refer Note 5.21 Of the financial statements.

**5.09 Cash and Cash Equivalents**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Balances with Banks in current accounts	16,06,491	27,46,380	2,32,371
Cash on hand	1,68,146	4,28,100	14,69,036
	<b>17,74,637</b>	<b>31,74,480</b>	<b>17,01,407</b>

**5.10 Bank Balances (Other than Cash & Cash Equivalents)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Bank deposits with original maturity of more than/ equal to 12 months	2,06,63,784	1,20,45,042	1,12,55,821
	<b>2,06,63,784</b>	<b>1,20,45,042</b>	<b>1,12,55,821</b>

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

**5.11 Other Financial Assets**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Advances</b>			
Advances to Workers/ Employees	10,39,602	10,64,731	9,53,637
Interest Receivable from HESCOM	-	40,958	-
	<b>10,39,602</b>	<b>11,05,689</b>	<b>9,53,637</b>

**5.12 Current Tax Assets (Net)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Advance Tax / TDS (net of provision)	8,94,027	7,25,337	10,08,207
Income Tax Refund Receivable	95,834	95,834	95,834
	<b>9,89,861</b>	<b>8,21,171</b>	<b>11,04,041</b>

**5.13 Other Current Assets**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Advances other than capital advances</b>			
- Advances for purchase of goods and services	29,50,582	1,31,22,469	30,08,505
- Travel advances to employees	10,69,117	9,14,402	2,87,015
- Other Advances (Doubtful)	4,00,000	4,00,000	4,00,000
Less: Provision for Doubtful Advances	(4,00,000)	(4,00,000)	(4,00,000)
Claims Receivable	3,98,017	1,05,343	3,32,728
Prepaid Expenses	34,09,007	31,17,692	24,21,962
Balance with Revenue authorities	85,64,702	12,27,266	7,94,036
	<b>1,63,91,425</b>	<b>1,84,87,172</b>	<b>68,44,246</b>

**5.14 Equity Share Capital**

Particulars	31/03/2018		31/03/2017		01/04/2016	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
(a) <b>Authorized Share Capital</b>						
Equity Shares of ₹ 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Preference Share Capital of ₹ 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000	4,00,000	4,00,00,000
	<b>44,00,000</b>	<b>8,00,00,000</b>	<b>44,00,000</b>	<b>8,00,00,000</b>	<b>44,00,000</b>	<b>8,00,00,000</b>
(b) <b>Issued Share Capital</b>						
Equity Shares of ₹ 10/- each	22,22,750	2,22,27,500	22,22,750	2,22,27,500	22,22,750	2,22,27,500
	<b>22,22,750</b>	<b>2,22,27,500</b>	<b>22,22,750</b>	<b>2,22,27,500</b>	<b>22,22,750</b>	<b>2,22,27,500</b>
(c) <b>Issued, Subscribed and Fully Paid up Capital</b>						
Equity Shares of ₹ 10/- each	21,86,700	2,18,67,000	21,86,700	2,18,67,000	21,86,700	2,18,67,000
Shares Forfeited	-	66,500	-	66,500	-	66,500
	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>
(d) Reconciliation of Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of each financial year.						
Balance as at the beginning of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Add/ (Less): Movement during the year	-	-	-	-	-	-
<b>Balance as at the end of the financial year</b>	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>
(e) <b>Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/- each.</b>	The Company has Equity Shares having par value of ₹ 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 the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.					
(f) <b>Shareholders holding more than 5% of Equity</b>						
Mohta Capital Private Limited	6,65,606	30.44%	6,65,606	30.44%	6,65,606	30.44%
Sri Ramchandra Enterprises Private Limited	3,34,697	15.31%	3,34,697	15.31%	3,34,697	15.31%
U D Finnvest Private Limited	2,18,400	9.99%	2,18,400	9.99%	2,18,400	9.99%
Urmila Devi Mohta	2,08,668	9.54%	2,08,668	9.54%	2,08,668	9.54%
Sungrace Finvest Private Limited	1,49,657	6.84%	1,69,755	7.76%	1,84,000	8.41%

(g) No calls remain unpaid by the Board of Directors and officers of the Company.

**5.15 Other Equity**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Capital Reserve</b>			
Balance at the beginning of the year	27,87,89,757	27,89,92,737	-
Add: Reversal of Deferred Tax Liability	86,957	86,957	-
Less: Transfer to Retained Earnings	(2,89,937)	(2,89,937)	-
<b>Balance at the end of the year</b>	<b>27,85,86,777</b>	<b>27,87,89,757</b>	<b>27,89,92,737</b>
<b>Capital Redemption Reserve</b>			
Balance at the beginning of the year	14,73,200	14,73,200	-
Add/ (Less): Movement during the year	-	-	-
<b>Balance at the end of the year</b>	<b>14,73,200</b>	<b>14,73,200</b>	<b>14,73,200</b>
<b>General Reserve</b>			
Balance at the beginning of the year	70,24,153	70,24,153	-
Add/ (Less): Movement during the year	-	-	-
<b>Balance at the end of the year</b>	<b>70,24,153</b>	<b>70,24,153</b>	<b>70,24,153</b>
<b>Securities Premium Reserve</b>			
Balance at the beginning of the year	4,48,31,700	4,48,31,700	-
Add/ (Less): Movement during the year	-	-	-
<b>Balance at the end of the year</b>	<b>4,48,31,700</b>	<b>4,48,31,700</b>	<b>4,48,31,700</b>
<b>Retained Earnings</b>			
Opening Balance	(2,89,68,018)	(5,90,95,632)	-
Add: Surplus/(Deficit) for the year	1,05,17,291	2,98,37,677	-
Add: Transfer From Capital Reserve	2,89,937	2,89,937	-
<b>Balance at the end of the year</b>	<b>(1,81,60,790)</b>	<b>(2,89,68,018)</b>	<b>(5,90,95,632)</b>
<b>Other Comprehensive Income</b>			
Opening Balance	34,681	4,08,489	-
Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land)	13,90,943	(3,73,808)	-
<b>Balance at the end of the year</b>	<b>14,25,624</b>	<b>34,681</b>	<b>4,08,489</b>
<b>Total (a to f)</b>	<b>31,51,80,664</b>	<b>30,31,85,473</b>	<b>27,36,34,647</b>

**Nature and purpose of reserves:****1. Capital Redemption Reserve:**

Capital Redemption Reserve was created on account of redemption for 11% Redeemable Preference Shares at the time of issue of such shares out of the profits made during past years.

**2. Security premium account:**

Security premium account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.

**3. Capital Reserve:**

On the date of transition to Ind AS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipments as per Previous GAAP has been transferred to the Capital Reserve.

**5.16 Borrowings (Non-Current)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Secured</b>			
Term Loans from Banks			
(i) Working Capital Term Loan	-	-	12,30,986
(ii) Specific Purpose Term Loan			
- Plant & Machinery Loans	13,25,737	22,68,397	-
- Motor Car Loans	31,34,209	26,60,189	37,47,917
<b>Unsecured</b>			
Deferred Payment Liabilities	81,89,000	1,05,54,000	4,31,94,600
11% 3,20,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	3,18,12,986	3,18,08,239	3,18,02,542
	<b>4,44,61,932</b>	<b>4,72,90,825</b>	<b>7,99,76,045</b>

**General Description, details of security and other conditions attaching to:****As at 31-03-2018**

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans Bank of Maharashtra	22,68,396	The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/-. As on 31-03-2018, 28 installments are due for repayment.	14.40% p.a.
2. Motor Car Loans State Bank of India	47,13,845	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 31-03-2018, 447 installments are due for repayment.	10% -12% p.a.

**As at 31-03-2017**

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans Bank of Maharashtra	32,05,689	The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/-. As on 31-03-2017, 40 installments are due for repayment.	14.47% p.a.
2. Motor Car Loans State Bank of India	49,93,823	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 31-03-2017, 499 installments are due for repayment.	10% -12% p.a.
3. Working Capital Loan Bank of Maharashtra	12,33,105	The loan is repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to the balance outstanding). As on 31-03-2017, 7 installments are due for repayment.	14.47% p.a.

**As at 01-04-2016**

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Motor Car Loans State Bank of India	62,00,132	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 01-04-2016, 530 installments are due for repayment.	10% -12% p.a.
2. Working Capital Loan Bank of Maharashtra	34,14,294	The loan is repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to the balance outstanding). As on 01-04-2016, 19 installments are due for repayment.	14.47% p.a.
State Bank of India	20,84,398	The loan was repayable in 40 monthly installments, out of which first 20 installments ₹ 2,00,000/- each and the balance 20 installments of ₹ 3,00,000/- (or less to the balance outstanding). As on 01-04-2016, 7 installments are due for repayment.	14.6% p.a.

**Redeemable Preference Shares****Rights, Preferences and Restrictions attached to Preference Shares of ₹ 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. The rights of preference shares are further governed by Section 47 of the Companies Act, 2013.

**Terms of redemption of Preference Shares of ₹ 100/- each**

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2031.	3,00,000	3,00,00,000	3,00,000	3,00,00,000	3,00,000	3,00,00,000
ii) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2020.	20,000	20,00,000	20,000	20,00,000	20,000	20,00,000

**Shareholders holding more than 5% of Preference Share Capital**

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Mohta Capital Private Limited	1,90,000	59.38%	1,90,000	59.38%	1,90,000	59.38%
U.D. Finvest Private Limited	65,000	20.31%	65,000	20.31%	65,000	20.31%
Sree Ramachandra Capital Consultancy Private Limited	65,000	20.31%	65,000	20.31%	65,000	20.31%

**Details of continuing defaults in respect of Deferred Payment Liabilities****Terms of Repayment**

The total outstanding with respect to Deferred Payment Liabilities are 4,00,000/- Euros. The outstanding is repayable by payment of 50,000 Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹ 2,04,72,500/- in respect of deferred payment liabilities as at the balance sheet date which is included in the amount 'Current portion of deferred liability for Intangible Assets' disclosed under 5.23.

**5.17 Other Financial Liabilities**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Security Deposits	1,56,040	1,56,040	25,000
	<b>1,56,040</b>	<b>1,56,040</b>	<b>25,000</b>

**5.18 Provisions (Non-Current)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Provision for Employee Benefits - Provision for Leave Encashment	10,53,797	5,51,065	6,21,611
	<b>10,53,797</b>	<b>5,51,065</b>	<b>6,21,611</b>

**5.19 Deferred Tax Liabilities (Net)**

Particulars	Balance Sheet Figures as at			Statement of Profit & Loss For the year ended	
	31/03/2018 (₹)	31/03/2017 ₹	01/04/2016 ₹	31/03/2018 (₹)	31/03/2017 ₹
<b>Deferred tax relates to the following:</b>					
Accelerated depreciation for tax purpose	(26,35,225)	(13,34,893)	(18,03,916)	(13,00,332)	4,69,023
Amortization of land	(8,29,14,528)	(8,30,01,485)	(8,30,88,442)	86,957	86,957
Measurement of Financial Assets at amortised cost	1,60,345	1,31,911	2,40,663	28,434	(1,08,752)
Measurement of Financial Liabilities at amortised cost	(31,975)	(48,692)	(52,461)	16,717	3,769
Unused tax losses/ depreciation	1,32,13,720	1,85,42,967	2,45,04,198	(53,29,247)	(59,61,231)
MAT Credit Entitlement	56,26,500	-	-	56,26,500	-
Provision for doubtful debts and advances	7,49,495	6,77,315	11,43,201	72,180	(4,65,886)
Provision for product warranties	1,71,228	1,34,706	1,31,141	36,522	3,565
Provision for Leave Encashment	20,48,824	12,28,589	12,16,421	8,20,235	12,168
Foreign currency fluctuations	10,63,527	(2,07,195)	24,08,593	12,70,722	(26,15,788)
Deferred tax expense/(income)	-	-	-	<b>13,28,688</b>	<b>(85,76,175)</b>
Net deferred tax assets/(liabilities)	<b>(6,25,48,089)</b>	<b>(6,38,76,777)</b>	<b>(5,53,00,602)</b>	-	-

**Reflected in the Balance Sheet as follows:**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Deferred tax assets (continuing operations)	2,03,98,414	1,93,80,595	2,96,44,217
<b>Deferred tax liabilities:</b>			
Continuing operations	(8,29,46,503)	(8,32,57,372)	(8,49,44,819)
Deferred tax liabilities, net	(6,25,48,089)	(6,38,76,777)	(5,53,00,602)

**Reconciliation of deferred tax liabilities (Net):**

Particulars	Figures as at	
	31/03/2018 ₹	31/03/2017 ₹
Opening balance as at	(6,38,76,777)	(5,53,00,602)
Tax income/(expense) during the period recognised in profit or loss	12,41,731	(86,63,132)
Tax income/(expense) during the period recognised in Capital Reserve	86,957	86,957
Closing balance as at	(6,25,48,089)	(6,38,76,777)

**5.20 Other Non-Current Liabilities**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Security Deposits from Employees	26,40,305	47,54,548	34,03,284
	<b>26,40,305</b>	<b>47,54,548</b>	<b>34,03,284</b>

**5.21 Borrowings (Current)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Secured			
Loans Repayable on Demand:			
- From Banks			
(i) Cash Credit/ Packing Credit	5,41,35,633	6,33,73,226	8,36,75,013
(ii) Stand By Line Credit	50,00,000	50,00,000	-
- From Others			
(i) Raw Material Assistance Scheme from NSIC	94,70,935	94,42,248	94,28,415
Unsecured			
Loans Repayable on Demand:			
- From Related Parties	4,67,92,965	4,39,27,965	4,19,26,685
- From Other Parties	50,00,000	74,00,000	98,00,000
	<b>12,03,99,533</b>	<b>12,91,43,439</b>	<b>14,48,30,113</b>

**General Description, details of security and other conditions attaching to:**

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 bank plus 4.60% at monthly rests.

Cash credit availed from State Bank of India is secured by hypothecation of inventory and receivables upto 150 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 bank plus 2.75% at monthly rests. Stand by Line of Credit availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables 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 bank plus 6.00% at monthly rests.

Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to ₹ 10,000,000/-. Interest is payable @ 12.50% per annum on amount outstanding. Additional interest at the rate of 0.45% percent per annum is payable if payment is not made within stipulated time limit.

Stand by Line of Credit is availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on Stand by line of Credit is payable at floating rate being base rate of bank plus 3.75% at monthly rests.

**5.22 Trade Payables**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
For Goods purchased and Services received in the normal course of business			
- Due to Micro Enterprises & Small Enterprises	-	-	-
- Due to Other than Micro Enterprises & Small Enterprises	8,70,90,470	7,18,94,848	7,35,57,404
- Acceptances	2,20,27,440	3,08,67,074	2,16,26,190
	<b>10,91,17,910</b>	<b>10,27,61,922</b>	<b>9,51,83,594</b>

**Note:** The average credit period on purchases of goods and services are within 120 days. The trade payables are non interest bearing.

**Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information & records available with the Management).**

Particulars	2017-18 ₹	2016-17 ₹
(i) he principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.		
*Principal amount	NIL	NIL
*Interest there on	NIL	NIL
(ii) 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
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end each accounting year.	NIL	NIL
(v) 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	NIL	NIL

\* The Company has written to Creditors/ suppliers asking them to confirm their status under the Micro, Small and Medium Enterprises Development Act, 2006, but has not received any intimation from them. This has been relied upon by the Auditors.

### 5.23 Other Financial Liabilities

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Current Maturities of Long-term Debt:</b>			
- Working Capital Term Loan from Banks	-	12,33,105	42,67,706
- Plant & Machinery Loan from Banks	9,42,659	9,37,292	-
- Motor Car Loans from Banks	15,79,636	23,33,634	24,52,215
- Current Portion of Deferred Payment Liabilities	2,45,67,000	1,75,90,000	1,51,56,000
<b>Interest Accrued:</b>			
- Interest accrued but not due on borrowings	-	725	33,514
- Interest accrued and due on borrowings	3,85,886	3,68,153	6,25,364
Unpaid Dividends on 11% Cumulative Redeemable Preference Shares	1,67,20,000	1,40,80,000	1,05,60,000
Gratuity Payable to LIC	29,55,117	48,30,401	50,86,181
Liability against Capital Assets	-	26,28,598	-
Guarantee Commission Payable to Related Parties	3,55,506	1,77,753	-
	<b>4,75,05,804</b>	<b>4,41,79,661</b>	<b>3,81,80,980</b>

### 5.24 Other Current Liabilities (Current)

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Revenue Received in Advance:			
- Advance from Customers	3,07,82,300	6,09,99,704	5,16,74,160
Current portion of Security Deposit from Employees	26,95,125	-	3,61,671
Liabilities for Expenses	62,93,755	56,20,228	51,22,580
Liabilities for Statutory Dues	78,04,711	97,83,000	46,96,080
	<b>4,75,75,891</b>	<b>7,64,02,932</b>	<b>6,18,54,491</b>

### 5.25 Provisions

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Provision for Employee Benefits:</b>			
-Provision for Leave Encashment	63,82,276	39,08,020	33,15,026
Provision for Product Warranty	6,21,461	4,88,906	4,24,406
	<b>70,03,737</b>	<b>43,96,926</b>	<b>37,39,432</b>

**Note:** Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

## (1) Movement in Provisions

Nature of Provisions	Leave Encashment		Product Warranty	
	2017-18	2016-17	2017-18	2016-17
Carrying amount at the beginning of the year*	44,59,085	39,36,637	4,88,906	4,24,406
Additional provision made during the year	45,63,664	21,14,124	1,32,555	64,500
Amounts used during the year	(15,86,676)	(15,91,676)	-	-
Unused amounts reversed during the year	-	-	-	-
<b>Carrying amount at the end of the year*</b>	<b>74,36,073</b>	<b>44,59,085</b>	<b>6,21,461</b>	<b>4,88,906</b>

\* The above figures mentioned in opening and closing carrying amount includes long term portion of provisions.

