



BEMCO HYDRAULICS LIMITED



59

ANNUAL REPORT
& ACCOUNTS
2016-2017

BEMCO

BEMCO HYDRAULICS LIMITED

*** SHRI ***

DIRECTORS:

M. M. MOHTA	- CHAIRMAN – NON EXECUTIVE
ANIRUDH MOHTA	- MANAGING DIRECTOR - EXECUTIVE
URMILA DEVI MOHTA	- DIRECTOR – NON EXECUTIVE
R. M. SHAH	- DIRECTOR – INDEPENDENT NON- EXECUTIVE
N. K. DAGA	- DIRECTOR – INDEPENDENT NON- EXECUTIVE
DILIP CHANDAK	- DIRECTOR – INDEPENDENT NON- EXECUTIVE

CHIEF FINANCIAL OFFICER:

R.B. PATIL
Email: cfo@bemcohydraulics.net

COMPANY SECRETARY

Ms. AMRUTA A. TARALE (ACS 42288)
Email: cs@bemcohydraulics.net

AUDITOR

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

COST AUDITOR

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

INTERNAL AUDITOR

PRABHAKAR K. LATKAN
Chartered Accountants
1083, Anantshayan Galli,
BELGAUM - 590 002, Karnataka INDIA

TAX AUDITOR

ULHAS KINI & Co-Chartered Accountants
97, PUSHPANJALI, First floor,
Mangalwar Peth, Tilakwadi,
BELAGAVI - 590 004, Karnataka INDIA

SECRETARIAL AUDITOR

SDR AND ASSOCIATES

Office Address Ground Floor,
Anandi Residency 150, Budhwar Peth, Tilakwadi,
BELAGAVI - 590006, Karnataka INDIA

BANKERS

Bank of Maharashtra,
City Branch, Kirloskar Road,
BELAGAVI - 590 006,
Karnataka INDIA
(CONSORTIUM LEADER)

State Bank Of India,
SME Branch, Congress Road,
Tilakwadi, BELAGAVI - 590 006,
Karnataka INDIA
(CONSORTIUM MEMBER BANK)



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

Registered Office : Udyambag, Industrial Estate, BELAGAVI - 590 008, Karnataka INDIA

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

Phone No.: +91-831-2441980, Fax No.+91-831-2441263

CONTENTS

ANNUAL REPORT: 2016-2017

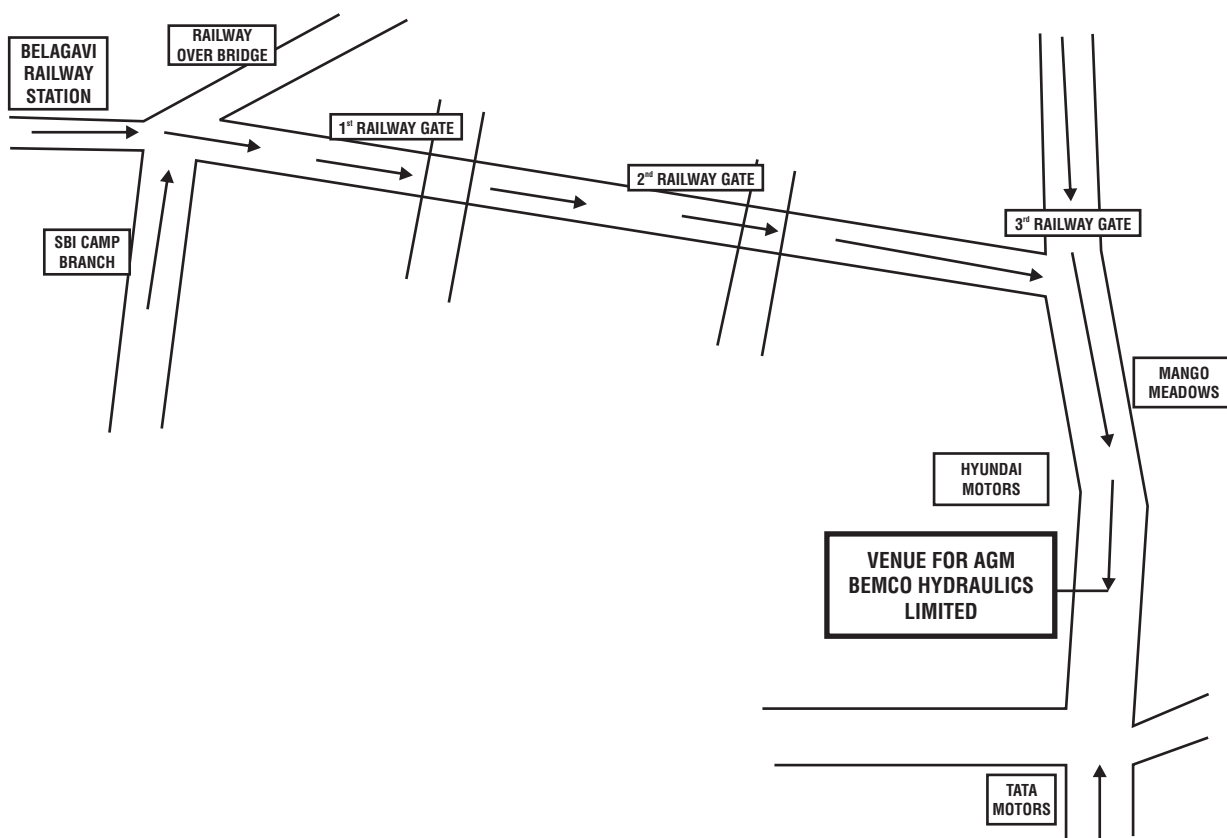
PARTICULARS	PAGE NO.
Notice of the Annual General Meeting.	3
Directors' Report along with supporting Annexure related thereto.	7
Secretarial Audit Report	24
Independent Auditor's Report along with Annexure related thereto.	26
Balance Sheet as on 31st March, 2017.	30
Statement of Profit & Loss Account for the year ended 31st March, 2017.	31
Cash Flow Statement for the year ended 31st March, 2017.	32
Auditors Report on Consolidated Financial Statement as on 31st March, 2017.	52
Consolidated Balance Sheet as on 31st March, 2017	54
Consolidated Statement of Profit and Loss as on 31st March, 2017.	55
Consolidated Cash Flow Statement as on 31st March, 2017.	56
Attendance Slip.	
Proxy Form (Form MGT-11).	

Annual General Meeting

Venue : Registered Office, Udyambag,
Industries Estate, Belgaum - 590 008
Date : 28th September, 2017
Time : 3.30 pm

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 **Website:** www.bemcohydraulics.net**Phone No.:** 0831-2441980, Fax No.0831-2441263**NOTICE****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FIFTY NINTH 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 THURSDAY THE 28th SEPTEMBER, 2017 AT 3.30 P M TO TRANSACT THE FOLLOWING BUSINESSES:

AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statement including consolidated financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.
2. 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.
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.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s S. JAYKISHAN, Kolkota a firm of Chartered Accountants (Firm Registration No. 309005E) be and are hereby appointed as Statutory Auditors of the Company in place of M/s A C Bhuteria and Co, Chartered Accountants (Registration No. 303105E), the retiring auditors whose tenure expires at the conclusion of annual general meeting, who shall hold office for a period of five years, from the conclusion of this annual general meeting until the conclusion of the sixty fourth annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on a remuneration as may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.'

AS SPECIAL BUSINESS

5. To consider and to approve the ratifications in remuneration of Managing Director and if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution

RESOLVED THAT pursuant to the provisions of Article of Association of the Company read with Section 196 of the Companies Act, 2013 and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed, remuneration of Mr. ANIRUDH MOHTA, (DIN:00065302) Managing Director be and is hereby revised on the terms and conditions hereinafter mentioned with effect from 1st April, 2017 for the remaining period of his office.

Salary of Rs. 4,50,000/- per month with other perquisites as per the policy of the company.

Benefits over annual CTC: Long Term Incentive, Accident Insurance Coverage, Medical Insurance Coverage, Life time Insurance Coverage and Gratuity : as per company policy.