## (2) Nature of Provisions

- (a) Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on account of rectification/ replacement. The timing of outflows is expected to be within a period of 2 years.
- (b) Provision for Leave Encashment includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

## 5.26 Current Tax Liabilities

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Provision for Income Tax (Net of Advance Tax/ TDS)	52,04,763	-	-
	<b>52,04,763</b>	<b>-</b>	<b>-</b>

## Notes:

## Income Tax recognised in Profit and Loss

Particulars	For the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Current Tax</b>		
Current income tax charge	53,23,467	-
Adjustments in respect of current income tax of previous years	-	(5,942)
<b>Total (A)</b>	<b>53,23,467</b>	<b>(5,942)</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of deductible & taxable temporary differences	(12,41,731)	86,63,132
<b>Total (B)</b>	<b>(12,41,731)</b>	<b>86,63,132</b>
<b>Income Tax expense recognised in the Statement of Profit or Loss (A+B)</b>	<b>40,81,736</b>	<b>86,57,190</b>

## Income Tax recognised in Other Comprehensive Income

Particulars	For the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Current Tax</b>		
Current income tax charge on remeasurement of defined benefit obligations	(3,03,033)	-
	<b>(3,03,033)</b>	<b>-</b>
Income Tax expense recognised in Other Comprehensive Income	(3,03,033)	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Profit before tax	1,45,99,027	3,84,94,867
Applicable Tax Rate	27.55%	30.90%
Computed Tax Expense	40,22,032	1,18,94,914
Tax Effects:		
Items not chargeable to tax/ exempt	(3,19,845)	(97,70,858)
Expenses disallowed	36,61,726	2,00,453
Net tax on depreciable assets	2,38,765	3,39,090
Effect of brought forward losses and unabsorbed depreciation	(19,76,178)	(26,63,599)
Adjustments recognised in the current year in relation to the current tax of prior years	-	(5,942)
Others	(3,03,033)	-
<b>Current Tax Provision (A)</b>	<b>53,23,467</b>	<b>(5,942)</b>
Incremental Deferred Tax Liability	(12,41,731)	86,63,132
<b>Deferred Tax Provision (B)</b>	<b>(12,41,731)</b>	<b>86,63,132</b>
<b>Tax Expenses recognised in the Statement of Profit and Loss (A + B)</b>	<b>40,81,736</b>	<b>86,57,190</b>

**5.26 Contingent Liabilities and Commitments**

(to the extent not provided for)

(a) Claims against the company not acknowledged as debt:

Particulars	2017-18 ₹	2016-17 ₹
(i) Entry Tax Demand disputed in Appeal* (net of amount paid)	1,05,343	1,04,816
* The Company has been advised that the demand is likely to be either deleted or substantially reduced and shall not have any material adverse effect on its financial position.		
(ii) An ex-employee of the company had preferred an appeal before Hon'ble IIIRD Adl. Senior Civil Judge, Belgaum claiming compensation amounting to ₹ 43,16,200/-. During the year, the said appeal has been dismissed by the Hon'ble IIIRD Adl. Senior Civil Judge, Belgaum on 18.11.2016 and thus, there is no liability on account of this claim on the company.		
(iii) Two workmen of the company, who were dismissed from the services on account of proved charges of misconduct approached the Conciliation Authority and raised an Industrial dispute. The Additional Labour Court, Hubli passed an Order in the favour of the workmen and asked the company to reinstate the employee and pay the entire wages and other benefits but the Company has preferred an Writ Petition before the High Court of Karnataka, Circuit Bench, Dharwad. Pending settlement, the Court directed the company to furnish a bank guarantee of the total amount involved in the dispute, i.e. ₹ 4,71,197/- which has been so furnished. The Company based on legal advice is of the view that the demand is not sustainable and thus, no provision is considered necessary.		
(iv) A workmen was dismissed from the services of the Company based on the proved charges of misconduct. Subsequently he had filed a case before the Additional Labour Court Hubli. The Additional Labour Court in its order directed by the management to reinstate the workmen with 50% of the back wages. The Management challenged the said Award by filing a writ petition No. 62296/ 2011 (L-TER) before High Court Of Karnataka, Circuit Bench, Dharwad. The High Court of Karnataka granted stay for 50% of back wages and directed the Management to reinstate the workmen in service. However, the workmen resigned from and relieved from the services of the Company w.e.f 31-03-2016. The cases is still pending before the Hon'ble High Court of Karnataka.		

**5.27 Revenue From Operations**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Sale of Products	39,92,00,291	44,63,45,978
Sale of Services	24,66,070	25,76,282
Other Operating Revenues	75,65,007	92,24,526
	<b>40,92,31,368</b>	<b>45,81,46,786</b>

**5.28 Other Income**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>a) Interest Income:</b>		
i. Interest on bank deposits carried at amortised cost	16,90,783	15,72,364
ii. Interest on Security Deposits and Others carried at amortised cost	50,144	1,10,015
b) Dividend Income on equity investments at FVTOCI	16,260	12,821
c) Net gain on Sale of Property, Plant & Equipment	-	41,915
d) Rental Income	8,74,160	6,59,160
e) Liability no longer required written back	-	8,89,881
f) Net gain or loss on foreign currency transaction and translation	-	21,05,038
g) Provision for Doubtful Debts and Advances written back	11,44,702	13,53,565
h) Prior Period Adjustments	-	6,000
i) Fluctuation in Foreign Currency (Net)	31,807	-
j) Excise Duty on Closing Stock written back	5,84,745	-
k) Miscellaneous Receipts	61,648	1,41,216
	<b>44,54,249</b>	<b>68,91,975</b>

**5.29 Cost of Materials Consumed**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Raw Materials</b>		
Opening Stock	2,05,27,444	1,77,36,991
Add: Purchases	8,65,42,259	10,44,03,721
Less: Closing Stock	(1,51,48,454)	(2,05,27,444)
(A)	<b>9,19,21,249</b>	<b>10,16,13,268</b>
<b>Intermediates and Components</b>		
Opening Stock	1,90,35,752	2,51,73,446
Add: Purchases	9,49,99,680	8,16,82,406
Less: Closing Stock	(1,57,69,290)	(1,90,35,752)
(B)	<b>9,82,66,142</b>	<b>8,78,20,100</b>

<b>Packing Materials</b>		
Opening Stock	-	-
Add: Purchases	11,96,318	13,36,746
Less: Closing Stock	-	-
(C)	<b>11,96,318</b>	<b>13,36,746</b>
<b>Stores and Spares</b>		
Opening Stock	47,12,415	35,25,365
Add: Purchases	1,03,45,034	1,11,04,665
Less: Closing Stock	(24,58,218)	(47,12,415)
(D)	<b>1,25,99,231</b>	<b>99,17,615</b>
<b>TOTAL (A to D)</b>	<b>20,39,82,940</b>	<b>20,06,87,729</b>
Less: Materials consumed on account of warranties	6,00,708	13,50,383
<b>TOTAL</b>	<b>20,33,82,232</b>	<b>19,93,37,346</b>

### 5.30 Changes In Inventories Of Finished Goods And Work-In-Progress

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Opening Stock</b>		
Work-in-Progress	14,31,81,000	16,77,77,000
Work-in Progress-Export	-	41,53,000
Finished Goods	48,10,021	38,95,891
Scrap	14,580	6,908
<b>Total of Opening Stock</b>	<b>14,80,05,601</b>	<b>17,58,32,799</b>
(A)	14,80,05,601	17,58,32,799
<b>Closing Stock</b>		
Work-in-Progress	15,26,94,000	14,31,81,000
Work-in Progress-Export	-	-
Finished Goods	24,39,145	48,10,021
Scrap	4,320	14,580
<b>Total of Closing Stock</b>	<b>15,51,37,465</b>	<b>14,80,05,601</b>
(B)	15,51,37,465	14,80,05,601
<b>Net changes in inventories of finished goods and work-in-progress [Total (A-B)]</b>	<b>(71,31,864)</b>	<b>2,78,27,198</b>

### 5.31 Employee Benefits Expense

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Salaries, Wages, Bonus, etc.	7,25,99,614	5,88,00,569
Contribution to Provident fund & other funds	81,63,671	66,49,114
Staff Welfare Expenses	36,48,053	30,88,692
	<b>8,44,11,338</b>	<b>6,85,38,375</b>

### 5.32 Finance Costs

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Interest on loan calculated using effective interest rate method	1,89,68,835	2,08,17,316
Interest on Others	1,58,130	6,56,043
Dividend on Redeemable Preference Shares	26,44,747	35,25,698
Other Borrowing Costs	77,03,840	54,18,388
	<b>2,94,75,552</b>	<b>3,04,17,445</b>

### 5.33 Depreciation And Amortization Expense

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Depreciation of Property, Plant & Equipment	63,63,911	55,30,648
Amortization of Intangible Assets	6,01,712	70,62,184
	<b>69,65,623</b>	<b>1,25,92,832</b>

**5.34 Other Expenses**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Power & Fuel	36,40,266	33,47,391
Manufacturing Expenses	2,60,81,837	2,33,43,453
Freight & Transportation	80,56,627	1,11,76,583
Product Warranty Expenses	7,95,833	14,14,883
<b>Repairs</b>		
i Buildings	7,32,845	8,65,675
ii Machinery	11,33,010	23,48,627
iii Computers	3,31,805	3,20,228
iv Others	3,55,678	3,71,791
Insurance	5,86,591	5,82,672
Rent	4,90,168	4,82,403
Rates & Taxes	2,45,848	9,48,403
Printing and Stationery	10,98,786	11,65,982
Postage, Telephone & Telegram	7,58,067	8,61,411
Travelling & Conveyance Expenses	1,34,79,472	1,02,82,972
Bad Debts / Advances Written Off	36,64,798	56,45,839
Expected Credit Loss on Financial Assets	14,06,673	1,12,159
Miscellaneous Expenses	57,62,080	39,98,627
<b>Payment to Auditors for:</b>		
i Audit Fees	3,00,000	3,00,000
ii Limited Review Certification charges	1,20,000	60,000
iii For Company Law Matters	-	-
iv For Other Services	1,41,000	1,12,300
v Reimbursement of Expenses (including ST)	90,860	76,420
Directors' Sitting Fees	34,000	23,000
Commission & Brokerages	-	2,60,870
Net Loss on Sale of Property, Plant & Equipment	1,00,558	7,316
Loss in Foreign Currency Fluctuation (net)	46,12,000	-
Liquidated Damages	28,98,255	26,76,654
Prior Period Adjustments	52,554	-
Excise duty on Opening & Closing Stock (net)	-	1,30,967
Excise Duty on Sales	50,14,098	4,51,55,990
Excess & Short Provisions	-	182
	<b>8,19,83,709</b>	<b>11,60,72,798</b>

**5.35 Details of items of exceptional nature**

The Company had entered into a Technology License Agreement dated 10th April, 2006 with a French Company under which the Company procured Technical Know-How to be used in manufacturing of certain hydraulic presses. The said Technical Know-How was recorded as Intangible Asset at an amount of ₹ 3,92,28,288/- and corresponding credit was given to the 'Deferred Payment Liabilities A/c'. During the previous financial year, the term of the Agreement has expired and thus, the company, after accounting for exchange differences, has credited the unpaid amount against the technology, i.e. ₹ 2,82,42,100/- under the 'Exceptional Items' in the Statement of Profit & Loss.

**5.36 Other Comprehensive Income**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
(i) Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income	2,07,062	4,43,132
- Remeasurement of the Employee Defined Benefit Plans	14,86,914	(8,16,940)
	<b>16,93,976</b>	<b>(3,73,808)</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		
- Income Taxes relating to Remeasurement of Employee Defined Benefit Plans	(3,03,033)	-
	<b>(3,03,033)</b>	<b>-</b>
	<b>13,90,943</b>	<b>(3,73,808)</b>

**5.37 Earnings Per Share:**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Net Profit / (Loss) attributable to Equity Shareholders (₹)	1,05,17,291	2,98,37,677
Weighted average number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earning per Equity Share of ₹ 10/- each		
- Basic	4.81	13.65
- Diluted	4.81	13.65
Face value per Equity Share (₹)	10	10

The Company does not have any outstanding potential delusive Equity Shares. Consequently the Basic and the Diluted Earnings Per Share of the Company remain the same.

**5.38 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS****EMPLOYEE BENEFITS****a) Post Retirement Benefits : Defined Contribution Plans**

(Figures in ₹)

Particulars	31/03/2018	31/03/2017
1 Contribution to Employees' Provident Fund	23,13,742	21,35,365
2 Contribution to Employees' Family Pension Fund	23,66,634	21,36,997
3 Contribution to Employees' Superannuation Fund	10,00,501	7,74,638

**b) Defined Benefit Plans****(i) Changes in the Present Value of Obligation**

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Present Value of Obligation as at opening date	2,22,46,707	1,95,00,973
b. Interest Expense	16,24,560	15,24,295
c. Past Service Cost	8,37,882	-
d. Current Service Cost	13,98,118	13,40,858
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(5,86,399)	(8,94,567)
h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(13,52,205)	7,52,524
- experience adjustments	(1,95,271)	22,624
I Present Value of Obligation as at closing date	2,39,73,392	2,22,46,707

**(ii) Changes in the Fair Value of Plan Assets**

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Present Value of Plan Assets as at opening date	1,74,16,306	1,44,14,793
b. Expected Return on Plan Assets (Interest Income)	13,77,797	12,30,685
c. Mortality charges and taxes	(1,20,410)	(1,24,924)
d. Actuarial Gain/(Loss)	-	-
- changes in financial assumptions	(1,11,713)	(76,918)
- experience adjustments	51,151	35,126
e. Employers' Contributions	29,91,543	28,32,111
g. Benefits Paid	(5,86,399)	(8,94,567)
h. Fair Value of Plan Assets as at closing date	2,10,18,275	1,74,16,306
I Actual return on plan assets	13,17,235	11,88,893

**(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets**

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Present Value of Obligation as at the end of the period	2,39,73,392	2,22,46,707
b. Fair Value of Plan Assets as at the end of the period	2,10,18,275	1,74,16,306
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(29,55,117)	(48,30,401)
d. Present Value of unfunded Obligation	-	-
e. Unrecognized Past Service Cost	-	-
f. Unrecognized Actuarial (Gains)/Losses.	-	-
g. Unfunded Net Liability recognized in the Balance Sheet	-	-

**(iv) Expenses recognized in the Statement of Profit & Loss Account**

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Current Service Cost	13,98,118	13,40,858
b. Past Service Cost	8,37,882	-
c. Interest Cost	16,24,560	15,24,295
d. Expected Return on Plan Assets	(13,77,797)	(12,30,685)
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
h. Employees' Contribution	-	-
I Total Expenses recognized in the Profit & Loss Account	24,82,763	16,34,468

(v) Expenses recognized in Other Comprehensive Income for the year

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	(12,40,492)	8,29,442
c. Actuarial changes arising from changes in experience adjustments	(2,46,422)	(12,502)
d. Return on plan assets excluding interest income	-	-
e. Recognised in Other Comprehensive Income	(14,86,914)	8,16,940

(vi) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
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	-	-

(vii) 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.

(viii) The Actual Return on Plan Assets is as follows (Rs.)

(Figures in ₹)

Following are the Principal Actuarial Assumptions used as at the balance sheet date:	31/03/2018	31/03/2017
a. Interest Rate	7.80%	7.40%
b. Discount Rate	7.80%	7.40%
c. Expected Rate of Return on Plan Assets	7.40%	8.00%
d. Salary Escalation Rate	6.00%	6.00%
e. Expected Average Remaining Working Lives of Employees	12.64 years	11.47 years

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

(x) Retirement age 60 years or 70 years if extension is given.

(xi) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.69 years.

(xii) Expected future benefit payments

The following benefits payments, for each of the next five years and the aggregate five years there after, are expected to be paid:

Year ended March 31	Expected Benefit Payment rounded to nearest thousand ( in ₹.)
2019	37,57,000
2020	33,84,000
2021	13,38,000
2022	26,03,000
2023	35,42,000
2024-2028	1,69,04,000

(xiii) The above cash flows have been arrived at based on the demographic and financial assumptions as mentioned earlier.