RESOLVED FURTHER THAT all other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, contribution to Provident Fund, Superannuation fund or annuity fund/Gratuity in terms of applicable provisions of the relevant statutes.

RESOLVED FURTHER THAT pursuant to provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr. Anirudh Mohta, Managing Director is hereby confirmed as the same is well within the prescribed limit mentioned in the said section read with schedule V.

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

Place: Belgaum
Date : 18-08-2017

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

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 Tuesday 19th September, 2017 to Thursday 28th September, 2017 (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 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 59th 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 Monday 25th September, 2017 at (10.00 am) and ends on Wednesday 27th September 2017 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 Thursday 21st September, 2017 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
- 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 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"> 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. 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.
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"> 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)

- 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 [www. https://www.evotingindia.com](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.
 - 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 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 under help section or write an email to 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 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.

M-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.

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 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

ANNEXURE TO THE NOTICE
BRIEF RESUME OF AUDITOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT.
ITEM NO:4

As regards appointment of statutory auditors referred to in Item No. 4 of the Notice, the following disclosures are made for the information of the shareholders:

The current auditors, viz M/s A C Bhuteria and Co, Chartered Accountants (Registration No. 303105E), were last re-appointed by the members at 58th annual general meeting held on 09th September, 2017 to hold the office of auditor from the conclusion of the Fifty eighth annual general meeting till the conclusion of this fifty ninth annual general meeting.

As per the provisions of section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1 April 2014. Hence, on their completing the transition period of three years provided under the Act, the term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 18th August, 2017, based on the recommendation of the Audit Committee has recommended the appointment of M/s S. Jaykishan, Kolkotta a firm of Chartered Accountants (Firm Registration No.309005E), as the statutory auditors of the Company for approval by the members. M/s S. Jaykishan, a firm of Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditors, in terms of section 143 of the Act.

M/s S. Jaykishan, a firm of Chartered Accountants (Firm Registration No. 309005E) will be appointed as the statutory auditors of the Company from the conclusion of this annual general meeting till the conclusion of the sixty fourth annual general meeting, subject to ratification of their appointment by the members at every intervening annual general meeting on a remuneration, out-of-pocket expenses etc., incurred in connection with the Audit as may be decided by the Board in consultation with the auditors from year to year.

Brief profile of the Auditors is as under:

M/s S. Jaykishan, (Firm Registration No. 309005E) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The audit firm was established in the year 1976 and is a partnership firm incorporated in India. It has registered office at 12 Ho Chi Minh Sarani, Suit No. 2D, 2E & 2F, Kolkata-700071 and has 3 branch offices in various cities in India. It holds valid Peer Review certificate. It is primarily engaged in providing audit and assurance services to its clients.

None of the directors or key managerial personnel or their relatives are concerned or interested in the said resolution.

The Board commends the resolution for approval.

AN EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013
Item No. 5: Revised in remuneration of Managing Director:

The company has completed the annual performance appraisal of all the employees of the company including senior management. In view of this there is a revision in the salary of all the employees for the FY 2016-17. Hence the Board of Directors is requesting your approval for the revise in the remuneration of Managing Director.

None of the Directors are interested or concerned in this resolution.

Place : Belgaum

Date : 18-08-2017

By Order of the Board of Directors

For **BEMCO HYDRAULICS LIMITED**

Registered Office:

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

AMRUTAA. TARALE

Company Secretary
ACS- 42288

Address: 684, "SAVALI", Saraswati Nagar,
 Ganeshpur Road, BELGAUM- 591 108 (Karnataka)

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 Management, he was managing director upto 31.03.2014.	Vast Management experience and a Woman Director.
Qualifications	B.com	Matriculate
List of Public/ Private Companies in which outside Directorship held as on 31 st March 2017.	<ul style="list-style-type: none"> - Mohta Capital Pvt Ltd - Sri Ramachandra Enterprises Pvt Ltd - U.D.Finnvest Pvt Ltd - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd 	<ul style="list-style-type: none"> - Mohta Capital Pvt Ltd - Sri Ramachandra Enterprises Pvt Ltd - U.D.Finnvest Pvt Ltd - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd - Bemco Fluidtechnik Pvt Ltd
Chairman/member of the Committees of the Public Companies on which he is a Director as on 31 st March 2017.	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, Industries Estate, BELGAUM – 590 008

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

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

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting their 59th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017 incorporating therein the consolidated financial statement covering the activities of its subsidiary BEMCO FLUIDTECHNIK LLP incorporated on 27th February, 2017 (formerly known as BEMCO FLUIDTECHNIK PRIVATE LIMITED which was incorporated on 13th February, 2015).

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]

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Gross Income	4,198.83	2,184.34	4,253.24	2,168.38
Profit Before Interest and Depreciation	804.87	83.69	772.20	58.33
Finance Charges	268.99	266.37	283.11	268.32
Gross Profit	535.88	(182.68)	489.09	(209.99)
Provision for Depreciation	122.16	124.55	126.18	125.55
Net Profit Before Tax	413.72	(307.23)	362.91	(335.54)
Provision for Tax	(0.06)	(0.60)	(0.06)	(0.60)
Net Profit After Tax	413.78	(307.83)	362.97	(336.14)
Balance of Profit brought forward	(768.83)	(461.00)	(796.79)	(461.00)
Balance available for appropriation	(355.05)	(768.83)	(433.82)	(797.14)
Share of minority Interest	-	-	-	(0.35)
deficit carried to Balance Sheet	(355.05)	(768.83)	(433.82)	(796.79)

Standalone

As against targeted turnover of Rs. 4162.20 Lakhs the company has achieved turn over of Rs. 4198.83 Lakhs as against Rs. 2182.98 Lakhs for the previous year. The profit for the year works out to Rs. 413.66 Lakhs as against the loss incurred of Rs. 307.83 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.4253.21/- Lakhs as against Rs. 2167.02 for the previous year. The consolidated profit for the year is of Rs. 362.97/- Lakhs as against the loss incurred of Rs. 336.14/- for the previous year, the deficit carried forward to Balance sheet is Rs.433.82/- Lakhs.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Subsequent to the date of Financial Statements (i.e. after 31st March 2017) 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. Nonetheless, the Board desires to report that the subsidiary company BEMCO FLUIDTECH PRIVATE LIMITED was converted in to Limited Liability Partnership in terms of the Limited Liability Partnership Act 2008.

4. SHARE CAPITAL

There is no change in the capital structure of the company. During the year the promoters have pledged 30% of their equity shares to Bank of Maharashtra in the form of corporate guarantee.

5. DIVIDEND:

Equity Shares:

As the company's profit amounts to Rs.413.66/- lakhs the board decided to retain the profit in business and therefore no dividend is proposed for the financial year 2016-17.

Preference Shares:

Since the profit is retained for expansion of business, the Company is unable to pay dividend for the year including arrears thereof for the year ended on 31st March, 2017 as under:

F. Y. ended on	No. of Preference Shares	Amount of Dividend in Rs.
31 st March 2015	3,20,000	87,11,484/-
31 st March 2016	3,20,000	1,29,48,072/-
31 st March 2017	3,20,000	1,71,84,660/-

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

- MOHTA CAPITAL PRIVATE LIMITED
- U D FINNVEST PRIVATE LIMITED
- 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. 2014-15, 2015-16 and also for F Y 2016-17, 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 Finance Officer |
| 3. MS. AMRUTAA. TARALE | – Company Secretary |

7. COMPOSITION OF COMMITTEES:
a. AUDIT COMMITTEE

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

b. NOMINATION AND REMUNERATION COMMITTEE

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

d. COMMITTEE FOR PREVENTION OF SEXUAL HARRSSMENT OF WOMAN AT WORKPLACE

- | | |
|----------------|---|
| Chairman: | Ms Kirti Ramchandra Devale – Company Employee |
| Other Members: | Mrs. Madhuri Kulkarni- Company Employee
Ms. Jyoti Killekar- 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	14
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	14
d. A statement on declaration given by independent directors under sub - section (6) of section 149.	ANNEXURE- III	15
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	15
f. Qualification and remarks	ANNEXURE- IV	16
g. Particulars of loan, guarantees or investment under section 186.	ANNEXURE- IV	16
h. Particulars of Subsidiary Company AOC -1	ANNEXURE- V	17
i. Particulars of contracts or arrangement with related parties referred to in Sub-section 1 of section 188- AOC-2	ANNEXURE- VI	18
j. The conservation of energy technology absorption, foreign exchange earnings and outgo.	ANNEXURE- VII	19
k. A statement indicating development and impleme ntation 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	20
l. The details of the policy developed and implemented by the company on corporate social responsibilities taken during the year.	ANNEXURE- VIII	20
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	20
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	21

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

The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 requires every employer to comply with its provision and make a disclosure of the number of cases occurring under the Act. Accordingly this report.

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

10. STATUTORY AUDITOR

Under Section 139 of the Companies Act, 2013 and the Rules made there under, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. The audit committee of the Company has proposed, and on August 18, 2017, the Board of Directors of the Company

has recommended the appointment of S Jaykishan, a partnership firm of Chartered Accountants (Firm Registration number 309005E) as the statutory auditors of the Company. S Jaykishan will hold office for a period of five consecutive years from the conclusion of the 59th Annual General Meeting of the Company scheduled to be held on September 28, 2017, till the conclusion of the 64th Annual General Meeting to be held in the year 2022, subject to the approval of the shareholders of the Company.

The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year. To align with the above, the Board of Directors of the Company also approved the appointment of S Jaykishan, a partnership firm of Chartered Accountants as statutory auditors of the Company. This appointment is effective for the year ending March 31, 2018.

11. AUDIT REPORTS

The audit conducted by M/s A. C. Bhuteria & Company, Chartered Accountants, (Firm Registration No. 303105E) for financial year 2016-17 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:

M/s SDR & ASSOCIATES, a Firm of Practicing Company Secretaries was appointed to conduct secretarial audit of the company for the financial year 2016-17 as required under section 204 of Companies Act 2013. The report of Secretarial audit is enclosed to this Report.

13. INTERNAL AUDIT:

CA Prabhakar Latkan (Chartered Accountant) was appointed to conduct internal audit of the company for the financial year 2016-17 as required under section 138 read with rule 13 of companies (Accounts) Rules, 2014. The internal audit report is given quarterly by the internal auditor to the Board of Directors.

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 as auditor of the company for the financial year 2016-17. However the Cost Audit is not Applicable to our Company, but the company is maintaining Cost 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. 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 the said regulation 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.

16. 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, the CFO 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

17. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

18. 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

19. LISTING WITH STOCK EXCHANGE:

The Company has paid the Annual Listing Fees for the year 2017-18 to Bombay Stock Exchange where the Company's Shares are listed.

Place : Belgaum
 Date : 18-08-2017

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 31.03.2017

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

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

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	45%
2	Hydraulic Equipments	8425	45%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	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)

VI. 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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(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%
f-ii) Directors	3,79,111	-	3,79,111	17.34%	3,79,111	-	3,79,111	17.34%	0.00%
Sub Total (A) (1)	16,33,270	-	16,33,270	74.69%	16,33,270	-	16,33,270	74.69%	0.00%
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	16,33,270	-	16,33,270	74.69%	16,33,270	-	16,33,270	74.69%	0.00%
B. Public Shareholding	-	-	-	-	-	-	-	-	-
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) FILS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	93		93	0.01%	93		93	0.01%	0.00%
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	1,87,041	1,500	1,88,541	8.62%	1,72,494	1,500	1,73,994	8.00%	-0.62%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	77,916	1,95,250	2,73,166	12.48%	82,659	1,93,550	2,76,209	12.63%	0.15%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	85,550	-	85,550	3.91%	97,000	-	97,000	4.44%	0.53%
c) Others (specify)									
Non Resident Indians	400	-	400	0.01%	405	-	405	0.01%	0.00%
Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	49	-	49	-	-
Trusts	-	-	-	-	-	-	-	-	-
Directors	-	5,680	5,680	0.26%	5,680	-	5,680	0.26%	0.00%
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3,50,907	85,096	5,53,337	25.30%	3,58,287	1,95,050	5,53,337	25.30%	0.00%
Total Public (B)	4,68,334	85,096	5,53,430	25.31%	3,58,380	1,95,050	5,53,430	25.31%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)			21,86,700	100.00%			21,86,700	100.00%	0.00%

ii) Shareholding of Promoter

SN	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%	-	6,65,606	30.44%	-	0.00%
6	SRI RAMCHANDRA ENTERPRISES (P) LTD	3,34,697	15.31%	-	3,34,697	15.31%	-	0.00%
7	U D FINNVEST PVT LTD	2,18,400	9.99%	-	2,18,400	9.99%	-	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)

SN	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 GD Rs and AD Rs):

SN	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
1	Sungroce Finvest Pvt Ltd	1,84,000	8.41%	12.08.2016	(10,000)	SELL	1,74,000	7.96%
				26.08.2016	-35	SELL	1,73,965	7.96
				03.09.2016	(4,210)	SELL	1,69,755	7.76%
		1,69,775	7.76%					
2	Hitesh Ramji Javeri	43,150	1.97%	12.08.2016	2850	BUY	46,000	2.10%
				19.08.2016	94	BUY	46,094	2.11
				26.08.2016	806	BUY	46,900	2.14
				03.09.2016	2100	BUY	49,000	2.24%
3	Harsha Ramji Javeri	49000	2.24					
		42,400	1.93%	12.08.2016	3594	BUY	45,994	2.10%
				19.08.2016	6	BUY	46000	2.10
				03.09.2016	2000	BUY	48,000	2.20
		48000	2.20					

4	Ramesh Shah	5,680	0.26%		0	NIL movement during the year	5,680	0.26%
		5,680	0.26					
5	Ami Hitesh Javeri	2,000	0.09%	27.05.2016	200	BUY	2,200	0.10%
				28.05.2016	550	BUY	2,750	0.13
				22.07.2016		BUY	3,525	0.16
					775			
				12.08.2016	1,475	BUY	5,000	0.23
				19.08.2016	100	BUY	5,100	0.23%
		5,100	0.23					
6	Mitali Hitesh Javari	2,774	0.12%	12.08.2016	2325	BUY	5,099	0.23%
		5,099	0.23					
7	G C Jha	3,466	0.16%			NIL movement during the year	3,466	0.16
		3,466	0.16%					
8	Basant Kumar Mohota	2,500	0.11%		0	NIL movement during the year	2,500	0.11%
		2,500	0.11					
9	Deepa Hitesh Shah	2,455	0.00%	29.07.2016	1	BUY	2,456	0.11%
				12.08.2016	3	BUY	2,459	0.11
				19.08.2016	2	BUY	2,461	0.11
				26.08.2016	1	BUY	2,462	0.11
				23.09.2016	1	BUY	2,463	0.11
				30.09.2016	1	BUY	2,464	0.11
				28.10.2016	2	BUY	2,466	0.11
				01.11.2016	3	BUY	2,469	0.11%
		2469	0.11					
10	Piyush rajnikant Shah	2,205	0.00%	17.02.2017	1	BUY	2,206	0.10%
		2201	0.1	03.03.2017	(5)	SELL	2,201	0.10

* 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:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		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 at the end of the year	% of total Shares of the Company
1	Madan Mohan Mohta	18,728	0.86	18,728	0.86
		18,728	0.86	-	-
2	Anirudh Mohta	1,03,260	4.72	1,03,260	4.72
		1,03,260	4.72		
3	Urmila Devi Mohta	2,08,668	9.54	2,08,668	9.54
		2,08,668	9.54		
4	R M Shah	5,680	0.26	5,680	0.26
		5,680	0.26	-	-
5	Dilip Chandak	-	-	-	0.00
6	N K Daga	-	-	-	0.00
7	R.B.Patil	35	0.00	35	0.00
		35	0.00	-	-
8	Amruta Ashok Tarale	-	-	-	0.00