(xiv) Expected contributions for the next year

The company has contributed Rs.29,91,543 to its gratuity fund in 2018. The Company intends to contribute Rs. 38,00,000 towards its gratuity fund in 2019.

(xv) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the out come of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

(a) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate Mar-18	Mar-17	Defined Benfit obligation (in ₹)	
		31/03/2018	31/03/2017
6.80%	6.40%	2,56,89,894	2,36,34,972
8.80%	8.40%	2,24,65,994	2,10,22,379

(b) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary Increment rate Mar-18	Mar-17	Defined Benfit obligation (in ₹)	
		31/03/2018	31/03/2017
5.00%	5.00%	2,26,84,570	2,12,39,172
7.00%	7.00%	2,54,10,485	2,33,68,770

- (c) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal rate Mar-18	Mar-17	Defined Benfit obligation (in ₹)	
		31/03/2018	31/03/2017
4.00%	4.00%	2,37,00,099	2,20,90,399
6.00%	6.00%	2,42,20,541	2,23,88,644

- xvi) Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

**1) Liability risks**

**(i) Asset-Liability Mismatch Risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

**(ii) Discount Rate Risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

**(iii) Future Salary Escalation and Inflation Risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**2) Asset Risks**

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has as overreign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

**3) Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan liability.

### 5.39 Lease Arrangements

**Operating Lease Arrangements**

The Company has entered into Lease Arrangements with certain parties including its subsidiary whereby the company has granted to the parties the right to use a part of its factory premises, cumulatively represented by land and building disclosed under Property, Plant and Equipments in lieu of monthly lease rentals. Disclosures pursuant to Ind AS - 17 'Leases' are given below.

**Payment recognised as Income**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Minimum Lease Payments	8,74,160	6,59,160
<b>Total</b>	<b>8,74,160</b>	<b>6,59,160</b>

**Non-cancellable operating lease agreement**

**Payment recognised as Income**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Not later than one year	6,74,160	6,74,160
Later than one year and not later than five years	31,50,800	24,76,640
Later than five years	5,69,160	16,77,480
	<b>43,94,120</b>	<b>48,28,280</b>

The Agreements does not have any terms on contingent rents and therefore, there are no amounts recognised in the Statement of Profit & Loss in respect of contingent rents.

**5.40 As per Ind AS 24, the disclosures of transactions with the related parties are given below:**

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

**(a) Subsidiary**

Bemco Fluidtechnik LLP (Incorporated on 13-02-2015. Formerly Bemco Fluidtechnik Private Limited upto 26-02-17)

**(b) Key Management Personnel**

Shri Madan Mohan Mohta - Chairman  
Shri Anirudh Mohta - Managing Director  
Shri R.M. Shah  
Shri N.K. Daga  
Shri Dilip Chandak  
Shri R.B. Patil  
Miss Amruta Tarale

**(c) Relatives of Key management personnel:**

Smt. Urmila Devi Mohta

**(d) Enterprises where key management personnel have significant influence:**

U. D. Finvest Pvt Ltd  
Mohta Capital Pvt Ltd  
Bemco Precitech Pvt Ltd  
U.D.Polyproducts Pvt Ltd  
Sree Ramachandra Enterprises Private Limited

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

Nature of Transactions	Subsidiary		Key Management Personnel		Relatives of Key Management Personnel		Enterprises where Key Management Personnel have significant influence	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
<b>I. Property, Plant &amp; Equipment</b> Sale of Plant & Machinery - Bemco Fluidtechnik LLP	-	12,78,028	-	-	-	-	-	-
<b>II. Financial Assets</b> Trade Receivables - Bemco Fluidtechnik LLP	6,35,653	2,64,074	-	-	-	-	-	-
<b>III. Preference Share Capital</b> 11% Cumulative Redeemable Preference Shares of ₹ 100/- each - Mohta Capital Private Limited - U.D. Finvest Private Limited - Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	1,88,88,960 64,62,013 64,62,013	1,88,86,142 64,61,049 64,61,049
<b>IV. Financial Liabilities</b> Short Term Borrowings Accepted During the Year - Sri Ramachandra Enterprises Private Limited - Mohta Capital Private Limited	-	-	-	-	-	-	1,00,000 3,32,00,000	2,95,45,000
<b>Repaid During the Year (Including Interest)</b> - U.D. Finvest Private Limited - Sri Ramachandra Enterprises Private Limited - Mohta Capital Private Limited	-	-	-	-	-	-	27,244 6,188 3,24,91,404	82,000 1,01,720 2,73,60,000
<b>Balance as at Year End (Including interest)</b> - U.D. Finvest Private Limited - Sri Ramachandra Enterprises Private Limited - Mohta Capital Private Limited - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd	-	-	-	-	-	-	2,54,401 1,00,917 4,63,14,201 1,45,780 2,15,197	2,54,401 - 4,34,72,459 1,45,780 2,15,197
<b>Trade Payables</b> - Bemco Fluidtechnik LLP	9,90,397	6,59,447	-	-	-	-	-	-

(All Figures in ₹)

Nature of Transactions	Subsidiary		Key Management Personnel		Relatives of Key Management Personnel		Enterprises where Key Management Personnel have significant influence	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
<b>V. Other Financial Liabilities</b>								
Guarantee Commission Payable as at Year End								
- Mohita Capital Private Limited							2,06,259	1,03,129
- U.D. Finvest Private Limited							41,027	20,514
- Sri Rama Chandra Enterprise Private Limited							1,08,220	54,110
<b>VI. Revenue From Operations</b>								
Sale of Goods								
- Bemco Fluidtechnik LLP	2,30,464	2,10,410	-	-	-	-	-	-
<b>VII. Other Income</b>								
Lease Rental								
- Bemco Fluidtechnik LLP	1,20,000	1,20,000	-	-	-	-	-	-
<b>VIII. Expenses</b>								
Purchase of Raw Materials								
- Bemco Fluidtechnik LLP	44,50,130	30,76,587	-	-	-	-	-	-
<b>Finance Cost</b>								
- U.D. Finvest Private Limited	-	-	-	-	-	-	-	38,103
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	-	9,816
- Mohita Capital Private Limited	-	-	-	-	-	-	23,07,164	27,69,980
- Bemco Precitech Private Limited	-	-	-	-	-	-	17,350	17,347
- U.D. Polyproducts Private Limited	-	-	-	-	-	-	25,605	26,150
<b>Employee Benefit Expense</b>								
- Shri Anirudh Mohta	-	-	57,57,482	22,78,426	-	-	-	-
- Shri RB Patil	-	-	9,22,109	7,74,469	-	-	-	-
- Smt Amruta Tarale	-	-	4,58,580	3,65,798	-	-	-	-
<b>Other Expenses</b>								
<b>Sitting Fees</b>								
- Shri Madan Mohan Mohta	-	-	7,000	5,000	-	-	-	-
- Smt Urmila Devi Mohta	-	-	-	-	7,000	5,000	-	-
- Shri R.M. Shah	-	-	6,000	4,000	-	-	-	-
- Shri N.K. Daga	-	-	7,000	4,000	-	-	-	-
- Shri Dilip Chandak	-	-	7,000	5,000	-	-	-	-
<b>Guarantee Commission</b>								
- U.D. Finvest Private Limited	-	-	-	-	-	-	1,84,876	22,793
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	4,87,459	60,122
- Mohita Capital Private Limited	-	-	-	-	-	-	9,29,440	1,14,588

Terms and conditions of transactions with related parties  
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.  
Compensation of key management personnel of the Group  
The remuneration of director and other member of key management personnel during the year as follows;

Particulars	2017-2018 ₹	2016-17 ₹
Short-term employee benefits	70,32,001	33,01,865
Post-employment benefits	9,01,770	4,48,028
Other Long Term Benefits	-	-
Termination benefits	-	-
Share Based Payments	-	-
<b>Total compensation paid to key management personnel</b>	<b>79,33,771</b>	<b>37,49,893</b>

**5.41 Foreign Currency Risk**

The following table shows foreign currency exposures in Euro on financial instruments at the end of the reporting period.

Particulars	Foreign Currency Exposure		
	As at 31-03-2018 Euro	As at 31-03-2017 Euro	As at 01-04-2016 Euro
<b>Trade and Other Payables</b> - Deferred Payment Liabilities	4,00,000	4,00,000	7,70,000
<b>Trade &amp; Other Receivables</b> - Trade Receivables	5,181	-	-

**Foreign Currency Sensitivity Analysis**

The Company is mainly exposed to the currency : EURO

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

**Impact of profit or loss and Equity**

Particulars	Euro Impact		
	31-03-2018	31-03-2017	01-04-2016
Increase in Exchange Rate by 5%	(16,57,190)	(14,08,000)	(29,18,300)
Decrease in Exchange Rate by 5%	16,57,190	14,08,000	29,18,300

**Equity Risk**

There is no material equity risk relating to the Company's equity investments which are detailed in note 5.03 "Investments". The Company's equity investments majorly comprises of strategic investments rather than trading purpose.

**Interest Risk**

There is no material interest risk relating to the Company's financial liabilities which are detailed in Note 5.16, 5.21 and 5.23

**Credit Risk**

Credit Risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit Risk arises from Company's activities in investments and other receivables from customers. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company has set a policy of receiving 80 percent of the sale proceeds as an advance after the orders get finalized and remaining 20 percent at the time of dispatch and commissioning.

**Liquidity Risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in Note No. 5.16

**Liquidity Risk Table**

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Less Than 1 year	1 -5 years	Total	Carrying Amount
<b>As at 31-03-2018</b>	₹	₹	₹	₹
i) Borrowings	12,03,99,533	44,59,946	12,48,59,479	12,48,59,479
ii) Other Financial Liabilities	25,22,295	1,56,040	26,78,335	26,78,335
	<b>12,29,21,828</b>	<b>13,21,53,800</b>	<b>12,75,37,814</b>	<b>12,75,37,814</b>
<b>As at 31-03-2017</b>				
i) Borrowings	12,91,43,439	49,28,586	13,40,72,025	13,40,72,025
ii) Other Financial Liabilities	45,04,031	1,56,040	46,60,071	46,60,071
	<b>13,36,47,470</b>	<b>50,84,626</b>	<b>13,87,32,096</b>	<b>13,87,32,096</b>
<b>As at 01-04-2016</b>				
i) Borrowings	14,48,30,113	49,78,903	14,98,09,016	14,98,09,016
ii) Other Financial Liabilities	67,19,921	25,000	67,44,921	67,44,921
	<b>15,15,50,034</b>	<b>50,03,903</b>	<b>15,65,53,937</b>	<b>15,65,53,937</b>

**Capital Management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note 5.16, 5.21 and 5.23 off set by cash and bank balances) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

**Gearing Ratio**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Debt	20,90,56,646	21,29,77,173	25,79,00,957
Cash and Bank Balances	(2,24,38,421)	(1,52,19,522)	(1,29,57,228)
<b>Net Debt</b>	<b>18,66,18,225</b>	<b>19,77,57,651</b>	<b>24,49,43,729</b>
Total Equity	33,71,14,164	32,51,18,973	29,55,68,147
Net Debt to Total Equity	55.36%	60.83%	82.87%

Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings , as described in notes 5.16, 5.21 and 5.23.

## 5.42 Fair value measurements hierarchy

Particulars	As at 31-03-2018			As at 31-3-2017			As at 01-04-2016		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3		Level 1	Level 3
<b>Financial Assets</b>									
<b>At Amortised Cost</b>									
Trade Receivables	10,45,29,385	-	-	12,55,42,744	-	-	9,41,01,762	-	-
Cash and Bank Balance	2,24,38,421	-	-	1,52,19,522	-	-	1,29,57,228	-	-
Loans	12,11,700	-	-	9,74,590	-	-	9,44,590	-	-
Other Financial Assets	62,44,105	-	-	1,38,73,355	-	-	91,88,581	-	-
<b>At FVTOCI</b>									
Investments	23,26,473	16,46,469	6,15,004	21,19,411	14,39,407	61,15,004	16,76,279	11,26,167	4,85,112
<b>Financial Liabilities</b>									
<b>At Amortised Cost</b>									
Borrowings	16,48,61,465	-	-	17,64,34,264	-	-	22,48,06,158	-	-
Trade Payables	10,91,17,910	-	-	10,27,61,922	-	-	9,51,83,594	-	-
Other Financial Liabilities	4,76,61,844	-	-	4,43,35,701	-	-	3,82,05,980	-	-

There are no transfers between levels 1 and 2 during the year.

Level 1: Quoted Prices in active markets for identical assets;

Level 3: Inputs other than observable market data, are used for deriving fair value.

## 5.43 Revenue from Major Customers

Revenue from one customer of the company's Rerailing equipment business is INR 10,28,82,661 (including excise duty and GST) which is more than 10% of the company's total revenue.

## 5.46 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of hydraulic press machine and related equipments' which primarily includes Hydraulic Presses, Equipments and Portable re-railing equipments and the activities incidental thereto within India, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made locally and hence, no separate geographical segment is identified.

## As Per our Report of Even Date attached

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

**Vivek Newatia**  
Partner  
Membership No.:062636

Place : Camp Belgaum  
Date: 22-05-2018

## For and on behalf of the Board of Directors

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:00065302

**S JAYKISHAN****Chartered Accountants**

Suite # 2D,2E &amp; 2F, 12, Ho- Chi-minh Sarani, KOLKATA- 700 071

Phone No – (033) 4003-5801, Fax (033) 4003-5832

Email : info@sjaykishan.com

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED****Report on Consolidated Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of BEMCO HYDRAULICS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary (The Holding Company and its subsidiary together referred to as the "Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

**Other Matters**

We did not audit the financial statements of Subsidiary, whose financial statement reflects total assets of ₹ 1,80,72,763 as at March 31st, 2018, total revenues of ₹ 1,80,52,477 and net cash flows of ₹ 3,48,958 for the year then ended. These financial statements have been audited by other auditor whose report have been furnished to us and our opinion is based solely on the reports of the other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statement certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March 2018 from being appointed as a director of that company in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 5.27 to the consolidated financial statements;
  - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary incorporated in India.

**For S JAYKISHAN**  
Chartered Accountants  
(Firm's Registration No. 309005E)

**Vivek Newatia**  
Partner  
Membership No. 062636

Place: Camp Belgaum  
Date: 22-05-2018

## **Annexure - A to the Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of BEMCO HYDRAULICS LIMITED ("the Holding Company") which is company incorporated in India, as of that date.