V. INDEBTEDNESS

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

					(Amt. ₹)
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	9,81,87,813	9,49,21,285			19,31,09,098
ii) Interest due but not paid	-	-			-
iii) Interest accrued but not due	-	-			-
Total (i+ii+iii)	9,81,87,813	9,49,21,285	-		19,31,09,098
Change in Indebtedness during the financial year					
* Addition					-
* Reduction	1,52,97,032	3,30,39,320			
Net Change	1,52,97,032	3,30,39,320	-		4,83,36,352
Indebtedness at the end of the financial year					
i) Principal Amount	8,28,90,781	6,18,81,965			14,47,72,746
ii) Interest due but not paid	-	-			-
iii) Interest accrued but not due	-	-			-
Total (i+ii+iii)	8,28,90,781.00	6,18,81,965	-		14,47,72,746

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Anirudh Mohta	(₹)
		Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		27,00,000/-
	(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		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify - Retirement Benefits		-
	Total (A)		27,00,000/-
	Ceiling as per the Act		84,00,000/-

B. Remuneration to other Directors

SN.	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	-	-	4,000	5,000	4,000	13,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	4,000	5,000	4,000	13,000
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	5,000	5,000	-	-	-	10,000
	Commission *	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	5,000	5,000	-	-	-	10,000
	Total (B)=(1+2)	5,000	5,000	4,000	5,000	4,000	23,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	N.A.

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	
		Rajagonda B Patil	Amruta Ashok Tarale
		CFO	CS
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,90,400.00	2,88,900.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	92,000.00	46,000.00
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	6,82,400.00	3,34,900.00

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					

 Place : Belgaum
 Date : 18-08-2017

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, 5(Five) Board Meetings were held & the details of Board Meetings are given below:

Sr.No	Date of Meeting	Board Strength	No. of Directors Present
1	17/05/2016	6	4
2	19/07/2016	6	6
3	12/08/2016	6	6
4	11/11/2016	6	6
5	14/02/2017	6	6

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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
- f) 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

Place : Belgaum
Date : 18-08-2017

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 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.

- i). Qualification, expertise and experience of the Directors in their respective fields
- ii). Personal, Professional or business standing
- iii). 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 A&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 A & 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 1.95.				
(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;	Name	Designation	2016-17	2015-16	Incr. %
	Anirudh Mohta	MD	27,00,000/-	24,58,406/-	9.83%
	R B Patil	CFO	6,86,209/-	6,38,256/-	7.51%
(iii) the percentage increase in the median remuneration of employees in the financial year;	Amruta Tarale	CS	3,34,900/-	3,34,900/-	-
			2015-16	2016-17	Incr. %
			1,13,352	1,18,611	9.12%
(iv) the number of permanent employees on the rolls of company;	251				
(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;	<ol style="list-style-type: none"> 1. Average Percentile Increase already made in the salaries of employees other than managerial in the last Financial year = 8.22% 2. percentile increase in the managerial remuneration = 17.34% 				
(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:

(i) designation of the employee;	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.
(ii) remuneration received;	
(iii) nature of employment, whether contractual or otherwise;	
(iv) qualifications and experience of the employee;	
(v) date of commencement of employment;	
(vi) the age of such employee;	
(vii) the last employment held by such employee before joining the company;	
(viii) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	
(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	
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;	
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;	
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.	

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: NIL

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 (accept 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 13th February 2015 was converted as BEMCO FLUIDTECHNIK LLP, a Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 on 27th February, 2017.

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

1. BEMCO HYDRAULICS LIMITED represented by MR. ANIRUDH MOHTA
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

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. 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.

Place : Belgaum
Date : 18-08-2017

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 directors 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 PRIVATE LIMITED 01/04/2016 – 26/02/2017	BEMCO FLUIDTECHNIK LLP (Formerly known as BEMCO FLUIDTECHNIK PRIVATE LIMITED) 27/02/2017 to 31/03/2017
2.	Reporting Period:	2016-17	2016-17
3.	Reporting currency and exchange rate in case of foreign subsidiaries:	NA	NA
4.	Share capital/Partners Contribution: reserves and surplus:	Rs. 1,00,000/- Rs. (85,76,718)/-	Rs. 1,00,000/- Rs. (79,11,964)/-
5.	Total Assets:	Rs. 1,41,19,054/-	Rs. 1,74,27,799/-
6.	Total Liabilities:	Rs. 2,52,95,772/-	Rs. 2,52,39,763/-
7.	Investment:	-	-
8.	Turnover:	Rs. 62,34,193/-	Rs. 24,61,235/-
9.	Profit before taxation:	Rs. (57,84,332)/-	Rs. 6,64,754/-
10.	Provision for taxation:	-	-
11.	Profit after taxation:	Rs. (57,84,332)/-	Rs. 6,64,754/-
12.	Proposed dividend:	-	-
13.	% of share holding	65%	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			

Place : Belgaum
Date : 18-08-2017
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 directors 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)

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

(a)	Name(s) of the related party and nature of relationship	BEMCO FLUIDTECHNIK LLP BEMCO PREMISES KHANAPUR RD. UDYAMBAG BELGAUM - 590008. Son Mr. Anirudh Mohta and Mother Mrs. Urmila Devi Mohta are directors of the Company.
(b)	Nature of contracts/arrangements/transactions	Sale of CNC lathe machinery
(c)	Duration of the contracts/arrangements/transactions	FY 2016-17
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of machinery at a price of Rs. 12,78,028/- excluding VAT and excise.
(e)	Justification for entering into such contracts or arrangements or transactions	Change in design of certain components, the lathe machine was not used by the company and was sold to BEMCO FLUIDTECHNIK LLP as was required by them
(f)	date(s) of approval by the Board	Board of directors approval was taken by passing a resolution on 19 th July, 2016.
(g)	Amount paid as advances, if any	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	As per the provisions of section 188 There is no need to take approval of members in general meeting by passing special resolution, As the sale transaction does not exceed 10% of the turnover of the company.

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

(a)	Name(s) of the related party and nature of	BEMCO FLUIDTECHNIK LLP BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM - 590008. Son Mr. Anirudh Mohta and Mother Mrs. Urmila Devi Mohta are directors of the Company.	L & G STEEL AND COMMODITIES (P) LTD - PLOT NO.3, DEFENCE COLONY, R. C. NAGAR, 2ND STAGE, BELGAUM-590008 Daughter & Grandson of Mr. M. M. Mohta & Mr. Urmila Devi Mohta are Director of this Company	SREE RAM STEELS BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM - 590008. Grandson of Mr. M. M. Mohta & Mr. Urmila Devi Mohta are Director of this Company
(b)	Nature of contracts/arrangements/transactions	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 F Y 2016-17	For F Y 2016-17	For F Y 2016-17
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1) Purchase of goods worth Rs. 30,76,587/- 2) Sale of Materials Rs. 2,10,410/- 3) Lease rent Rs. 1,20,000/-	1) Purchase of goods worth Rs. 1,83,21,835/- 2) Sale of Scrap worth Rs. 1,10,704/- 3) Lease rent Rs. 5,24,160/-	1) Purchase of goods worth Rs. 56,08,839 /- 2) Lease rent Rs. 17,250/-
(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 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

Place : Belgaum
Date : 18-08-2017

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

	2016-17 Rs.	2015-2016 Rs.
i). C.I.F. Value of Imports: Raw Materials And Components	30,68,104	1,19,41,045
ii). Expenditure in Foreign Currency:(paid/payable)		
Traveling	5,21,664	2,71,171
Technical Know How (Paid/Payable)	NIL	NIL
Technical Assistance	NIL	1,27,139
Exhibition Expenses	NIL	52,902
iii). Earnings in Foreign Exchange: FOB value of Exports	1,26,84,838	30,54,140

18. 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.

Place : Belgaum
Date : 18-08-2017

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-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.

Place : Belgaum
Date : 18-08-2017

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 & development:-

We are a Hydraulic engineering company & we bring out information in brief that is relevant to our current business interest and our strategy to grow in this segment. By & large, Indian hydraulic industry business is to the tune of about Rs. 1000 to 1200 Crore per annum with Indian component of 700 to 800 Cr & import of Rs. 300 to 400 crores.

Main mother Industry from whom we are mainly depended on are, heavy engineering works, Aeronautics, defense, Railways, Automobile, forging, Sheet metal & Disaster management equipment. Apart from these are many global companies expanding their manufacturing facilities. There is upward trend in the business year by year although not significant.

India is a growing country and every business house can grow in its own field provided if 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 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 assume we are better placed in this segment of industry & are well secured.

Opportunities & 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 banned 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 & 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 & has many workshops spread across length & 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 & reliable within industry.

Threats:

1. We are a Hydraulic Engineering Industry who design & develop custom built, application specific Hydraulic machines from concept level to commissioning. Our responsibility ends after putting the machine into production & 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 & arbitration, the decisions are delayed for unknown period of time & 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 & government levies. At times, when dispute is crop up, we end up paying interest and government levies & lose heavily.
7. We are better placed in selling large size machines because of our infrastructure & 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 & 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 & make it incomparable with other products technologically. There is a need for constant innovation, developments & 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 & therefore honored with repeat orders. We have experts of each & 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 & then sell the first machine. The first machine speaks by itself and sells many more.

Bemco is always dedicated to its work responsibilities & 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.

Out look

We are confident and looking forward to a bright future & growth. We have planned for larger investments on the infrastructure development & 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 & our investment begins only after securing the business & 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 & 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 & 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 & 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 2016-17 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 F.Y. 2017-18 AND F. Y. 2018-19

Estimates for the current and following F.Y. 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 10%.

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, Accumulators, Hydraulic Motors, Hydraulic Equipment, Electronic or Computerized control system, Hydraulic Aero Planes, Manifold Blocks and many such items and have Targeted for a turnover of Rs. 3.5 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:

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 u/s 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 2016-17, 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 31st March, 2017 was 251.

For and on behalf of the Board of Directors

Place : Belgaum
Date : 18-08-2017

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.

Place : Belgaum
Date : 18-08-2017

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

R. B. PATIL
CFO
PAN-AANPP9374M
Plot no.37, "NAMOKAR"
6th Cross, Adarsh Nagar,
Hindwadi, Belgaum 590 001.

SDR AND ASSOCIATES PRACTICING COMPANY SECRETARIES

OFFICE ADDRESS :
GROUND FLOOR, ANANDI RESIDENCY 150,
BUDHWAR PETH, TILAKWADI,
BELGAUM - 590006.

FORM MR 3 SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2017
[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 31st March 2017, 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 31st March 2017, 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

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 minutes 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 : 3rd August, 2017

Annexure – A to Secretarial Audit Report dated 03rd August, 2017

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 : 3rd August, 2017

A.C.BHUTERIA & CO.
CHARTERED ACCOUNTANTS
2, India Exchange Place 2nd Floor Room No: 10 Kolkata- 700 001
Phone: 2230 6990,
E-mail: m_bhuteria@yahoo.co.in
Website: www.acbhuteria.com
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of BEMCO HYDRAULICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 2.29 to the standalone financial statements which states that the Company has credited Exceptional Items in the Statement of Profit and Loss for the year by ₹ 2,82,42,100/- on account of write back of the amount of 'Deferred Payment Liabilities'.

Our Opinion is not modified in respect of this matter.

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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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"; and
 - 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 No. 2.45(c) 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.
 - d. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No. 2.48 to the standalone financial statements.

Place : Camp, Belgaum
 Date : 30-05-2017

For **A.C. Bhuteria & Co.**
Chartered Accountants
 Firm's Registration No. 303105E

Ashish Choudhary
Partner
 Membership No. 308886

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)
- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - 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.
 - According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues with the appropriate authorities except for the following undisputed statutory dues as on the last day of the financial year outstanding for a period of more than six months from the date it became payable:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of Payment
Central Sales Tax Act, 1956	Sales Tax	12,499/-	FY 2011-2012	20.06.2011	-
Central Sales Tax Act, 1956	Sales Tax	4,190/-	FY 2013-2014	20.02.2014	-

- 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. i.e. ₹ 1,04,816/- has been deposited.

- 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.
- 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.
- 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.
- According to the information & explanations given to us & 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 given 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 : 30-05-2017

For **A.C. Bhuteria & Co.**
Chartered Accountants
Firm's Registration No. 303105E

Ashish Choudhary
Partner
Membership No. 308886

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 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 : 30-05-2017

For **A.C. Bhuteria & Co.**
Chartered Accountants
Firm's Registration No. 303105E

Ashish Choudhary
Partner
Membership No. 308886

BALANCE SHEET AS ON 31ST MARCH 2017

	Note Ref.	31-Mar-17 Rs P	31-Mar-16 Rs P
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.01	5,39,33,500.00	5,39,33,500.00
(b) Reserves & Surplus	2.02	37,89,92,297.75	(87,26,668.98)
Total Equity (1)		43,29,25,797.75	4,52,06,831.02
(2) Non-Current Liabilities			
(a) Long Term Borrowings	2.03	1,55,10,189.00	4,81,82,916.92
(b) Other Long Term Liabilities	2.04	49,10,588.00	34,28,284.00
(c) Long Term Provisions	2.05	5,51,065.00	6,21,611.00
Total Non-Current Liabilities (2)		2,09,71,842.00	5,22,32,811.92
(3) Current Liabilities			
(a) Short Term Borrowings	2.06	12,92,62,557.34	14,49,26,181.08
(b) Trade Payables	2.07	-	-
- Micro & Small Enterprises		-	-
- Others		10,29,58,350.36	9,51,83,593.98
(c) Other Current Liabilities	2.08	10,63,36,168.20	8,95,39,763.36
(d) Short Term Provisions	2.09	43,96,926.00	37,39,432.00
Total Current Liabilities (3)		34,29,54,001.90	33,33,88,970.42
TOTAL EQUITY AND LIABILITIES (1+2+3)		79,68,51,641.65	43,08,28,613.36
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.10		
(i) Property, Plant & Equipment		42,12,35,092.00	6,97,52,416.00
(ii) Intangible Assets		52,79,782.00	1,23,41,966.00
		42,65,14,874.00	8,20,94,382.00
(b) Non-Current Investments	2.11	96,141.00	1,09,695.00
(c) Deferred Tax Assets (Net)	2.12	-	-
(d) Long Term Loans and Advances	2.13	32,37,658.00	11,94,363.00
(e) Other Non-Current Assets	2.14	1,32,47,731.00	88,01,202.00
Total Non-Current Assets (1)		44,30,96,404.00	9,21,99,642.00
(2) Current Assets			
(a) Inventories	2.15	19,22,81,212.00	22,22,68,601.00
(b) Trade Receivables	2.16	12,58,41,774.20	9,42,88,633.29
(c) Cash and Bank Balances			
(i) Cash and Cash Equivalents	2.17	31,74,480.19	17,01,407.11
(ii) Other Bank Balances	2.18	1,20,45,042.00	1,12,55,821.00
(d) Short Term Loans and Advances	2.19	2,02,75,937.26	90,18,674.96
(e) Other Current Assets	2.20	1,36,792.00	95,834.00
Total Current Assets (2)		35,37,55,237.65	33,86,28,971.36
TOTAL ASSETS (1+2)		79,68,51,641.65	43,08,28,613.36
Significant Accounting Policies	1		
Notes to Financial Statements	2		

As Per our Report of Even Date
For M/s A.C. BHUTERIA & CO.
Chartered Accountants
Firm Regn No.:303105E

for Bemco Hydraulics Limited

Ashish Choudhary
Partner
Membership No.:308886

Amruta Tarale
Company Secretary
ACS - 42288

R B Patil
CFO
PAN:AANPP9374M

Anirudh Mohta
Managing Director
DIN:00065302

MM Mohta
Chairman
DIN:0068884

Place: Camp Belgaum
Date: 30-05-2017

Place: Belgaum
Date: 30-05-2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2017