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company which is a company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For S JAYKISHAN**  
Chartered Accountants  
(Firm's Registration No. 309005E)

**Vivek Newatia**  
Partner  
Membership No. 062636

Place: Camp Belgaum  
Date: 22-05-2018

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note No.	Figures as at 31/03/2018	Figures as at 31/03/2017	Figures as at 31/03/2016
<b>ASSETS</b>				
<b>(1) Non-Current assets</b>				
(a) Property, Plant and Equipment	5.01	43,68,31,541	42,55,12,190	41,86,07,298
(b) Capital Work In Progress		15,06,309	-	-
(c) Other Intangible Assets	5.02	72,28,142	53,18,754	1,23,92,618
(d) Financial Assets				
(i) Investments	5.03	22,61,473	20,54,411	16,11,279
(ii) Loans	5.04	12,11,700	9,74,590	9,44,590
(iii) Other Financial Assets	5.05	52,04,503	1,27,67,666	82,34,944
(e) Other Non-Current Assets	5.06	3,19,544	26,04,291	3,54,773
<b>Total Non-Current Assets</b>		<b>45,45,63,211</b>	<b>44,92,31,902</b>	<b>44,21,45,502</b>
<b>(2) Current Assets</b>				
(a) Inventories	5.07	19,86,96,122	20,07,99,474	22,47,65,967
(b) Financial Assets				
(i) Trade Receivables	5.08	10,70,96,198	12,77,81,015	9,24,74,194
(ii) Cash and Cash Equivalents	5.09	19,42,107	36,90,908	17,18,933
(iii) Bank Balances other than (ii) above	5.10	2,06,63,784	1,20,45,042	1,12,55,821
(iv) Other Financial Assets	5.11	10,39,602	11,05,689	9,53,637
(c) Current Tax Assets (Net)	5.12	9,89,861	8,21,171	11,04,041
(d) Other Current Assets	5.13	1,67,11,373	1,93,44,130	78,10,944
<b>Total Current Assets</b>		<b>34,71,39,047</b>	<b>36,55,87,429</b>	<b>34,00,83,537</b>
<b>Total Assets</b>		<b>80,17,02,258</b>	<b>81,48,19,331</b>	<b>78,22,29,039</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	5.14	2,19,33,500	2,19,33,500	2,19,33,500
(b) Other Equity	5.15	30,50,23,031	29,48,02,879	27,08,74,211
(c) Non Controlling Interest		-	-	-
<b>Total Equity</b>		<b>32,69,56,531</b>	<b>31,67,36,379</b>	<b>29,28,07,711</b>
<b>Liabilities</b>				
<b>(1) Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	5.16	6,60,74,360	6,59,08,566	8,48,51,045
(ii) Other Financial Liabilities	5.17	1,56,040	1,56,040	25,000
(b) Provisions	5.18	10,53,797	5,51,065	6,21,611
(c) Deferred Tax Liabilities (Net)	5.19	6,25,48,089	6,38,76,777	5,53,00,602
(d) Other Non-Current Liabilities	5.20	26,40,305	47,54,548	34,03,284
<b>Total Non-Current Liabilities</b>		<b>13,24,72,591</b>	<b>13,52,46,996</b>	<b>14,42,01,542</b>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	5.21	12,03,99,533	12,91,43,439	14,48,30,113
(ii) Trade Payables	5.22	11,23,85,312	10,75,09,765	9,59,79,010
(iii) Other Financial Liabilities	5.23	4,81,41,723	4,46,40,619	3,85,46,710
(b) Other Current Liabilities	5.24	4,91,38,068	7,71,45,207	6,21,24,521
(c) Provisions	5.25	70,03,737	43,96,926	37,39,432
(d) Current Tax Liabilities (Net)	5.26	52,04,763	-	-
<b>Total Current Liabilities</b>		<b>34,22,73,136</b>	<b>36,28,35,956</b>	<b>34,52,19,786</b>
<b>Total Equity and Liabilities</b>		<b>80,17,02,258</b>	<b>81,48,19,331</b>	<b>78,22,29,039</b>
Significant Accounting Policies	2	-	-	-
See accompanying Notes to Consolidated Financial Statements	1 - 5	-	-	-

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For S JAYKISHAN

Chartered Accountants

Firm Regn. No.:309005E

Vivek Newatia  
Partner  
Membership No.:062636

R B Patil  
CFO  
PAN:AANPP9374M

Amruta Tarale  
Company Secretary  
ACS - 42288

M M Mohta  
Chairman  
DIN: 0068884

Anirudh Mohta  
Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

Particulars	Note No.	(Amount in ₹)	
		Figures for the year ended	
		31/03/2018	31/03/2017
<b>I REVENUE FROM OPERATIONS</b>	<b>5.28</b>	42,26,94,793	46,42,59,563
<b>II OTHER INCOME</b>	<b>5.29</b>	43,53,988	69,25,055
<b>III TOTAL INCOME (I + II)</b>		<b>42,70,48,781</b>	<b>47,11,84,618</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	5.30	20,61,47,372	20,32,57,106
Changes In Inventories Of Finished Goods And Work-In-Progress	5.31	(77,70,743)	2,55,89,277
Employee Benefits Expense	5.32	9,11,27,990	7,26,89,093
Finance Costs	5.33	3,18,83,844	3,18,29,482
Depreciation And Amortization Expense	5.34	74,31,952	1,29,95,118
Other Expenses	5.35	8,59,10,008	12,01,96,983
<b>TOTAL EXPENSES</b>		<b>41,47,30,423</b>	<b>46,65,57,059</b>
<b>V PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)</b>		<b>1,23,18,358</b>	<b>46,27,559</b>
<b>VI EXCEPTIONAL ITEMS</b>		-	2,82,42,100
<b>VII PROFIT/(LOSS) BEFORE TAX (V - VI)</b>		<b>1,23,18,358</b>	<b>3,28,69,659</b>
<b>VIII TAX EXPENSE:</b>			
(i) Current Tax		53,23,467	(5,942)
(ii) Deferred Tax	5.19	(12,41,731)	86,63,132
		<b>40,81,736</b>	<b>86,57,190</b>
<b>IX PROFIT (LOSS) FOR THE YEAR (VII - VIII)</b>		<b>82,36,622</b>	<b>2,42,12,469</b>
<b>X OTHER COMPREHENSIVE INCOME</b>	5.37		
(i) Items that will not be reclassified to profit or loss		16,93,976	(3,73,808)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3,03,033)	-
<b>Other Comprehensive Income for the year</b>		<b>13,90,943</b>	<b>(3,73,808)</b>
<b>XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)</b>		<b>96,27,565</b>	<b>2,38,38,661</b>
<b>XII Earnings Per Equity Share of Face Value of ₹ 10/- each</b>	5.38		
(1) Basic		3.77	11.07
(2) Diluted		3.77	11.07
Significant Accounting Policies	2		
See accompanying Notes to Consolidated Financial Statements	1 - 5		

As Per our Report of Even Date attached

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

For and on behalf of the Board of Directors

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

### A. Equity Share Capital

Equity Shares of ₹ 10/- each issued, subscribed and fully paid up

	Balance as at the beginning of the reporting period, i.e. 1st April, 2016	Changes in equity share capital during the year 2016-2017	Balance as at the end of the reporting period, i.e. 31st March, 2017	Changes in equity share capital during the year 2017-2018	Balance as at the end of the reporting period, i.e. 31st March, 2018
	2,19,33,500	-	2,19,33,500	-	2,19,33,500

### B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Revaluation Surplus	Equity Instruments through OCI	
<b>As At 31st March, 2017</b>								
Balance as at 1st April, 2016	27,89,92,737	14,73,200	70,24,153	4,48,31,700	(6,18,56,068)	-	15,69,034	27,08,74,211
Add/(Less): Movement During The Year	(2,02,980)	-	-	-	2,89,937	-	-	86,957
Profit for the year	-	-	-	-	2,42,15,519	-	-	2,42,15,519
Other Comprehensive Income for the year	-	-	-	-	-	-	4,43,132	(3,73,808)
<b>Balance as at 31st March, 2017</b>	<b>27,87,89,757</b>	<b>14,73,200</b>	<b>70,24,153</b>	<b>4,48,31,700</b>	<b>(3,73,50,612)</b>	<b>-</b>	<b>20,12,166</b>	<b>29,48,02,879</b>
<b>As At 31st March, 2018</b>								
Balance as at 1st April, 2017	27,87,89,757	14,73,200	70,24,153	4,48,31,700	(3,73,50,612)	-	20,12,166	29,48,02,879
Add/(Less): Movement During The Year	(2,02,980)	-	-	-	2,89,937	-	-	86,957
Profit for the year	-	-	-	-	87,42,252	-	-	87,42,252
Other Comprehensive Income for the year	-	-	-	-	-	-	2,07,062	13,90,943
<b>Balance as at 31st March, 2018</b>	<b>27,85,86,777</b>	<b>14,73,200</b>	<b>70,24,153</b>	<b>4,48,31,700</b>	<b>(2,83,18,423)</b>	<b>-</b>	<b>22,19,228</b>	<b>30,50,23,031</b>

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For **S JAYKISHAN**

Chartered Accountants  
Firm Regn. No.:309005E

**Vivek Newatia**

Partner  
Membership No.:062636

**R B Patil**

CFO  
PAN: AANPP9374M

**Amruta Tarale**

Company Secretary  
ACS - 42288

**M M Mohta**

Chairman  
DIN: 0068884

**Anirudh Mohta**

Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	31/03/2018	31/03/2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Exceptional Items and Tax Adjustments For :	1,23,18,358	46,27,559
Loss on Sale of Property, Plant & Equipment	1,00,558	7,316
Provision for doubtful debts and advances Written Back	(11,44,702)	(13,53,565)
Bad Debt and advances written off	38,05,842	56,45,839
Expected Credit Loss	15,59,244	6,17,789
Finance Cost	3,18,83,844	3,18,29,482
Depreciation and Amortization expense	74,31,952	1,29,95,118
Unrealised Foreign Exchange (Gain) / Loss (net)	46,12,000	(19,64,500)
Provision for Warranty Made/ (written back)	1,32,555	64,500
Profit on Disposal of Property, Plant & Equipment	-	(41,915)
Liability no Longer Required Written Back	-	(8,89,881)
Dividend from Non-Current/ Long Term Investments	(16,260)	(12,821)
Interest Income	(17,40,927)	(16,82,379)
Lease/ Rental Income from Others	(7,54,160)	(5,39,160)
Excess & Short Provision	-	182
<b>Operating Profit Before Working Capital Changes</b>	<b>5,81,88,304</b>	<b>4,93,03,564</b>
<b>Movements in Working Capital</b>		
Decrease/ (Increase) in Trade and Other Receivables	1,95,65,212	(5,17,52,015)
Decrease/ (Increase) in Inventories	21,03,352	2,39,66,493
Increase/ (Decrease) in Trade and Other Payables	(2,26,57,217)	2,83,73,354
Cash Generated From Operations	5,71,99,651	4,98,91,396
Direct Taxes Paid (Net)	(2,16,852)	2,40,023
<b>Net Cash Flow From (Used In) Operating Activities</b>	<b>(A) 5,69,82,799</b>	<b>5,01,31,419</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (incl. Capital Advances)	(2,31,07,290)	(1,45,31,816)
Sale of Property, Plant & Equipment	1,32,813	20,42,445
Investment in Fixed Deposits	(9,38,948)	(56,94,725)
Dividend from Non-Current/ Long Term Investments	16,260	12,821
Interest Received	14,80,375	18,13,416
Lease/ Rental Income from Others	7,54,160	5,39,160
<b>Net Cash Flow From (Used In) Investing Activities</b>	<b>(B) (2,16,62,630)</b>	<b>(1,58,18,699)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	56,11,000	1,91,81,000
Repayment of Long term Borrowings	(48,61,378)	(77,20,568)
Proceeds/(Repayment) of Short term Borrowings(net)	(87,74,582)	(1,56,63,623)
Interest Paid	(2,90,44,009)	(2,81,37,554)
<b>Net Cash Flow From (Used In) Financing Activities</b>	<b>(C) (3,70,68,969)</b>	<b>(3,23,40,745)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(A+B+C) (17,48,800)</b>	<b>19,71,975</b>
Cash & Cash Equivalents at the beginning of the Year	36,90,908	17,18,933
<b>Cash &amp; Cash Equivalents at the end of the Year (Refer Note 5.09)</b>	<b>19,42,107</b>	<b>36,90,908</b>

As Per our Report of Even Date attached

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

For and on behalf of the Board of Directors

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN:AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN:00065302

Place : Camp Belgaum  
Date: 22-05-2018

## BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.  
CIN : L51101KA1957PLC001283

### 1. Corporate Information

Bemco Hydraulics Limited ("the Company") is a listed company incorporated in India having its registered office at Udyambag Industrial Estate, Belgaum, Karnataka-590 008. The Company is principally engaged in the business of manufacture of wide range of Portable re-railing equipment, Light weight re-railing equipment, Hydraulic Re-railing equipment, Re-railing Systems, Hydraulic press, Wheel fitting press and Straightening press. Apart from the principal place of business it has branches in Chennai, Delhi and Kolkata. The Company caters to both domestic and international markets.

The Company's equity shares are listed on the Bombay Stock Exchange (BSE Ltd.) since 05th day of November, 2001. The financial statement for the financial year ended 31st March, 2018 were approved by the Board of Directors and authorised for issue on 22nd May, 2018.

### 2. Significant Accounting Policies

#### 2.01 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March, 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Refer Note 4 for the details of first time adoption exemptions availed by the Company.

#### 2.02 Basis of Preparation and Presentation

The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount:

- Certain financial assets and financial liabilities; and
- Defined Benefit Plans' - Plan Assets.

The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting Standards ("Ind AS"), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017 the Group has prepared its consolidated financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and Consolidated as "Previous GAAP".

These Consolidated financial statements are the Groups' first Ind AS consolidated financial statements. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

The Company's consolidated financial statements are presented in Indian Rupees (₹).

#### 2.03 Principles of Consolidation

The consolidated financial statements relate to the Company and its subsidiary LLP. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- Offset (eliminate) the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of the subsidiary.
- Non Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### 2.04 Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

### 3. Critical Accounting Judgements & Key Sources of Estimation Uncertainty

The preparation of the company's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

#### Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### Contingencies & Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company do not expect them to have a materially adverse impact on our financial position or profitability.

#### Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

#### Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

#### Provision for Liquidated Damages

Provision for liquidated damages are recognised on contracts for which revenue has been recognised during the reporting period and the delivery dates are exceeded as per the terms of the contract on a reasonable basis. The negotiations with the customers on the percentage deduction/ non-deduction of liquidated damages impacts the profitability in the period in which such negotiations are finalised.

#### Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

#### **4 First Time Ind AS Adoption Reconciliations & Explanations**

As stated in Note 2, the Company's financial statements for the year ended 31st March, 2018 are the first annual financial statements prepared by the Company in order to comply with Ind AS. The adoption of Ind AS was carried out in accordance with Ind AS 101, using 1st April, 2016 as the transition date. The transition was carried out from Previous GAAP (based on the AS framework) to Ind AS. The effect of adopting Ind AS has been summarized in the reconciliations provided below.

Ind AS 101 generally requires full retrospective application of the Standards in force at the first reporting date. However, Ind AS 101 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

#### Reconciliations

The accounting policies as stated above in Note 3 have been applied in preparing the financial statements for the year ended 31st March, 2018, the financial statements for the year ending 31st March, 2017 and the preparation of an opening Ind AS balance sheet as at 1st April, 2016. In preparing its Ind AS Balance Sheet and Statement of Profit and Loss for the year ended 31st March, 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP.

An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow is set out in the following tables.

#### **4.01 Reconciliations of Equity**

(Figures in ₹)

Particulars	As At 31-03-17	As At 01-04-2016
Equity as per Previous GAAP	42,51,13,833	4,25,14,445
Reclassification of preference shares as financial liability	(3,20,00,00)	(3,20,00,000)
Recognition of unpaid dividends on preference shares (net of transaction costs amortized on effective interest method)	(1,38,88,239)	(1,03,62,541)
Revaluation Building as per Previous GAAP taken as deemed cost	9,12,883	-
Due to Increase in Value of Land due to Fair Value taken as deemed cost (Net of deferred taxes)	-	34,72,53,816
Amortization of Leasehold Land	(3,76,895)	-
Difference on account of recognition/ reversal of other costs (including amortization of transaction costs on financial liabilities as per effective interest method)	(10,95,592)	(7,98,390)
Difference on account of fair valuation of Equity Instruments (except investment in subsidiary)	20,12,166	15,69,034
Recognition of deferred taxes	(6,38,76,777)	(5,53,00,603)
Others	(65,000)	(68,050)
Equity as per Ind AS	<b>31,67,36,379</b>	<b>29,28,07,711</b>

#### **4.02 Reconciliations of Total Comprehensive Income**

(Figures in ₹)

Particulars	For the year ended 31-03-17
Net Profit as per Previous GAAP	3,62,58,455
Recognition of unpaid dividends on preference shares (net of transaction costs amortized on effective interest method)	(35,25,698)
Actuarial (gain) / loss on employee defined benefit plans recognised in Other Comprehensive Income (net of taxes)	8,16,940
Difference on account of recognition/ reversal of other costs (including amortization of transaction costs on financial liabilities as per effective interest method)	(6,74,096)
Income Tax adjustments (including deferred taxes)	(86,63,132)
<b>Net Profit after tax as per Ind AS</b>	<b>2,42,12,469</b>
Other Comprehensive Income (net of taxes)	(3,73,808)
<b>Total Comprehensive Income as per Ind AS</b>	<b>2,38,38,661</b>

**4.03 Explanation to material adjustments to Statement of Cash Flows for the year ended 31st March, 2017**

The transition from Previous GAAP to Ind AS has no material impact on the Statement of Cash Flows except treatment of preference dividends debited to the Statement of Profit & Loss which has been considered as non-cash item as these are not yet declared by the company.

**4.04 Notes on exemptions adopted by the company under Ind AS 101 and notes on material effects on the financial position, financial performance and cash flows of the company.**

- (i) The company has adopted exemption given in paragraph D7AA of Ind AS 101 relating to its property, plant & equipment as per which the company has elected to continue with the carrying value for all of its property, plant & equipment as recognised in the financial statements as at the date of transition, i.e. 1st April, 2016, measured as per Previous GAAP and used that as its deemed cost as at the date of transition to Ind AS. However in case of leasehold land, fair value on the date of transition has been considered as deemed cost as the Company was adopting revaluation model under the previous GAAP.

Accordingly, the balance outstanding in the revaluation reserve as on the date of transition the difference between the fair value and carrying value of leasehold land as on that date has been transferred to Capital Reserve Account under the head 'Other Equity'.

- (ii) The company has reclassified its preference share capital from Equity to Financial Liabilities and also charged the unpaid/ undeclared dividends on these preference shares up to the date of transition in the opening reserves as at the date of transition.

(iii) Deferred Tax:

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit & Loss for the subsequent periods.