	Note Ref.	31-Mar-17 Rs P	31-Mar-16 Rs P
I REVENUE FROM OPERATIONS (Gross)	2.21	45,81,46,785.52	23,83,17,000.06
Less: Excise Duty		<u>4,51,55,990.50</u>	<u>2,36,67,477.00</u>
REVENUE FROM OPERATIONS (Net)		41,29,90,795.02	21,46,49,523.06
II OTHER INCOME	2.22	68,91,974.43	37,84,089.38
III TOTAL REVENUE (I + II)		41,98,82,769.45	21,84,33,612.44
IV EXPENSES			
Cost of Material Consumed	2.23	19,93,37,345.80	12,08,02,008.51
Changes in Inventories of Finished Goods and Work-in-Progress	2.24	2,78,27,198.00	(2,95,79,007.00)
Employee Benefits Expense	2.25	6,95,79,916.00	6,17,01,223.75
Finance Costs	2.26	2,68,98,696.46	2,66,37,247.61
Depreciation and Amortization Expense	2.27	1,22,15,938.00	1,24,54,745.00
Other Expenses	2.28	7,08,93,683.46	5,71,40,035.91
TOTAL EXPENSES		40,67,52,777.72	24,91,56,253.78
V PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)		1,31,29,991.73	(3,07,22,641.34)
VI EXCEPTIONAL ITEMS	2.29	2,82,42,100.00	-
VII PROFIT/ (LOSS) BEFORE TAX (V+VI)		4,13,72,091.73	(3,07,22,641.34)
VIII TAX EXPENSES			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Income Tax for Earlier Years		(5,942.00)	(47,390.00)
(4) Wealth Tax of Earlier Years		-	1,07,694.00
		<u>(5,942.00)</u>	<u>60,304.00</u>
IX PROFIT/ (LOSS) FOR THE YEAR (VII - VIII)		4,13,78,033.73	(3,07,82,945.34)
X EARNINGS PER EQUITY SHARE: BEFORE EXCEPTIONAL ITEMS	2.30		
(1) Basic		4.07	(16.01)
(2) Diluted		4.07	(16.01)
XI EARNINGS PER EQUITY SHARE: AFTER EXCEPTIONAL ITEMS	2.31		
(1) Basic		16.99	(16.01)
(2) Diluted		16.99	(16.01)
Significant Accounting Policies	1		
Notes to Financial Statements	2		

As Per our Report of Even Date
For M/s A.C. BHUTERIA & CO.
Chartered Accountants
Firm Regn No.:303105E

for Bemco Hydraulics Limited

Ashish Choudhary
Partner
Membership No.:308886

Amruta Tarale
Company Secretary
ACS - 42288

R B Patil
CFO
PAN:AANPP9374M

Anirudh Mohta
Managing Director
DIN:00065302

MM Mohta
Chairman
DIN:0068884

Place: Camp Belgaum
Date: 30-05-2017

Place: Belgaum
Date: 30-05-2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Figures in ₹)

Particulars	31-Mar-17		31-Mar-16	
A Cash Flow from Operating Activities:				
Net Profit/ (Loss) Before Exceptional Items and Tax		1,31,29,991.73		(3,07,22,641.34)
Adjustments for:				
Loss on Sale of Property, Plant & Equipment	7,316.00		104.00	
Non Current/ Long Term Investments Written Off	13,554.00		-	
Provision for doubtful debts and advances	(13,53,565.00)		1,37,500.00	
Bad Debt and advances written off	57,21,318.67		5,96,067.64	
Finance Cost	2,68,98,696.46		2,66,37,247.61	
Depreciation and Amortization expense	1,22,15,938.00		1,24,54,745.00	
Unrealised Foreign Exchange (Gain) / Loss (net)	(19,64,500.00)		55,20,450.00	
Provision for Warranty Made/ (written back)	64,500.00		(3,89,404.00)	
Profit on Disposal of Property, Plant & Equipment	(41,915.00)		(1,41,118.00)	
Profit on Sale of Non-Current Investments	-		(4,706.74)	
Liability no Longer Required Written Back	(8,89,881.38)		(90,174.00)	
Dividend from Non-Current/ Long Term Investments	(12,820.47)		(11,285.50)	
Interest Income	(16,82,379.00)		(14,87,454.00)	
Lease/ Rental Income from Subsidiary	(1,20,000.00)		(1,00,000.00)	
Lease/ Rental Income from Others	(5,39,160.00)		-	
Excess & Short Provision	182.00		1,35,626.00	
		3,83,17,284.28		4,32,57,598.01
Operating Profit before Working Capital Changes		5,14,47,276.01		1,25,34,956.67
Movements in Working Capital				
Decrease/ (Increase) in Inventories	2,99,87,389.00		(4,34,87,282.00)	
Decrease/ (Increase) in Trade and Other Receivables	(4,72,68,734.88)		(2,40,86,358.21)	
Increase/ (Decrease) in Trade and Other Payables	2,49,43,377.22	76,62,031.34	5,99,96,301.77	(75,77,338.44)
Cash Generated from Operations		5,91,09,307.35		49,57,618.23
Direct Taxes paid		2,40,023.00		45,436.70
Net Cash from/used in Operating Activities (A)		5,93,49,330.35		50,03,054.93
B Cash Flow from Investing Activities:				
Purchase of Property, Plant & Equipment (incl.Capital Advances)	(1,15,74,745.00)		(23,68,002.00)	
Sale of Property, Plant & Equipment	20,42,445.00		9,61,850.00	
Sale of Non- Current / Long Term Investments	-		4,771.74	
Purchase of Equity Shares of Subsidiary Company	-		(80,000.00)	
Sale of Equity Shares of Subsidiary Company	-		15,000.00	
Investment in Fixed Deposits	(56,94,725.00)		(20,90,101.00)	
Dividend from Non-Current/ Long Term Investments	12,820.47		11,285.50	
Interest Received	18,13,416.00		13,91,154.00	
Lease/ Rental Income from Others	5,39,160.00		-	
Lease/ Rental Income from Subsidiary	1,20,000.00		1,00,000.00	
Net Cash Used in Investing Activities (B)		(1,27,41,628.53)		(20,54,041.76)
C Cash Flow from Financing Activities:				
Proceeds from Long Term Borrowings	54,01,000.00		4,25,117.00	
Repayment of Long term Borrowings	(76,83,308.54)		(82,67,212.32)	
Proceeds/(Repayment) of Short term Borrowings(net)	(1,56,63,623.74)		3,30,64,783.53	
Interest Paid	(2,71,88,696.46)		(2,70,95,773.61)	
Net Cash from/used in Financing Activities (C)		(4,51,34,628.74)		(18,73,085.40)
Net Increase in Cash & Cash Equivalents (A+B+C)		14,73,073.08		10,75,927.77
Cash & Cash Equivalents at the beginning of the Year		17,01,407.11		6,25,479.34
Cash & Cash Equivalents at the End of the Year*		31,74,480.19		17,01,407.11

* Represents Cash and Cash Equivalents as indicated in Note 2.17 to the financial statements.

Note:

Cash Flow Statement has been prepared using the indirect method in accordance with Accounting Standard (AS) 3-"Cash Flow Statement" notified under Section 133 of the Companies Act, 2013.

 As Per our Report of Even Date
For M/s A.C. BHUTERIA & CO.
 Chartered Accountants
 Firm Regn No.:303105E

for Bemco Hydraulics Limited
Ashish Choudhary
 Partner
 Membership No.:308886

Amruta Tarale
 Company Secretary
 ACS - 42288

R B Patil
 CFO
 PAN:AANPP9374M

Anirudh Mohta
 Managing Director
 DIN:00065302

MM Mohta
 Chairman
 DIN:0068884

 Place: Camp Belgaum
 Date: 30-05-2017

 Place: Belgaum
 Date: 30-05-2017

SIGNIFICANT ACCOUNTING POLICIES AND

NOTES TO FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain fixed assets which are stated at revalued amounts. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the Assets and Liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of Current and Non Current classification of Assets and Liabilities.

b) Use of Estimates

The preparation of the financial statements is in conformity with Indian GAAP which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statement. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Property, Plant & Equipment

(i) Recognition

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, 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 the statement of profit or loss during the reporting period in which they are incurred.

The company has adopted cost model as prescribed under Accounting Standard (AS) 10: Property, Plant & Equipment in respect of all classes of assets except for leasehold land for which revaluation model has been adopted.

(ii) Depreciation

Depreciation is recognised (on assets other than leasehold land) so as to write off the cost of assets less their residual values over the useful lives, using the straight-line method ("SLM"). The useful life of the assets are determined as per Schedule II of the Companies Act 2013. 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. However, at present, there is no change in useful life of the assets from that prescribed in Schedule II of the Companies Act, 2013.

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 the statement of profit or loss.

d) Capital Work-in-Progress

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

e) Intangible Assets

(i) Recognition

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

(ii) Amortization

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

f) Non-Current/Long Term Investment

Non- Current/ Long-term investments are stated at cost. Provision is made for diminution in the value of investments, if the same is considered to be other than temporary in nature. The carrying amount of long-term investments is determined on an individual investment basis.

g) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realise. The cost of inventories are arrived at by applying the weighted average cost formula.

Scrap is valued at net realizable value. Excise duty payable on finished goods lying in the factory is provided for and included in closing stock of finished goods.

h) Employee Benefits**1 Short term employee benefits :**

Short-term employee benefits are employee benefits (other than termination benefits) such as salary, wages and performance incentive which fall due wholly within twelve months after the end of the period in which the employees render the related service and are recognised as expense in the period in which the related service is rendered.

2 Post-employment Benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

a. Defined Contribution Plans

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

b. Defined Benefit Plans

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

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

c. Other Long-term Employee Benefit

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

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

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Revenue expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

j) Revenue Recognition**Sale of goods**

Sales are recognised net of returns, trade discounts and rebates when the seller has transferred the property in the goods to the buyer for a consideration. The transfer of property in goods, in most cases, results in or coincides with the transfer of significant risks and rewards of ownership to the buyer. However, there may be situations where transfer of property in goods does not coincide with the transfer of significant risks and rewards of ownership. Revenue in such situations is recognised at the time of transfer of significant risks and rewards of ownership to the buyer.

Sales include excise duty but excludes value added tax and central sales tax collected.

Rendering of services

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

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

Other income

Interest accrues on the time basis determined by the amount outstanding and the rate applicable.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Other items of income are recognized on accrual basis.

k) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset up to the date the asset is ready for use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l) Foreign Currency Transactions**Initial recognition**

A foreign currency transaction is recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Measurement of foreign currency monetary items at Balance Sheet date

Foreign currency monetary items are reported using the closing rate. However, in certain circumstances, where the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date, the relevant monetary item is reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date.

Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise (except Net Investment in a Non-integral Foreign Operation.)

m) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The net profit or loss for the period attributable to equity shareholders is the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares bought back or issued during the period multiplied by the time-weighting factor.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed to have been converted into equity shares at the beginning of the period or, if issued later, the date of the issue of the potential equity shares. Potential equity shares are treated as dilutive when, and only when, their conversion to equity shares would decrease net profit per share from continuing ordinary operations.

n) Taxation

Tax expense for the period, comprising current tax and deferred tax, is included in the determination of the net profit or loss for the period. Provision is made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Provision is made for deferred tax for all the timing differences arising between taxable income and accounting income at currently or substantively enacted tax rates, subject to the consideration of prudence in respect of deferred tax assets. Whenever there exists any unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet Date.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

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

p) Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of cash generating units. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

q) Leases

Where the Company is a Lessor

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Amortization of capitalized Leased asset is computed on Straight Line Method over the useful life of the asset. Lease rentals payable is apportioned between the liability and finance charge so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight line basis.

Where the Company is a Lessee

Initial Direct Costs in respect of operating lease is recognised in the Statement of Profit and Loss in the period in which they are incurred. Lease income in respect of Operating Lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

r) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

s) Cash Flow Statement

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities. Cash flows from operating activities are reported using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

t) Post-sales Client Support and Warranties

The Company provides its clients with a fixed-period warranty for corrections of errors and support on all its fixed-price, fixed-time frame contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in statement of profit and loss. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

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

(a) Authorized Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Preference Shares of ₹ 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000
	44,00,000	8,00,00,000	44,00,000	8,00,00,000
(b) Issued Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	22,22,750	2,22,27,500	22,22,750	2,22,27,500
Preference Shares of ₹ 100/- each	3,27,268	3,27,26,800	3,27,268	3,27,26,800
	25,50,018	5,49,54,300	25,50,018	5,49,54,300
(c) Subscribed Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	22,00,000	2,20,00,000	22,00,000	2,20,00,000
Preference Shares of ₹ 100/- each	3,20,000	3,20,00,000	3,20,000	3,20,00,000
	25,20,000	5,40,00,000	25,20,000	5,40,00,000
(d) Fully Paid-up Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	21,86,700	2,18,67,000	21,86,700	2,18,67,000
Shares Forfeited	-	66,500	-	66,500
	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Preference Shares of ₹ 100/- each	3,20,000	3,20,00,000	3,20,000	3,20,00,000
	25,06,700	5,39,33,500	25,06,700	5,39,33,500
(e) Reconciliation of Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of each financial year.	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Balance as at the beginning of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Add/(Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
(f) Reconciliation of Preference Shares of ₹ 100/- each outstanding at the beginning and at the end of each financial year.	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Balance as at the beginning of the financial year	3,20,000	3,20,00,000	3,20,000	3,20,00,000
Add/(Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	3,20,000	3,20,00,000	3,20,000	3,20,00,000
(g) Shareholders holding more than 5% of Equity Share Capital.	As at 31-Mar-17		As at 31-Mar-16	
	(Nos.)	(%)	(Nos.)	(%)
Mohta Capital Private Limited	6,65,606	30.44	6,65,606	30.44
Sri Ramchandra Enterprises Pvt Ltd	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
Urmila Devi Mohta	2,08,668	9.54	2,08,668	9.54
Sungrace Finnvest Private Limited	1,69,755	7.76	1,84,000	8.41

(h) Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/- each

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 any of the remaining assets of the company, after distribution of all preferential amounts.

(i) 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, 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.

However, the company has not paid dividends to Preference Shareholders for two consecutive financial years 2013-14 and 2014-15 and therefore, as per the provisions of the Section 47 of the Companies Act 2013, the Preference Shareholders have received voting rights on par with Equity Shareholders on and from the conclusion of 57th Annual General Meeting held on 25-09-2015. Arrears of preference dividends remain unpaid.

(j) Terms of redemption of Preference Shares of ₹ 100/- each

Particulars	As at	31-Mar-17	As at	31-Mar-16
	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
(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
(iv) 11% Cumulative Redeemable Preference shares of ₹ 100/- each redeemable at a premium of Rs 60/- per share on 31/03/2012.	-	-	-	-
	As at	31-Mar-17	As at	31-Mar-16
	(Nos.)	%	(Nos.)	%
Mohta Capital Private Limited	1,90,000	59.38	1,90,000	59.38
U D Finnvest Private Limited	65,000	20.31	65,000	20.31
Sri Ramchandra Enterprises Pvt Ltd	65,000	20.31	65,000	20.31

(2.02) RESERVES AND SURPLUS

Particulars	As at 31-Mar-17	As at 31-Mar-16
Capital Reserve		
Opening/Closing Balance	6,44,876.00	6,44,876.00
(A)	6,44,876.00	6,44,876.00
Capital Redemption Reserve		
Opening/Closing Balance	14,73,200.00	14,73,200.00
(B)	14,73,200.00	14,73,200.00
Securities Premium Account		
Opening Balance	4,48,31,700.00	4,48,31,700.00
Add: Addition during the year	-	-
Closing Balance	4,48,31,700.00	4,48,31,700.00
(C)		
Revaluation Reserve		
Opening Balance	1,41,82,487.00	1,44,35,480.00
Less: Reversal of revaluation balance of fixed assets pursuant to amendment in Accounting Standard 10 [Refer Note No. 2.10 C (ii)]	(1,41,82,487.00)	-
Add: Addition on account of fresh revaluation of land [Refer Note No. 2.10 C(iii)]	36,05,23,420.00	-
Less: Transferred to General Reserve on account of depreciation for the year on revalued amounts [Refer Note No. 2.10 C (v)]	-	(2,52,993.00)
Closing Balance	36,05,23,420.00	1,41,82,487.00
(D)		
General Reserve		
Opening Balance	70,24,153.00	67,71,160.00
Add: Transferred from Revaluation Reserve [Refer Note No. 2.10 C (v)]	-	2,52,993.00
Closing Balance	70,24,153.00	70,24,153.00
(E)		
Surplus/(Deficit) in the Statement of Profit & Loss		
Opening Balance	(7,68,83,084.98)	(4,61,00,139.64)
Add: Surplus/(deficit) for the year	4,13,78,033.73	(3,07,82,945.34)
Closing Balance	(3,55,05,051.25)	(7,68,83,084.98)
(F)		
Total (A to F)	37,89,92,297.75	(87,26,668.98)