**4.05 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS**  
**A. Effect of Ind AS adoption on the consolidated balance sheet as at 31st March 2017 and 1st April 2016**

Particulars	As at 31-03-2017			As at 31-03-2016		
	Previous Gaap	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous Gaap	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Property, Plant and Equipment	42,49,75,790	5,36,400	42,55,12,190	7,13,53,482	34,72,53,816	41,86,07,298
(b) Other Intangible assets	53,18,754	-	53,18,754	1,23,92,618	-	1,23,92,618
(c) Financial Assets						
(i) investments	31,141	20,23,270	20,54,411	44,695	15,66,584	16,11,279
(ii) Loans	9,74,590	-	9,74,590	9,44,590	-	9,44,590
(iii) Other Financial Assets	1,32,47,731	(4,80,065)	1,27,67,666	88,01,202	(5,66,258)	82,34,944
(e) Other non-current assets	26,04,291	-	26,04,291	3,54,773	-	3,54,773
<b>(2) Current assets</b>						
(a) Inventories	20,07,99,473	-	20,07,99,474	22,47,26,975	38,992	22,47,65,967
(b) Financial Assets						
(i) trade receivables	12,85,85,675	(8,04,660)	12,77,81,015	9,26,64,115	(1,89,921)	9,24,74,194
(ii) Cash and Cash equivalents	36,90,908	-	36,90,908	17,18,933	-	17,18,933
(iii) Bank balances other than (iii) above	1,20,45,042	-	1,20,45,042	1,12,55,821	-	1,12,55,821
(iv) Other Financial Assets	11,04,386	1,303	11,05,689	11,66,222	(2,12,585)	9,53,637
(c) Current Tax Assets (Net)	8,21,171	-	8,21,171	11,04,041	-	11,04,041
(d) Other current assets	1,93,44,130	-	1,93,44,130	78,10,944	-	78,10,944
<b>Total Assets</b>	<b>81,35,43,082</b>	<b>12,76,248</b>	<b>81,48,19,331</b>	<b>43,43,38,411</b>	<b>34,78,90,628</b>	<b>78,22,29,039</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share capital	2,19,33,500	-	2,19,33,500	2,19,33,500	-	2,19,33,500
(b) Other Equity	37,11,14,923	(7,63,12,044)	29,48,02,879	(1,15,23,047)	28,23,97,258	27,08,74,211
<b>LIABILITIES</b>						
<b>(1) Non-current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	6,61,27,930	(2,19,364)	6,59,08,566	8,50,57,917	(2,06,872)	8,48,51,045
(ii) Other financial liabilities	1,56,040	-	1,56,040	25,000	-	25,000
(b) Provisions	5,51,065	-	5,51,065	6,21,611	-	6,21,611
(c) Deferred tax liabilities (Net)	-	6,38,76,777	6,38,76,777	-	5,53,00,602	5,53,00,602
(d) Other non-current liabilities	47,54,548	-	47,54,548	34,03,284	-	34,03,284
<b>(2) Current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	12,92,62,557	(1,19,118)	12,91,43,439	14,49,26,181	(96,068)	14,48,30,113
(ii) Trade payables	10,77,06,193	(1,96,428)	10,75,09,765	9,59,79,010	-	9,59,79,010
(iii) Other financial liabilities	3,05,90,622	1,40,49,997	4,46,40,619	2,84,12,675	1,01,34,035	3,85,46,710
(b) Other current liabilities	7,69,48,778	1,96,429	7,71,45,207	6,17,62,849	3,61,672	6,21,24,521
(c) Provisions	43,96,926	-	43,96,926	37,39,432	-	37,39,432
<b>Total Equity and Liabilities</b>	<b>81,35,43,082</b>	<b>12,76,248</b>	<b>81,48,19,331</b>	<b>43,43,38,411</b>	<b>34,78,90,628</b>	<b>78,22,29,039</b>

**B. Reconciliation of total comprehensive income for the year ended 31st March, 2017**

Particulars	Indian GAAP	Adjustments	IND AS
I Revenue From Operations	46,42,59,563	-	46,42,59,563
II Other Income	69,24,643	(412)	69,25,055
III Total Income (I+II)	47,11,84,206	(412)	47,11,84,618
IV EXPENSES			
Cost of materials consumed	20,32,18,114	38,992	20,32,57,106
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	2,55,89,278	(1)	2,55,89,277
Employee benefits expense	7,37,30,634	(10,41,541)	7,26,89,093
Finance costs	2,83,10,733	35,18,749	3,18,29,482
Depreciation and amortization expense	1,26,18,224	3,76,894	1,29,95,118
Other expenses	11,96,68,228	5,28,755	12,01,96,983
<b>Total expenses (IV)</b>	<b>46,31,35,211</b>	<b>34,21,848</b>	<b>46,65,57,059</b>
V Profit/(loss) before exceptional items and tax (I- IV)	80,48,995	(34,21,436)	46,27,559
VI Exceptional Items	2,82,42,100	-	2,82,42,100
VII Profit/(loss) before tax (V-VI)	<b>3,62,91,095</b>	<b>(34,21,436)</b>	<b>3,28,69,659</b>
VIII Tax expense:			
(1) Current tax	(5,942)	-	(5,942)
(2) Deferred tax	-	86,63,132	86,63,132
	<b>(5,942)</b>	<b>86,63,132</b>	<b>86,57,190</b>

## 5.01 Property, Plant &amp; Equipment

(all fig. in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As at 01/04/2016	Addition During the Year	Deduction During the Year	As at 31/03/2017	Upto 01/04/2016	For the year	Upto 31/03/2017	As at 31/03/2017
<b>Leased Asset</b>								
Leasehold Land	36,05,63,856	-	-	36,05,63,856	-	3,76,894	3,76,894	36,01,86,962
<b>Owned Assets</b>								
Buildings	2,63,30,396	-	-	2,63,30,396	-	8,82,582	8,82,582	2,54,47,814
Plant and Equipment	1,60,41,395	1,03,51,319	12,92,928	2,50,99,786	-	14,45,707	14,30,396	2,36,69,390
Moulds, Dies and Patterns	2,21,773	4,71,555	-	6,93,328	-	1,43,835	1,43,835	5,49,493
Furniture and Fixtures	5,42,821	1,82,821	3,691	7,21,951	-	75,220	75,113	6,46,838
Vehicles	1,31,30,848	34,35,567	7,92,158	1,57,74,257	-	25,03,529	24,18,226	1,33,56,031
Goods Transport Vehicles	5,20,443	-	-	5,20,443	-	77,482	77,482	4,42,961
Office Equipments	2,75,342	14,145	15,260	2,74,227	-	1,39,250	1,39,247	1,34,980
Electrical Installations	3,50,623	-	-	3,50,623	-	50,414	50,414	3,00,209
Computers	6,21,908	3,78,585	4,533	9,95,960	-	2,26,341	2,26,341	7,69,619
Borewell	7,893	-	-	7,893	-	-	-	7,893
<b>TOTAL</b>	<b>41,86,07,298</b>	<b>1,48,33,992</b>	<b>21,08,570</b>	<b>43,13,32,720</b>	<b>-</b>	<b>59,21,254</b>	<b>58,20,530</b>	<b>42,55,12,190</b>

Particulars	Gross Block			Depreciation			Net Block	
	As at 01/04/2017	Addition During the Year	Deduction During the Year	As at 31/03/2018	Upto 31/03/2017	For the year	Upto 31/03/2018	As at 31/03/2018
<b>Leased Asset</b>								
Leasehold Land	36,05,63,856	-	-	36,05,63,856	3,76,894	3,76,894	7,53,788	35,98,10,068
<b>Owned Assets</b>								
Office Buildings	2,63,30,396	63,70,062	-	3,27,00,458	8,82,582	13,72,661	22,55,243	3,04,45,215
Factory Building	-	73,52,795	-	73,52,795	-	1,913	1,913	73,50,882
Plant and Equipment	2,50,99,786	1,20,202	-	2,52,19,988	14,30,396	17,77,972	32,08,368	2,20,11,620
Moulds, Dies and Patterns	6,93,328	15,845	-	7,09,173	1,43,835	2,32,691	3,76,526	3,32,647
Furniture and Fixtures	7,21,951	64,860	-	7,86,811	75,113	82,988	1,58,101	6,28,710
Vehicles	1,57,74,257	33,01,810	3,64,201	1,87,11,866	24,18,226	24,70,892	47,58,288	1,39,53,578
Goods Transport Vehicles	5,20,443	-	-	5,20,443	77,482	77,486	1,54,968	3,65,475
Office Equipments	2,74,227	34,979	-	3,09,206	1,39,247	47,698	1,86,945	1,22,261
Electrical Installations	3,50,623	4,97,017	-	8,47,640	50,414	50,806	1,01,220	7,46,420
Computers	9,95,960	6,13,712	-	16,09,672	2,26,341	3,26,559	5,52,900	10,56,772
Borewell	7,893	-	-	7,893	-	-	-	7,893
<b>TOTAL</b>	<b>43,13,32,720</b>	<b>1,83,71,282</b>	<b>3,64,201</b>	<b>44,93,39,801</b>	<b>58,20,530</b>	<b>68,18,560</b>	<b>1,25,08,260</b>	<b>43,68,31,541</b>

**Note:** Property, plant and equipment of the company are charged against various loan facilities availed by the company from Banks. The complete details in this regard are given in Note No. 5.21 to the financial statements.

## 5.02 Other Intangible Assets

(all fig. in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As at 01/04/2016	Addition During the Year	Deduction During the Year	As at 31/03/2017	Upto 01/04/2016	For the year	Deductions	Upto 31/03/2017
Computer Software	3,50,225	-	-	3,50,225	-	1,40,941	-	1,40,941
Technical Know-how	1,20,42,393	-	-	1,20,42,393	-	69,32,923	-	69,32,923
<b>TOTAL</b>	<b>1,23,92,618</b>	<b>-</b>	<b>-</b>	<b>1,23,92,618</b>	<b>-</b>	<b>70,73,864</b>	<b>-</b>	<b>70,73,864</b>

Particulars	Gross Block			Depreciation			Net Block	
	As at 01/04/2017	Addition During the Year	Deduction During the Year	As at 31/03/2018	Upto 31/03/2017	For the year	Deductions	Upto 31/03/2018
Computer Software	3,50,225	25,22,780	-	28,73,005	1,40,941	1,37,760	-	2,78,701
Technical Know-how	1,20,42,393	-	-	1,20,42,393	69,32,923	4,75,632	-	74,08,555
<b>TOTAL</b>	<b>1,23,92,618</b>	<b>25,22,780</b>	<b>-</b>	<b>1,49,15,398</b>	<b>70,73,864</b>	<b>6,13,392</b>	<b>-</b>	<b>76,87,256</b>


**5.03 Investments**

Particulars	Face value per share (₹)	31/03/2018		31/03/2017		01/04/2016	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
<b>Non Current</b>							
<b>(i) Investments in Equity Instruments carried at fair value through other comprehensive income (FVTOCI)</b>							
<b>A. Quoted (Fully paid up, unless otherwise stated)</b>							
Alfred Herbert (India) Limited	10	5	4,425	5	2,731	5	1,810
Best and Crompton Engineering Limited	10	105	-	105	-	105	360
BF Investment Ltd (Bonus)	5	26	7,285	26	4,294	26	3,138
BF Utilites Ltd	5	26	9,923	26	11,478	26	14,699
Bharat Forge Company Limited	2	130	91,020	130	1,35,317	130	1,13,464
Bharat Forge Company Limited (Bonus)	2	130	91,020	-	-	-	-
Dynumatic Technologies Limited	10	40	68,414	40	1,08,600	40	69,200
E.C.E. Industries Limited	10	30	8,622	30	6,944	30	4,916
Eaton Fluid Power Ltd (Formerly, Vickers Systems International Limited)	10	24	-	24	-	24	240
Eicher Motors Ltd	10	1	28,337	1	25,554	1	19,140
Elecon Engineering Co. Limited (Including Bonus)	2	360	27,702	360	19,026	360	19,620
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	560	1	433	1	583
Jyoti Limited	10	50	3,283	50	2,545	50	3,500
Kulkarni Power Tools Limited	5	200	11,690	200	5,050	200	5,500
Larsen and Tubro Limited	2	256	3,35,846	256	4,03,866	256	3,11,327
Larsen and Tubro Limited (Bonus)	2	320	4,19,808	128	2,01,933	128	1,55,663
LML Limited	10	27	160	27	343	27	194
Mahindra and Mahindra Limited	5	52	38,490	52	66,804	52	62,902
Mahindra and Mahindra Limited (Bonus)	5	52	38,490	-	-	-	-
Manugraph Industries Limited	2	240	10,992	240	13,284	240	11,136
Nesco Ltd (New Standard Engineering Company Limited)	2	200	1,10,380	40	94,072	40	60,000
Scooters India Limited	10	50	3,023	50	2,000	50	1,288
Tata Motors Ltd	2	115	37,657	115	53,584	115	44,425
Tata Motors Ltd	2	15	4,912	15	6,989	15	5,795
Texmaco Rail Engineering Limited	1	100	-	100	9,250	100	10,490
U. T. Limited	10	100	-	100	-	100	657
Ultratech Cement (Bonus)	10	51	2,01,340	51	2,03,487	51	1,64,577
Voltas Limited	1	150	93,090	150	61,823	150	41,543
			<b>16,46,469</b>		<b>14,39,407</b>		<b>11,26,167</b>
<b>B. Unquoted (Fully paid up, unless otherwise stated)</b>							
Belgaum Coal and Coke Consumer Co-op Ass. Ltd.	100	4	38,224	4	38,224	4	36,834
Belgaum Manufacturers Co-op Industrial Estate Ltd.	100	40	4,03,804	40	4,03,804	40	2,78,078
WG Forge and Allied Industrial Limited	10	50	-	50	-	50	-
Saraswat Co-operative Bank Limited	10	783	1,72,976	783	1,72,976	783	1,70,200
Eicher Tractors Limited	10	4	-	4	-	4	-
			<b>6,15,004</b>		<b>6,15,004</b>		<b>4,85,112</b>
<b>TOTAL</b>			<b>22,61,473</b>		<b>20,54,411</b>		<b>16,11,279</b>
Aggregate book value of quoted investments			16,46,469		14,39,407		11,26,167
Aggregate market value of quoted investments			16,46,469		14,39,407		11,26,167
Aggregate amount of unquoted investments			6,15,004		6,15,004		4,85,112

**5.04 Loans**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Unsecured, Considered Good</b>			
Security Deposits	12,11,700	9,74,590	9,44,590
	12,11,700	9,74,590	9,44,590

**5.05 Other Financial Assets**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Fixed Deposits</b>			
- Bank Deposits with remaining maturity of more than 12 months	43,98,096	1,17,86,887	71,17,884
Advances to Workers/ Employees	8,06,407	9,80,779	11,17,060
	52,04,503	1,27,67,666	82,34,944

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

**5.06 Other Non-Current Assets**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Capital Advances	3,14,544	22,36,223	1,00,000
Advances Other than Capital Advances			
- Advance Tax / TDS (Net of Provision)	-	3,63,068	2,49,773
- Deposits with Govt., Public and Other Bodies	5,000	5,000	5,000
	3,19,544	26,04,291	3,54,773

**5.07 Inventories**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>(At lower of cost and net realisable value)</b>			
Raw Materials	1,51,48,454	2,05,27,444	1,77,36,991
Intermediate and Components	1,57,69,290	1,90,35,752	2,54,75,159
Stores and Spares	99,96,726	1,09,92,756	57,21,018
Work-in-Progress	15,35,78,316	14,47,43,090	16,77,77,000
Work-in-Progress - Export	-	-	41,53,000
Finished Goods	41,99,016	54,85,852	38,95,891
<b>(At estimated realisable value)</b>			
Scrap	4,320	14,580	6,908
	19,86,96,122	20,07,99,474	22,47,65,967

**Note:** (i) The mode of valuation of inventories has been stated in Standalone Financial Statement in Note No. 2.07.  
(ii) The amount of inventories recognised as an expenses during the year was ₹ 20,80,14,174/- (Previous Year ₹ 27,94,10,541/-)  
(iii) The Loans from Banks are secured by pari passu charge on inventories (including raw material, finished goods and work in progress) and book debts. Refer Note 5.21

**5.08 Trade Receivables**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Unsecured, Considered Good</b>			
Trade Receivables	10,70,96,198	12,77,81,015	9,24,74,194
<b>Unsecured, Considered Doubtful</b>			
Trade Receivables	25,73,784	27,77,031	37,02,728
Less: Allowance for Doubtful Debts & Liq.Damages	(25,73,784)	(27,77,031)	(37,02,728)
	10,70,96,198	12,77,81,015	9,24,74,194

**Note:** (i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**(ii) Movement in the expected credit loss allowance**

Particulars	Figures as at	
	31/03/2018 ₹	31/03/2017 ₹
Balance as at the beginning of the year	27,77,031	37,02,728
Add: Provision made during the year	15,59,244	6,17,789
Less: Amount written back / collected during the year	17,62,491	15,43,486
	<b>25,73,784</b>	<b>27,77,031</b>

(iii) Borrowing are secured by pari passu charge on inventories and trade receivables. Refer Note 5.21 Of the financial statements.

**5.09 Cash and Cash Equivalents**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Balances with Banks in current accounts	17,70,730	32,56,118	2,46,063
Cash on hand	1,71,377	4,34,790	14,72,870
	<b>19,42,107</b>	<b>36,90,908</b>	<b>17,18,933</b>

**5.10 Bank Balances (Other than Cash & Cash Equivalents)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Bank deposits with original maturity of more than/ equal to 12 months	2,06,63,784	1,20,45,042	1,12,55,821
	<b>2,06,63,784</b>	<b>1,20,45,042</b>	<b>1,12,55,821</b>

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

**5.11 Other Financial Assets**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Advances</b>			
Advances to Workers/ Employees	10,39,602	10,64,731	9,53,637
Interest Receivable from HESCOM	-	40,958	-
	<b>10,39,602</b>	<b>11,05,689</b>	<b>9,53,637</b>

**5.12 Current Tax Assets (Net)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Advance Tax / TDS (net of provision)	8,94,027	7,25,337	10,08,207
Income Tax Refund Receivable	95,834	95,834	95,834
	<b>9,89,861</b>	<b>8,21,171</b>	<b>11,04,041</b>

**5.13 Other Current Assets**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Advances other than capital advances</b>			
- Advances for purchase of goods and services	30,66,025	1,32,55,347	34,22,803
- Advances to Employees (Others)	34,690	29,462	206
- Travel advances to employees	10,69,117	9,14,402	2,87,015
- Other Advances	93,569	32,169	-
- Other Advances (Doubtful)	4,00,000	4,00,000	4,00,000
Less: Provision for Doubtful Advances	(4,00,000)	(4,00,000)	(4,00,000)
Claims Receivable	3,98,017	1,05,343	3,32,728
Prepaid Expenses	34,09,007	31,33,366	24,26,793
Balance with Revenue authorities	86,40,948	18,74,041	13,41,399
	<b>1,67,11,373</b>	<b>1,93,44,130</b>	<b>78,10,944</b>

**5.14 Equity Share Capital**

Particulars	31/03/2018		31/03/2017		01/04/2016	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
(a) <b>Authorized Share Capital</b>						
Equity Shares of ₹ 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Preference Share Capital of ₹ 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000	4,00,000	4,00,00,000
	<b>44,00,000</b>	<b>8,00,00,000</b>	<b>44,00,000</b>	<b>8,00,00,000</b>	<b>44,00,000</b>	<b>8,00,00,000</b>
(b) <b>Issued Share Capital</b>						
Equity Shares of ₹ 10/- each	22,22,750	2,22,27,500	22,22,750	2,22,27,500	22,22,750	2,22,27,500
	<b>22,22,750</b>	<b>2,22,27,500</b>	<b>22,22,750</b>	<b>2,22,27,500</b>	<b>22,22,750</b>	<b>2,22,27,500</b>
(c) <b>Issued, Subscribed and Fully Paid up Capital</b>						
Equity Shares of ₹ 10/- each	21,86,700	2,18,67,000	21,86,700	2,18,67,000	21,86,700	2,18,67,000
Shares Forfeited	-	66,500	-	66,500	-	66,500
	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>
(d) <b>Reconciliation of Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of each financial year.</b>						
Balance as at the beginning of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Add/ (Less): Movement during the year	-	-	-	-	-	-
<b>Balance as at the end of the financial year</b>	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>	<b>21,86,700</b>	<b>2,19,33,500</b>
(e) <b>Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/- each.</b>	The Company has Equity Shares having par value of ₹ 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 the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.					
(f) <b>Shareholders holding more than 5% of Equity Share Capital</b>						
Mohta Capital Private Limited	6,65,606	30.44%	6,65,606	30.44%	6,65,606	30.44%
Sri Ramchandra Enterprises Private Limited	3,34,697	15.31%	3,34,697	15.31%	3,34,697	15.31%
U D Finnvest Private Limited	2,18,400	9.99%	2,18,400	9.99%	2,18,400	9.99%
Urmila Devi Mohta	2,08,668	9.54%	2,08,668	9.54%	2,08,668	9.54%
Sungrace Finvest Private Limited	1,49,657	6.84%	1,69,755	7.76%	1,84,000	8.41%

(g) No calls remain unpaid by the Board of Directors and officers of the Company.

**5.15 Other Equity**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Capital Reserve</b>			
Balance at the beginning of the year	27,87,89,757	27,89,92,737	-
Add: Reversal of Deferred Tax Liability	86,957	86,957	-
Less: Transfer to Retained Earnings	(2,89,937)	(2,89,937)	-
<b>Balance at the end of the year (a)</b>	<b>27,85,86,777</b>	<b>27,87,89,757</b>	<b>27,89,92,737</b>
<b>Capital Redemption Reserve</b>			
Balance at the beginning of the year	14,73,200	14,73,200	-
Add/ (Less): Movement during the year	-	-	-
<b>Balance at the end of the year (b)</b>	<b>14,73,200</b>	<b>14,73,200</b>	<b>14,73,200</b>
<b>General Reserve</b>			
Balance at the beginning of the year	70,24,153	70,24,153	-
Add/ (Less): Movement during the year	-	-	-
<b>Balance at the end of the year (c)</b>	<b>70,24,153</b>	<b>70,24,153</b>	<b>70,24,153</b>
<b>Securities Premium Reserve</b>			
Balance at the beginning of the year	4,48,31,700	4,48,31,700	-
Add/ (Less): Movement during the year	-	-	-
<b>Balance at the end of the year (d)</b>	<b>4,48,31,700</b>	<b>4,48,31,700</b>	<b>4,48,31,700</b>
<b>Retained Earnings</b>			
Opening Balance	(3,73,50,612)	(6,18,56,068)	-
Add: Surplus/(Deficit) for the year	87,42,252	2,42,15,519	-
Add: Transfer From Capital Reserve	2,89,937	2,89,937	-
<b>Balance at the end of the year (e)</b>	<b>(2,83,18,423)</b>	<b>(3,73,50,612)</b>	<b>(6,18,56,068)</b>
<b>Other Comprehensive Income</b>			
Opening Balance	34,681	4,08,489	-
Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land)	13,90,943	(3,73,808)	-
<b>Balance at the end of the year (f)</b>	<b>14,25,624</b>	<b>34,681</b>	<b>4,08,489</b>
<b>Total (a to f)</b>	<b>30,50,23,031</b>	<b>29,48,02,879</b>	<b>27,08,74,211</b>

**Nature and purpose of reserves:****1. Capital Redemption Reserve:**

Capital Redemption Reserve was created on account of redemption for 11% Redeemable Preference Shares at the time of issue of such shares out of the profits made during past years.

**2. Security premium account:**

Security premium account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.

**3. Capital Reserve:**

On the date of transition to Ind AS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipments as per Previous GAAP has been transfer to the Capital Reserve.

**5.16 Borrowings (Non-Current)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Secured</b>			
Term Loans from Banks			
(i) Working Capital Term Loan	-	-	12,30,986
(ii) Specific Purpose Term Loan			
- Plant & Machinery Loans	13,25,737	22,68,397	-
- Motor Car Loans	31,34,209	26,60,189	37,47,917
<b>Unsecured</b>			
Deferred Payment Liabilities	81,89,000	1,05,54,000	4,31,94,600
Loan From Related Parties			
- Mohta Capital Private Limited	2,16,12,428	1,86,17,741	48,75,000
11% 3,20,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	3,18,12,986	3,18,08,239	3,18,02,542
	<b>6,60,74,360</b>	<b>6,59,08,566</b>	<b>8,48,51,045</b>

**General Description, details of security and other conditions attaching to:****As at 31-03-2018**

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans <u>Bank of Maharashtra</u>	22,68,396	The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/-. As on 31-03-2018, 28 installments are due for repayment.	14.40% p.a.
2. Motor Car Loans <u>State Bank of India</u>	47,13,845	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 31-03-2018, 447 installments are due for repayment.	10% -12% p.a
3. Working Capital Loan <u>Mohta Capital Private Limited</u>	2,16,12,428	Unsecured Working Capital Loan has been obtained from a related party under a loan agreement. The loan is repayable on demand after 31.03.2021.	12% p.a.

**As at 31-03-2017**

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans <u>Bank of Maharashtra</u>	32,05,689	The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/-. As on 31-03-2017, 40 installments are due for repayment.	14.47% p.a.
2. Motor Car Loans <u>State Bank of India</u>	49,93,823	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 31-03-2017, 499 installments are due for repayment.	10% -12% p.a
3. Working Capital Loan <u>Bank of Maharashtra</u>	12,33,105	The loan is repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to the balance outstanding). As on 31-03-2017, 7 installments are due for repayment.	14.47% p.a.
<u>Mohta Capital Private Limited</u>	1,86,17,741	Unsecured Working Capital Loan has been obtained from a related party under a loan agreement. The loan is repayable on demand after 31.03.2021.	12% p.a.

## As at 01-04-2016

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Motor Car Loans <u>State Bank of India</u>	62,00,132	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 01-04-2016, 530 installments are due for repayment.	10% -12% p.a
2. Working Capital Loan <u>Bank of Maharashtra</u>	34,14,294	The loan is repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to the balance outstanding). As on 01-04-2016, 19 installments are due for repayment.	14.47% p.a.
<u>State Bank of India</u>	20,84,398	The loan was repayable in 40 monthly installments, out of which first 20 installments ₹ 2,00,000/- each and the balance 20 installments of ₹ 3,00,000/- (or less to the balance outstanding). As on 01-04-2016, 7 installments are due for repayment.	14.6% p.a.
3. Working Capital Loan <u>Mohta Capital Private Limited</u>	48,75,000	Unsecured Working Capital Loan has been obtained from a related party under a loan agreement. The loan is repayable on demand after 31.03.2021.	12% p.a.

## Redeemable Preference Shares

## Rights, Preferences and Restrictions attached to Preference Shares of ₹ 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. The rights of preference shares are further governed by Section 47 of the Companies Act, 2013.

## Terms of redemption of Preference Shares of ₹ 100/- each

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2031.	3,00,000	3,00,00,000	3,00,000	3,00,00,000	3,00,000	3,00,00,000
ii) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2020.	20,000	20,00,000	20,000	20,00,000	20,000	20,00,000

## Shareholders holding more than 5% of Preference Share Capital

Particulars	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Mohta Capital Private Limited	1,90,000	59.38%	1,90,000	59.38%	1,90,000	59.38%
U.D. Finvest Private Limited	65,000	20.31%	65,000	20.31%	65,000	20.31%
Sree Ramachandra Capital Consultancy Private Limited	65,000	20.31%	65,000	20.31%	65,000	20.31%

## Details of continuing defaults in respect of Deferred Payment Liabilities

## Terms of Repayment

The total outstanding with respect to Deferred Payment Liabilities are 4,00,000/- Euros. The outstanding is repayable by payment of 50,000 Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹ 2,04,72,500/- in respect of deferred payment liabilities as at the balance sheet date which is included in the amount 'Current portion of deferred liability for Intangible Assets' disclosed under 5.23.

## 5.17 Other Financial Liabilities

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Unsecured Security Deposits	1,56,040	1,56,040	25,000
	1,56,040	1,56,040	25,000

## 5.18 Provisions (Non-Current)

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Provision for Employee Benefits - Provision for Leave Encashment	10,53,797	5,51,065	6,21,611
	10,53,797	5,51,065	6,21,611

## 5.19 Deferred Tax Liabilities (Net)

Particulars	Balance Sheet Figures as at			Statement of Profit & Loss For the year ended	
	31/03/2018 (₹)	31/03/2017 ₹	01/04/2016 ₹	31/03/2018 (₹)	31/03/2017 ₹
<b>Deferred tax relates to the following:</b>					
Accelerated depreciation for tax purpose	(26,35,225)	(13,34,893)	(18,03,916)	(13,00,332)	4,69,023
Amortization of land	(8,29,14,528)	(8,30,01,485)	(8,30,88,442)	86,957	86,957
Measurement of Financial Assets at amortised cost	1,60,345	1,31,911	2,40,663.00	28,434	(1,08,752)
Measurement of Financial Liabilities at amortised cost	(31,975)	(48,692)	(52,461.00)	16,717	3,769
Unused tax losses/ depreciation	1,32,13,720	1,85,42,967	2,45,04,198	(53,29,247)	(59,61,231)
MAT Credit Entitlement	56,26,500	-	-	56,26,500	-
Provision for doubtful debts and advances	7,49,495	6,77,315	11,43,201	72,180	(4,65,886)
Provision for product warranties	1,71,228	1,34,706	1,31,141.00	36,522	3,565
Provision for Leave Encashment	20,48,824	12,28,589	12,16,421.00	8,20,235	12,168
Foreign currency fluctuations	10,63,527	(2,07,195)	24,08,593	12,70,722	(26,15,788)
Deferred tax expense/(income)	-	-	-	13,28,688	(85,76,175)
Net deferred tax assets/(liabilities)	(6,25,48,089)	(6,38,76,777)	(5,53,00,602)	-	-

## Reflected in the Balance Sheet as follows:

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Deferred tax assets (continuing operations)	2,03,98,414	1,93,80,595	2,96,44,217
<b>Deferred tax liabilities:</b>			
Continuing operations	(8,29,46,503)	(8,32,57,372)	(8,49,44,819)
Deferred tax liabilities, net	(6,25,48,089)	(6,38,76,777)	(5,53,00,602)

## Reflected in the Balance Sheet as follows:

Particulars	Figures as at	
	31/03/2018 ₹	31/03/2017 ₹
Opening balance as at	(6,38,76,777)	(5,53,00,602)
Tax income/(expense) during the period recognised in profit or loss	12,41,731	(86,63,132)
Tax income/(expense) during the period recognised in Capital Reserve	86,957	86,957
Closing balance as at	(6,25,48,089)	(6,38,76,777)

## 5.20 Other Non-Current Liabilities

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Security Deposits from Employees	26,40,305	47,54,548	34,03,284
	<b>26,40,305</b>	<b>47,54,548</b>	<b>34,03,284</b>

## 5.21 Borrowings (Current)

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Secured			
Loans Repayable on Demand:			
- From Banks			
(i) Cash Credit/ Packing Credit	5,41,35,633	6,33,73,226	8,36,75,013
(ii) Stand By Line Credit	50,00,000	50,00,000	-
- From Others			
(i) Raw Material Assistance Scheme from NSIC	94,70,935	94,42,248	94,28,415
Unsecured			
Loans Repayable on Demand:			
- From Related Parties	4,67,92,965	4,39,27,965	4,19,26,685
- From Other Parties	50,00,000	74,00,000	98,00,000
	<b>12,03,99,533</b>	<b>12,91,43,439</b>	<b>14,48,30,113</b>

**General Description, details of security and other conditions attaching to:**

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 bank plus 4.60% at monthly rests.

Cash credit availed from State Bank of India is secured by hypothecation of inventory and receivables upto 150 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 bank plus 2.75% at monthly rests. Stand by Line of Credit availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables 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 bank plus 6.00% at monthly rests.

Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to ₹ 10,000,000/-. Interest is payable @ 12.50% per annum on amount outstanding. Additional interest at the rate of 0.45% percent per annum is payable if payment is not made within stipulated time limit.

Stand by Line of Credit is availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on Stand by line of Credit is payable at floating rate being base rate of bank plus 3.75% at monthly rests.

**5.22 Trade Payables**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
For Goods purchased and Services received in the normal course of business			
- Due to Micro Enterprises & Small Enterprises	-	-	-
- Due to Other than Micro Enterprises & Small Enterprises	9,03,57,872	7,66,42,691	7,43,52,820
- Acceptances	2,20,27,440	3,08,67,074	2,16,26,190
	<b>11,23,85,312</b>	<b>10,75,09,765</b>	<b>9,59,79,010</b>

**Note:** The average credit period on purchases of goods and services are within 120 days. The trade payables are non interest bearing.

**Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information & records available with the Management).**

Particulars	2017-18 ₹	2016-17 ₹
(i) he principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.		
*Principal amount	NIL	NIL
*Interest there on	NIL	NIL
(ii) 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
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end each accounting year.	NIL	NIL
(v) 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	NIL	NIL

\* The Company has written to Creditors/ suppliers asking them to confirm their status under the Micro, Small and Medium Enterprises Development Act, 2006, but has not received any intimation from them. This has been relied upon by the Auditors.

**5.23 Other Financial Liabilities**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Current Maturities of Long-term Debt:</b>			
- Working Capital Term Loan from Banks	-	12,33,105	42,67,706
- Plant & Machinery Loan from Banks	9,42,659	9,37,292	-
- Motor Car Loans from Banks	15,79,636	23,33,634	24,52,215
- Current Portion of Deferred Payment Liabilities	2,45,67,000	1,75,90,000	1,51,56,000
<b>Interest Accrued:</b>			
- Interest accrued but not due on borrowings	-	725	33,514
- Interest accrued and due on borrowings	10,21,805	8,29,111	8,00,895
Unpaid Dividends on 11% Cumulative Redeemable Preference Shares	1,67,20,000	1,40,80,000	1,05,60,000
Gratuity Payable to LIC	29,55,117	48,30,401	50,86,181
Liability against Capital Assets	-	26,28,598	1,90,199
Guarantee Commission Payable to Related Parties	3,55,506	1,77,753	-
	<b>4,81,41,723</b>	<b>4,46,40,619</b>	<b>3,85,46,710</b>

**5.24 Other Current Liabilities (Current)**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Revenue Received in Advance:</b>			
- Advance from Customers	3,07,82,300	6,09,99,704	5,16,94,351
Current portion of Security Deposit from Employees	26,95,125	-	3,61,671
Employees and Other Related Dues	10,28,143	4,27,583	2,08,522
Liabilities for Expenses	62,93,755	56,20,228	51,22,580
Liabilities for Statutory Dues	82,80,745	1,00,97,692	47,07,708
Lease Rent Payable	58,000	-	-
Directors' Current Account Payable	-	-	29,689
	<b>4,91,38,068</b>	<b>7,71,45,207</b>	<b>6,21,24,521</b>

**5.25 Provisions**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
<b>Provision for Employee Benefits:</b>			
- Provision for Leave Encashment	63,82,276	39,08,020	33,15,026
Provision for Product Warranty	6,21,461	4,88,906	4,24,406
	<b>70,03,737</b>	<b>43,96,926</b>	<b>37,39,432</b>

**Note:** Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

**(1) Movement in Provisions**

Nature of Provisions	Leave Encashment		Product Warranty	
	2017-18	2016-17	2017-18	2016-17
Carrying amount at the beginning of the year*	44,59,085	39,36,637	4,88,906	4,24,406
Additional provision made during the year	45,63,664	21,14,124	1,32,555	64,500
Amounts used during the year	(15,86,676)	(15,91,676)	-	-
Unused amounts reversed during the year	-	-	-	-
<b>Carrying amount at the end of the year*</b>	<b>74,36,073</b>	<b>44,59,085</b>	<b>6,21,461</b>	<b>4,88,906</b>

\* The above figures mentioned in opening and closing carrying amount includes long term portion of provisions.

**(2) Nature of Provisions**

- (a) Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on account of rectification/ replacement. The timing of outflows is expected to be within a period of 2 years.
- (b) Provision for Leave Encashment includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

**5.26 Current Tax Liabilities**

Particulars	Figures as at		
	31/03/2018 ₹	31/03/2017 ₹	01/04/2016 ₹
Provision for Income Tax (Net of Advance Tax/ TDS)	52,04,763	-	-
	<b>52,04,763</b>	<b>-</b>	<b>-</b>

**Notes:**

**Income Tax recognised in Profit and Loss**

Particulars	For the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Current Tax</b>		
Current income tax charge	53,23,467	-
Adjustments in respect of current income tax of previous years	-	(5,942)
<b>Total (A)</b>	<b>53,23,467</b>	<b>(5,942)</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of deductible & taxable temporary differences	(12,41,731)	86,63,132
<b>Total (B)</b>	<b>(12,41,731)</b>	<b>86,63,132</b>
<b>Income Tax expense recognised in the Statement of Profit or Loss (A+B)</b>	<b>40,81,736</b>	<b>86,57,190</b>

**Income Tax recognised in Other Comprehensive Income**

Particulars	For the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Current Tax</b>		
Current income tax charge on remeasurement of defined benefit obligations	(3,03,033)	-
<b>Income Tax expense recognised in Other Comprehensive Income</b>	<b>(3,03,033)</b>	<b>-</b>

**The income tax expense for the year can be reconciled to the accounting profit as follows:**

Particulars	For the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Profit before tax	1,23,18,358	3,28,69,659
Applicable Tax Rate	27.55%	30.90%
Computed Tax Expense	33,93,708	1,01,56,725
<b>Tax Effects:</b>		
Items not chargeable to tax/exempt	(3,19,845)	(97,70,858)
Expenses disallowed	36,61,726	2,00,453
Net tax on depreciable assets	2,38,765	3,39,090
Effect of brought forward losses and unabsorbed depreciation	(13,47,854)	(9,25,410)
Adjustments recognised in the current year in relation to the current tax of prior years	-	(5,942)
Others	(3,03,033)	-
<b>Current Tax Provision (A)</b>	<b>53,23,467</b>	<b>(5,942)</b>
Incremental Deferred Tax Liability	(12,41,731)	86,63,132
<b>Deferred Tax Provision (B)</b>	<b>(12,41,731)</b>	<b>86,63,132</b>
<b>Tax Expenses recognised in the Statement of Profit and Loss (A + B)</b>	<b>40,81,736</b>	<b>86,57,190</b>

**5.27 Contingent Liabilities and Commitments**

(to the extent not provided for)

(a) Claims against the company not acknowledged as debt:

Particulars	2017-18 ₹	2016-17 ₹
(i) Entry Tax Demand disputed in Appeal* (net of amount paid)	1,05,343	1,04,816
* The Company has been advised that the demand is likely to be either deleted or substantially reduced and shall not have any material adverse effect on its financial position.		
(ii) An ex-employee of the company had preferred an appeal before Hon'ble IIIRD Addl. Senior Civil Judge, Belgaum claiming compensation amounting to ₹ 43,16,200/-. During the year, the said appeal has been dismissed by the Hon'ble IIIRD Addl. Senior Civil Judge, Belgaum on 18.11.2016 and thus, there is no liability on account of this claim on the company.		
(iii) Two workmen of the company, who were dismissed from the services on account of proved charges of misconduct approached the Conciliation Authority and raised an Industrial dispute. The Additional Labour Court, Hubli passed an Order in the favour of the workmen and asked the company to reinstate the employee and pay the entire wages and other benefits but the Company has preferred an Writ Petition before the High Court of Karnataka, Circuit Bench, Dharwad. Pending settlement, the Court directed the company to furnish a bank guarantee of the total amount involved in the dispute, i.e. ₹ 4,71,197/- which has been so furnished. The Company based on legal advice is of the view that the demand is not sustainable and thus, no provision is considered necessary.		
(iv) A workmen was dismissed from the services of the Company based on the proved charges of misconduct. Subsequently he had filed a case before the Additional Labour Court Hubli. The Additional Labour Court in its order directed by the management to reinstate the workmen with 50% of the back wages. The Management challenged the said Award by filing a writ petition No. 62296/ 2011 (L-TER) before High Court Of Karnataka, Circuit Bench, Dharwad. The High Court of Karnataka granted stay for 50% of back wages and directed the Management to reinstate the workmen in service. However, the workmen resigned from and relieved from the services of the Company w.e.f 31-03-2016. The cases is still pending before the Hon'ble High Court of Karnataka.		

**5.28 Revenue From Operations**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Sale of Products	41,26,63,716	45,25,75,505
Sale of Services	24,66,070	24,59,532
Other Operating Revenues	75,65,007	92,24,526
	<b>42,26,94,793</b>	<b>46,42,59,563</b>

**5.29 Other Income**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>a) Interest Income:</b>		
i. Interest on bank deposits carried at amortised cost	16,90,783	15,72,364
ii. Interest on Security Deposits and Others carried at amortised cost	50,144	1,10,015
b) Dividend Income on equity investments at FVTOCI	16,260	12,821
c) Net gain on sale of investments (Non-Current)	-	-
d) Net gain on Sale of Property, Plant & Equipment	-	41,915
e) Rental Income	7,54,160	5,39,160
f) Liability no longer required written back	-	8,89,881
g) Net gain or loss on foreign currency transaction and translation	-	21,05,038
h) Provision for Doubtful Debts and Advances written back	11,44,702	13,53,565
i) Prior Period Adjustments	-	6,000
j) Fluctuation in Foreign Currency (Net)	31,807	-
k) Excise Duty on Closing Stock written back	5,84,745	-
l) Miscellaneous Receipts	81,387	2,94,296
	<b>43,53,988</b>	<b>69,25,055</b>

**5.30 Cost of Materials Consumed**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Raw Materials</b>		
Opening Stock	2,05,27,444	1,77,36,991
Add: Purchases	8,65,42,259	10,44,03,721
Less: Closing Stock	(1,51,48,454)	(2,05,27,444)
<b>(A)</b>	<b>9,19,21,249</b>	<b>10,16,13,268</b>
<b>Intermediates and Components</b>		
Opening Stock	1,90,35,752	2,54,75,159
Add: Purchases	9,49,99,680	7,86,05,819
Less: Closing Stock	(1,57,69,290)	(1,90,35,752)
<b>(B)</b>	<b>9,82,66,142</b>	<b>8,50,45,226</b>
<b>Packing Materials</b>		
Opening Stock	-	-
Add: Purchases	11,96,318	13,36,746
Less: Closing Stock	-	-
<b>(C)</b>	<b>11,96,318</b>	<b>13,36,746</b>
<b>Stores and Spares</b>		
Opening Stock	1,09,92,756	57,21,018
Add: Purchases	1,43,68,341	2,18,83,987
Less: Closing Stock	(99,96,726)	(1,09,92,756)
<b>(D)</b>	<b>1,53,64,371</b>	<b>1,66,12,249</b>
<b>TOTAL (A to D)</b>	<b>20,67,48,080</b>	<b>20,46,07,489</b>
Less: Materials consumed on account of warranties	6,00,708	13,50,383
<b>TOTAL</b>	<b>20,61,47,372</b>	<b>20,32,57,106</b>

**5.31 Changes In Inventories Of Finished Goods And Work-In-Progress**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
<b>Opening Stock</b>		
Intermediate Goods	14,17,690	-
Work-in-Progress	14,33,25,400	16,77,77,000
Work-in Progress-Export	-	41,53,000
Finished Goods	54,85,852	38,95,891
Scrap	14,580	6,908
<b>Total of Opening Stock</b>	<b>15,02,43,522</b>	<b>17,58,32,799</b>
<b>Closing Stock</b>		
Intermediate Goods	5,89,066	14,17,690
Work-in-Progress	15,29,89,250	14,33,25,400
Work-in Progress-Export	-	-
Finished Goods	41,99,016	54,85,852
Scrap	2,36,933	14,580
<b>Total of Closing Stock</b>	<b>15,80,14,265</b>	<b>15,02,43,522</b>
<b>Net changes in inventories of finished goods and work-in-progress [Total (A-B)]</b>	<b>(77,70,743)</b>	<b>2,55,89,277</b>

**5.32 Employee Benefits Expense**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Salaries, Wages, Bonus, etc.	7,92,63,315	6,29,36,147
Contribution to Provident fund & other funds	81,63,671	66,49,114
Staff Welfare Expenses	37,01,004	31,03,832
	<b>9,11,27,990</b>	<b>7,26,89,093</b>

**5.33 Finance Costs**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Interest on loan calculated using effective interest rate method	1,89,68,835	2,08,17,316
Interest on Others	25,66,422	20,68,080
Dividend on Redeemable Preference Shares	26,44,747	35,25,698
Other Borrowing Costs	77,03,840	54,18,388
	<b>3,18,83,844</b>	<b>3,18,29,482</b>

**5.34 Depreciation And Amortization Expense**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Depreciation of Property, Plant & Equipment	68,18,560	59,21,254
Amortization of Intangible Assets	6,13,392	70,73,864
	<b>74,31,952</b>	<b>1,29,95,118</b>

**5.35 Other Expenses**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Power & Fuel	36,40,266	33,47,391
Manufacturing Expenses	2,73,35,653	2,43,83,652
Freight & Transportation	83,97,256	1,15,32,159
Product Warranty Expenses	7,95,833	14,14,883
<b>Repairs</b>		
i Buildings	7,32,845	8,65,675
ii Machinery	11,33,010	23,48,627
iii Computers	3,31,805	3,20,228
iv Others	3,94,827	4,34,808
Insurance	5,86,591	5,82,672
Rent	4,28,668	5,00,303
Rates & Taxes	2,48,348	9,55,118
Printing and Stationery	11,09,807	12,64,036
Postage, Telephone & Telegram	7,59,904	8,83,033
Travelling & Conveyance Expenses	1,40,67,597	1,06,28,567
Bad Debts / Advances Written Off	38,05,842	56,45,839
Expected Credit Loss on Financial Assets	15,59,244	6,17,789
Miscellaneous Expenses	71,69,187	46,62,545
<b>Payment to Auditors for:</b>		
i Audit Fees	3,50,000	3,28,750
ii Limited Review Certification charges	1,20,000	60,000
iii For Company Law Matters	-	-
iv For Other Services	1,41,000	1,52,550
v Reimbursement of Expenses (including ST)	90,860	76,420
Directors' Sitting Fees	34,000	23,000
Commission & Brokerages	-	2,60,870
Investments Derecognised	-	-
Net Loss on Sale of Property, Plant & Equipment	1,00,558	7,316
Loss in Foreign Currency Fluctuation (net)	46,12,000	-
Liquidated Damages	28,98,255	26,76,654
Prior Period Adjustments	52,554	-
Excise duty on Opening & Closing Stock (net)	-	3,63,580
Excise Duty on Sales	50,14,098	4,58,60,336
Excess & Short Provisions	-	182
	<b>8,59,10,008</b>	<b>12,01,96,983</b>

**5.36 Details of items of exceptional nature**

The Company had entered into a Technology License Agreement dated 10th April, 2006 with a French Company under which the Company procured Technical Know-How to be used in manufacturing of certain hydraulic presses. The said Technical Know-How was recorded as Intangible Asset at an amount of ₹ 3,92,28,288/- and corresponding credit was given to the 'Deferred Payment Liabilities A/c'. During the previous financial year, the term of the Agreement has expired and thus, the company, after accounting for exchange differences, has credited the unpaid amount against the technology, i.e. ₹ 2,82,42,100/- under the 'Exceptional Items' in the Statement of Profit & Loss.

**5.37 Other Comprehensive Income**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
(i) Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income	2,07,062	4,43,132
- Remeasurement of the Employee Defined Benefit Plans	14,86,914	(8,16,940)
	<b>16,93,976</b>	<b>(3,73,808)</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		
- Income Taxes relating to Remeasurement of Employee Defined Benefit Plans	(3,03,033)	-
	(3,03,033)	-
	<b>13,90,943</b>	<b>(3,73,808)</b>

**5.38 Earnings Per Share:**

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Net Profit / (Loss) attributable to Equity Shareholders (₹)	82,36,622	2,42,12,469
Weighted average number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earning per Equity Share of ₹ 10/- each		
- Basic	3.77	11.07
- Diluted	3.77	11.07
Face value per Equity Share (₹)	10	10

The Company does not have any outstanding potential dilutive Equity Shares. Consequently the Basic and the Diluted Earnings Per Share of the Company remain the same.

**5.39 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS****EMPLOYEE BENEFITS****a) Post Retirement Benefits : Defined Contribution Plans**

(Figures in ₹)

Particulars	31/03/2018	31/03/2017
1 Contribution to Employees' Provident Fund	23,13,742	21,35,365
2 Contribution to Employees' Family Pension Fund	23,66,634	21,36,997
3 Contribution to Employees' Superannuation Fund	10,00,501	7,74,638

**b) Defined Benefit Plans****(i) Changes in the Present Value of Obligation**

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Present Value of Obligation as at opening date	2,22,46,707	1,95,00,973
b. Interest Expense	16,24,560	15,24,295
c. Past Service Cost	8,37,882	-
d. Current Service Cost	13,98,118	13,40,858
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(5,86,399)	(8,94,567)
h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(13,52,205)	7,52,524
- experience adjustments	(1,95,271)	22,624
I Present Value of Obligation as at closing date	2,39,73,392	2,22,46,707

**(ii) Changes in the Fair Value of Plan Assets**

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Present Value of Plan Assets as at opening date	1,74,16,306	1,44,14,793
b. Expected Return on Plan Assets (Interest Income)	13,77,797	12,30,685
c. Mortality charges and taxes	(1,20,410)	(1,24,924)
d. Actuarial Gain/(Loss)		
- changes in financial assumptions	(1,11,713)	(76,918)
- experience adjustments	51,151	35,126
e. Employers' Contributions	29,91,543	28,32,111
g. Benefits Paid	(5,86,399)	(8,94,567)
h. Fair Value of Plan Assets as at closing date	2,10,18,275	1,74,16,306
I Actual return on plan assets	<b>13,17,235</b>	<b>11,88,893</b>

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets (Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Present Value of Obligation as at the end of the period	2,39,73,392	2,22,46,707
b. Fair Value of Plan Assets as at the end of the period	2,10,18,275	1,74,16,306
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(29,55,117)	(48,30,401)
d. Present Value of unfunded Obligation	-	-
e. Unrecognized Past Service Cost	-	-
f. Unrecognized Actuarial (Gains)/Losses.	-	-
g. Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv) Expenses recognized in the Statement of Profit & Loss Account (Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Current Service Cost	13,98,118	13,40,858
b. Past Service Cost	8,37,882	-
c. Interest Cost	16,24,560	15,24,295
d. Expected Return on Plan Assets	(13,77,797)	(12,30,685)
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
h. Employees' Contribution	-	-
l. Total Expenses recognized in the Profit & Loss Account	24,82,763	16,34,468

(v) Expenses recognized in Other Comprehensive Income for the year (Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	(12,40,492)	8,29,442
c. Actuarial changes arising from changes in experience adjustments	(2,46,422)	(12,502)
d. Return on plan assets excluding interest income	-	-
e. Recognised in Other Comprehensive Income	(14,86,914)	8,16,940

(vi) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date (Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2018	31/03/2017
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	-	-

(vii) 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.

(viii) The Actual Return on Plan Assets is as follows (Rs.) (Figures in ₹)

Following are the Principal Actuarial Assumptions used as at the balance sheet date:	31/03/2018	31/03/2017
a. Interest Rate	7.80%	7.40%
b. Discount Rate	7.80%	7.40%
c. Expected Rate of Return on Plan Assets	7.40%	8.00%
d. Salary Escalation Rate	6.00%	6.00%
e. Expected Average Remaining Working Lives of Employees	12.64 years	11.47 years

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

x) Retirement age 60 years or 70 years if extension is given.

xi) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.69 years.

xii) Expected future benefit payments

The following benefits payments, for each of the next five years and the aggregate five years there after, are expected to be paid:

Year ended March 31	Expected Benefit Payment rounded to nearest thousand ( in ₹.)
2019	37,57,000
2020	33,84,000
2021	13,38,000
2022	26,03,000
2023	35,42,000
2024-2028	1,69,04,000

xiii) The above cash flows have been arrived at based on the demographic and financial assumptions as mentioned earlier.

xiv) Expected contributions for the next year

The company has contributed Rs.29,91,543 to its gratuity fund in 2018. The Company intends to contribute Rs. 38,00,000 towards its gratuity fund in 2019.

## xv) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the out come of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

## (a) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate Mar-18	Mar-17	Defined Benefit obligation (in ₹)	
		31/03/2018	31/03/2017
6.80%	6.40%	2,56,89,894	2,36,34,972
8.80%	8.40%	2,24,65,994	2,10,22,379

## (b) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary Increment Rate Mar-18	Mar-17	Defined Benefit obligation (in ₹)	
		31/03/2018	31/03/2017
5.00%	5.00%	2,26,84,570	2,12,39,172
7.00%	7.00%	2,54,10,485	2,33,68,770

## (c) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal rate Mar-18	Mar-17	Defined Benefit obligation (in ₹)	
		31/03/2018	31/03/2017
4.00%	4.00%	2,37,00,099	2,20,90,399
6.00%	6.00%	2,42,20,541	2,23,88,644

## xvi) Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

## 1) Liability risks

## (i) Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

## (ii) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

## (iii) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

## 2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has as overrigh guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

## 3) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan liability.

## 5.40 Lease Arrangements

## Operating Lease Arrangements

The Company has entered into Lease Arrangements with certain parties including its subsidiary whereby the company has granted to the parties the right to use a part of its factory premises, cumulatively represented by land and building disclosed under Property, Plant and Equipments in lieu of monthly lease rentals. Disclosures pursuant to Ind AS - 17 'Leases' are given below.

## Payment recognised as Income

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Minimum Lease Payments	7,54,160	6,59,160
<b>Total</b>	<b>7,54,160</b>	<b>6,59,160</b>

## Non-cancellable operating lease agreement

## Payment recognised as Income

Particulars	Figures for the year ended	
	31/03/2018 ₹	31/03/2017 ₹
Not later than one year	6,74,160	6,74,160
Later than one year and not later than five years	31,50,800	24,76,640
Later than five years	5,69,160	16,77,480
	<b>43,94,120</b>	<b>48,28,280</b>

The Agreements does not have any terms on contingent rents and therefore, there are no amounts recognised in the Statement of Profit & Loss in respect of contingent rents.

**5.41 As per Ind AS 24, the disclosures of transactions with the related parties are given below:**

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

**(a) Key Management Personnel**

Shri Madan Mohan Mohta - Chairman  
Shri Anirudh Mohta - Managing Director  
Shri R.M. Shah  
Shri N.K. Daga  
Shri Dilip Chandak  
Shri R.B. Patil  
Smt. Amruta Tarale

**(b) Relatives of Key management personnel:**

Smt. Urmila Devi Mohta

**(d) Enterprises where key management personnel have significant influence:**

U. D. Fininvest Pvt Ltd  
Mohta Capital Pvt Ltd  
Bemco Precitech Pvt Ltd  
U.D.Polyproducts Pvt Ltd  
Sree Ramachandra Enterprises Private Limited

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

(All Figures in ₹)

Nature of Transactions	Key Management Personnel		Relatives of Key Management Personnel		Enterprises where Key Management Personnel have significant influence	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
<b>I. Property, Plant &amp; Equipment</b> Sale of Plant & Machinery - Bemco Fluidtechnik LLP	-	-	-	-	-	-
<b>II. Financial Assets</b> Trade Receivables - Bemco Fluidtechnik LLP	-	-	-	-	-	-
<b>III. Preference Share Capital</b> 11% Cumulative Redeemable Preference Shares of ₹ 100/- each - Mohta Capital Private Limited - U.D. Fininvest Private Limited - Sri Ramachandra Enterprises Private Limited	-	-	-	-	1,88,88,960 64,62,013 64,62,013	1,88,86,142 64,61,049 64,61,049
<b>IV. Financial Liabilities</b> Short Term Borrowings Accepted During the Year - Sri Ramachandra Enterprises Private Limited - Mohta Capital Private Limited <b>Repaid During the Year (Including Interest)</b> - U.D. Fininvest Private Limited - Sri Ramachandra Enterprises Private Limited - Mohta Capital Private Limited <b>Balance as at Year End (Including interest)</b> - U.D. Fininvest Private Limited - Sri Ramachandra Enterprises Private Limited - Mohta Capital Private Limited - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd <b>Trade Payables</b> - Bemco Fluidtechnik LLP	-	-	-	-	1,00,000 3,32,00,000 27,244 6,188 3,24,91,404 2,54,401 1,00,917 4,63,14,201 1,45,780 2,15,197	2,95,45,000 82,000 1,01,720 2,73,60,000 2,54,401 - 4,34,72,459 1,45,780 2,15,197

**Terms and conditions of transactions with related parties**  
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

**Compensation of key management personnel of the Group**  
The remuneration of director and other member of key management personnel during the year as follows

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**5.42 Foreign Currency Risk**

The following table shows foreign currency exposures in Euro on financial instruments at the end of the reporting period.

Particulars	Foreign Currency Exposure		
	As at 31-03-2018 Euro	As at 31-03-2017 Euro	As at 01-04-2016 Euro
<b>Trade and Other Payables</b> - Deferred Payment Liabilities	4,00,000	4,00,000	7,70,000
<b>Trade &amp; Other Receivables</b> - Trade Receivables	5,181	-	-

**Foreign Currency Sensitivity Analysis**

The Company is mainly exposed to the currency : EURO

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

**Impact of profit or loss and Equity**

Particulars	Euro Impact		
	31-03-2018	31-03-2017	01-04-2016
Increase in Exchange Rate by 5%	(16,57,190)	(14,08,000)	(29,18,300)
Decrease in Exchange Rate by 5%	16,57,190	14,08,000	29,18,300

**Equity Risk**

There is no material equity risk relating to the Company's equity investments which are detailed in note 5.03 "Investments". The Company's equity investments majorly comprises of strategic investments rather than trading purpose.

**Interest Risk**

There is no material interest risk relating to the Company's financial liabilities which are detailed in Note 5.16, 5.21 and 5.23

**Credit Risk**

Credit Risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit Risk arises from Company's activities in investments and other receivables from customers. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company has set a policy of receiving 80 percent of the sale proceeds as an advance after the orders get finalized and remaining 20 percent at the time of dispatch and commissioning.

**Liquidity Risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in Note No. 5.16

**Liquidity Risk Table**

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Less Than 1 year	1 -5 years	Total	Carrying Amount
<b>As at 31-03-2018</b>	₹	₹	₹	₹
i) Borrowings	12,03,99,533	44,59,946	12,48,59,479	12,48,59,479
ii) Other Financial Liabilities	25,22,295	1,56,040	26,78,335	26,78,335
	<b>12,29,21,828</b>	<b>13,21,53,800</b>	<b>12,75,37,814</b>	<b>12,75,37,814</b>
<b>As at 31-03-2017</b>				
i) Borrowings	12,91,43,439	49,28,586	13,40,72,025	13,40,72,025
ii) Other Financial Liabilities	45,04,031	1,56,040	46,60,071	46,60,071
	<b>13,36,47,470</b>	<b>50,84,626</b>	<b>13,87,32,096</b>	<b>13,87,32,096</b>
<b>As at 01-04-2016</b>				
i) Borrowings	14,48,30,113	49,78,903	14,98,09,016	14,98,09,016
ii) Other Financial Liabilities	67,19,921	25,000	67,44,921	67,44,921
	<b>15,15,50,034</b>	<b>50,03,903</b>	<b>15,65,53,937</b>	<b>15,65,53,937</b>

**Capital Management**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note 5.16, 5.21 and 5.23 off set by cash and bank balances) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

**Gearing Ratio**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Debt	23,13,04,993	23,20,55,872	26,29,51,488
Cash and Bank Balances	(2,26,05,891)	(1,57,35,950)	(1,29,74,754)
<b>Net Debt</b>	<b>20,86,99,102</b>	<b>21,63,19,922</b>	<b>24,99,76,734</b>
Total Equity	32,69,56,531	31,67,36,379	29,28,07,711
Net Debt to Total Equity	63.83%	68.30%	85.37%

Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings , as described in notes 5.16, 5.21 and 5.23.

## 5.42 Fair value measurements hierarchy

Particulars	As at 31-3-2018			As at 31-3-2017			As at 01-04-2016		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3		Level 1	Level 3
<b>Financial Assets</b>									
<b>At Amortised Cost</b>									
Trade Receivables	10,70,96,198	-	-	12,77,81,015	-	-	9,24,74,194	-	-
Cash and Bank Balance	2,26,05,891	-	-	1,57,35,950	-	-	1,29,74,754	-	-
Loans	12,11,700	-	-	9,74,590	-	-	9,44,590	-	-
Other Financial Assets	62,44,105	-	-	1,38,73,355	-	-	91,88,581	-	-
<b>At FVTOCI</b>									
Investments	22,61,473	16,46,469	6,15,004	20,54,411	14,39,407	6,15,004	16,11,279	11,26,167	4,85,112
<b>Financial Liabilities</b>									
<b>At Amortised Cost</b>									
Borrowings	18,64,73,893	-	-	19,50,52,005	-	-	22,96,81,158	-	-
Trade Payables	11,23,85,312	-	-	10,75,09,765	-	-	9,59,79,010	-	-
Other Financial Liabilities	4,82,97,763	-	-	4,47,96,659	-	-	3,85,71,710	-	-

There are no transfers between levels 1 and 2 during the year.

Level 1: Quoted Prices in active markets for identical assets;

Level 3: Inputs other than observable market data, are used for deriving fair value.

## 5.44 Revenue from Major Customers

Revenue from one customer of the company's Retailing equipment business is INR 10,28,82,661 (including excise duty and GST) which is more than 10% of the company's total revenue.

## 5.45 Enterprises consolidated as subsidiary in accordance with Indian Accounting Standards 110- Consolidated Financial Statements

Name of the enterprise	Proportion of Ownership Interest
Bemco Fluidtechnik LLP	100%

## 5.46 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of hydraulic press machine and related equipments which primarily includes Hydraulic Presses, Equipments and Portable re-railing equipments and the activities incidental thereto within India, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made locally and hence, no separate geographical segment is identified.

## 5.47 Additional information pursuant to para 2 of general instructions for preparation of consolidated financial statements.

Name of the Entity	Net Assets		Share in Profit & Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	as % of consolidated net assets	Amount (₹)	as % of consolidated profit & loss	Amount (₹)	% of consolidated total comprehensive income	Amount (₹)	% of consolidated total comprehensive income	Amount (₹)
<b>Parent</b>								
- Bemco Hydraulics Limited	103.28%	33,76,75,706	127.69%	1,05,17,291	100%	13,90,943	123.69%	1,19,08,234
<b>Subsidiary</b>								
- Bemco Fluidtechnik LLP	-3.28%	(1,07,19,174)	-27.69%	(22,80,669)	-	-	-23.69%	(22,80,669)
Non Controlling Interests	0.00%	-	0.00%	-	-	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>32,69,56,532</b>	<b>100.00%</b>	<b>82,36,622</b>	<b>100.00%</b>	<b>13,90,943</b>	<b>100.00%</b>	<b>96,27,565</b>

## As Per our Report of Even Date attached

For **S JAYKISHAN**  
Chartered Accountants  
Firm Regn. No.:309005E

Place : Camp Belgaum  
Date: 22-05-2018

**Vivek Newatia**  
Partner  
Membership No.:062636

**R B Patil**  
CFO  
PAN: AANPP9374M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**M M Mohta**  
Chairman  
DIN: 0068884

**Anirudh Mohta**  
Managing Director  
DIN: 00065302

For and on behalf of the Board of Directors

[illegible]

**BEMCO HYDRAULICS LIMITED**

(CIN: L51101KA1957PLC001283)

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

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

Phone No: 0831-2441980, Fax No.0831-2441263

**ATTENDANCE SLIP - 60<sup>TH</sup> ANNUAL GENERAL MEETING**

(To be handed over at the entrance of the Meeting Hall)

I / We hereby record my/our presence at the 60th Annual General Meeting of the Company to be held at Udyambag, Industrial Estate, Khanapur Road, Belgaum - 590 008 (Karnataka) On Wednesday 29th August, 2018 At 3.30 p.m

Number of Shares:

Name of the Shareholder  
(in Block Letters)Regd. Folio No.  
(Physical)/ I.D.No.(Demat)Name of the Proxy  
(in Block Letters)Signature of the Shareholder(s)/  
or Proxy present

180

**ELECTRONIC VOTING PARTICULARS**

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN
180716020		

Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only Shareholder(s) or / their proxy with this attendance slip will be allowed entry to the meeting. Duplicate slips will not be issued at the entrance.

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**60TH ANNUAL GENERAL MEETING****PROXY FORM (Form No. MGT-11)**

(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:

Email ID :

Folio. No./ Client ID and DP ID:

1.Name \_\_\_\_\_

2.Name \_\_\_\_\_

3.Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

E mail Id \_\_\_\_\_

E mail Id \_\_\_\_\_

E mail Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him/her

Signature \_\_\_\_\_ or failing him/her

Signature \_\_\_\_\_ or failing him/her

Regd. Folio No (Physical) / I. D. No (Demat) \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/We \_\_\_\_\_ residing at \_\_\_\_\_ being a shareholder(s) of **BEMCO HYDRUALICS LIMITED**

hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him /her \_\_\_\_\_ of \_\_\_\_\_ as my /our Proxy to attend and vote for me/us on my/our behalf at the **60<sup>TH</sup> ANNUAL GENERAL MEETING** of the company to be held at Udyambag, Industrial Estate, Khanapur Road, Belgaum – 590 008 (Karnataka) on **Wednesday 29<sup>th</sup> August, 2018** at 3.30 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions	FOR	AGAINST
1	<b>AS ORDINARY BUSINESS</b> To consider and adopt the audited financial statement of the Company for the financial year ended March 31st, 2018, the reports of the Board of Directors and Auditors thereon.		
2	To consider and adopt the consolidated financial statement of the Company for the financial year ended March 31st, 2018, the reports of Auditors thereon.		
3	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 offers herself for re-election.		
5	<b>AS SPECIAL BUSINESS</b> To appoint a Director in place of Shri M. M. Mohta (DIN 00068884), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election and in this regard to consider and if thought fit, to pass, with or without modification's the following resolutions as special resolution.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

- Note:**
- The form should be signed across the stamp as per specimen signature registered with the Company.
  - The Proxy form duly completed must be deposited at the office of the Share Transfer Agents of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.
  - The proxy need not be a shareholder of the Company

*Affix  
Revenue  
Stamp*



## BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

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### 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 60th Annual General Meeting of the Members of the Company to be held on Wednesday 29th August, 2018 at 3.30 PM at Udyambag, Industrial Estate, Khanapur road, Belgaum - 590 008 (Karnataka) in respect of business as stated in the Notice dated 20th June, 2018 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.	<b>AS ORDINARY BUSINESS</b> To consider and adopt the audited financial statement of the Company for the financial year ended March 31st, 2018, the reports of the Board of Directors and Auditors thereon.	Ordinary		
2.	To consider and adopt the consolidated financial statement of the Company for the financial year ended March 31st, 2018, the reports of Auditors thereon.	Ordinary		
3.	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 offers herself for re-election..	Ordinary		
5.	<b>AS SPECIAL BUSINESS</b> To appoint a Director in place of Shri M. M. Mohta (DIN 00068884), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election and in this regard to consider and if thought fit, to pass, with or without modification's the following resolutions as special resolution.	Special		

Date: .....

Place: .....

.....  
Signature of the Member





PRINTED MATTER  
60th ANNUAL REPORT 2017-2018  
If undelivered, please return to :

## **BEMCO HYDRAULICS LIMITED**

(CIN : L51101KA1957PLC001283)

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