(2.03) LONG TERM BORROWINGS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Secured</u>		
<u>Term Loans from Banks [Refer Note (i) below]</u>		
- Working Capital Term Loan	-	12,40,400.00
- Specific Purpose Term Loan:		
(a) Plant & Machinery Loans	22,96,000.00	-
(b) Motor Car Loans	26,60,189.00	37,47,916.92
<u>Unsecured</u>		
Deferred Payment Liabilities [Refer Note (ii) below]	1,05,54,000.00	4,31,94,600.00
	1,55,10,189.00	4,81,82,916.92

Note:
(i) Terms of Repayment of Term Loans from Banks (Including Current Maturities of Term Loans as disclosed under Note 2.08: Other Current Liabilities)
Working Capital Term Loan

Term Loans from Banks are secured by way of first pari-passu charge between the lending banks on the assets created out of bank finance and collaterally secured by equitable mortgage of Land & Building of the company and hypothecation of unencumbered fixed assets of the company on pari-passu basis. These are further secured by personal guarantee of three directors of the company.

Interest payable on loan from Bank of Maharashtra is at base rate + 4.70% repayable in 53 monthly installments of ₹ 1,86,000/- each and last installment of ₹ 1,42,000/- (or less to balance the outstanding) after a moratorium period of 6 months. Interest shall be serviced as and when applied. As on 31-03-2017, 7 installments (Previous year 19 installments) are due for repayment amounting to ₹ 12,40,400/- excluding interest (Previous Year ₹ 34,72,400/-).

Interest payable on loan from State Bank of India was at base rate + 4.60% repayable in 40 monthly installments after a moratorium period of 8 month. Of the 40 installments, first 20 installments was of ₹ 2,00,000/- each and the balance 20 installments was of ₹ 3,00,000/- each. As on 31-03-2017 the loan has been squared off (7 installments were due for repayment amounting to ₹ 21,00,000/- in the previous year).

Specific Purpose Term Loan
Plant & Machinery Loan:

During the year, the company has obtained loan from Bank of Maharashtra for purchase of plant & machinery which is secured by first pari-passu charge on machinery purchased out of bank finance and colaterally secured by equitable mortgage of Land & Building on pari-passu basis with State Bank of India. It is further secured by personal guarantee of three directors of the company. 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.

Interest payable thereon is at base rate + 4.70% repayable in 45 monthly installments of ₹ 80,000/- each after a moratorium period of 6 months. Interest shall be serviced as and when applied. As on 31-03-2017, 40 installments of ₹ 80,000/- each and a last installment of ₹ 56,000/- are due for repayment amounting to ₹ 32,56,000/- (excluding interest).

Motor Car Loans:

Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments carrying interest on reducing balance method varying between 10% per annum to 12.5% per annum. As on 31-03-2017, 499 installments (Previous Year 530 installments) are due for repayment amounting to ₹ 49,93,823/- excluding interest (Previous Year ₹ 62,00,131/-).

(ii) Details of continuing defaults in respect of Deferred Payment Liabilities.

The company has a continuing default of ₹ 1,40,72,000/- in respect of deferred payment liabilities as at the balance sheet date which is included in the amount of 'Current portion of deferred liability for Intangible Assets' disclosed under Note 2.08: Other Current Liabilities. Interest is not chargeable on this amount.

(2.04) OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Other Payables- Deposits	47,54,548.00	34,03,284.00
Security Deposits	1,56,040.00	25,000.00
	49,10,588.00	34,28,284.00

(2.05) LONG TERM PROVISIONS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Provision for Employee Benefits		
- Provision for Leave Encashment	5,51,065.00	6,21,611.00
	5,51,065.00	6,21,611.00

(2.06) SHORT TERM BORROWINGS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Secured</u>		
Loans Repayable on Demand:		
- Cash Credit/ Packing Credit from Banks [Refer Note (i) below]	6,34,34,687.12	8,37,14,236.86
- Stand By Line Credit [Refer Note (ii) below]	50,00,000.00	-
- Raw Material Assistance Scheme from NSIC [Refer Note (iii) below]	94,99,905.22	94,85,259.22
<u>Unsecured</u>		
Loans Repayable on Demand:		
- Loans from Related Parties [Refer Note 2.33]	4,39,27,965.00	4,19,26,685.00
- Loans from Other Parties	74,00,000.00	98,00,000.00
	12,92,62,557.34	14,49,26,181.08

Note

- (i) Cash Credit availed from Banks are primarily secured by hypothecation of inventory and receivables upto 120 days/ 150 days and equitable mortgage of factory land and building on pari-passu basis amongst the lending banks. These are further secured by personal guarantee of three directors of the Company and pledge of 30% of Equity Shares of the Company by certain related parties.

Interest on cash credit from Bank of Maharashtra is payable at floating rate being base rate of bank plus 4.60% at monthly rests.

Interest on cash credit from State Bank of India is payable at floating rate being base rate of bank plus 4.50% at monthly rests. (ii) 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 5.50% at monthly rests. (iii) 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.

(2.07) TRADE PAYABLES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
For Goods and Services received in the ordinary course of business		
- Micro & Small Enterprises	-	-
- Others	7,20,91,276.36	7,35,57,403.98
- Acceptances	3,08,67,074.00	2,16,26,190.00
	10,29,58,350.36	9,51,83,593.98

(2.08) OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Current Maturities of Long Term Borrowings:		
- Working Capital Term Loan	12,40,400.00	43,32,000.00
- Plant & Machinery Loans	9,60,000.00	-
- Motor Car Loans	23,33,633.92	24,52,214.54
- Current Portion of Deferred Payment Liabilities	1,75,90,000.00	1,51,56,000.00
Interest accrued but not due on borrowings	725.00	33,514.00
Interest accrued and due on borrowings	3,68,153.00	6,25,364.00
Other Payables		
- Gratuity Payable to LIC	48,30,401.00	50,86,181.00
- Advance from Customers	6,09,99,703.78	5,16,74,159.36
- Other deposits	-	3,61,671.00
- Liability against Capital Assets	26,28,598.00	-
- Liabilities for Statutory Dues	97,83,000.20	46,96,079.30
- Guarantee Commission Payable to Related Parties	1,77,753.00	-
- Liabilities for Expenses	54,23,800.30	51,22,580.16
	10,63,36,168.20	8,95,39,763.36

(2.09) SHORT TERM PROVISIONS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Provision for Employee Benefits		
- Provision for Leave Encashment	39,08,020.00	33,15,026.00
Provision - Others		
- Provision for Income Tax (Net)	-	-
- Provision for Product Warranty	4,88,906.00	4,24,406.00
	43,96,926.00	37,39,432.00

NOTE NO. 2.10: FIXED ASSETS

(all figures in ₹)

SL NO	PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K				
		AS AT 1-Apr-16 Year	Reversal Of Previous Revaluation	Addition on account of Revaluation during the Year	Additions	Deductions/ Adjustments	AS AT 31-Mar-17	UP TO 1-Apr-16	For the Year	Deductions	Reversal of Accumulated Depreciation on Previous Revaluation	TOTAL As at 31-Mar-17	As on 31-Mar-17	As on 31-Mar-16
A	Property, Plant & Equipment													
	LEASED													
	1 LEASEHOLD LAND	1,33,10,040	1,32,69,604	36,05,23,420	-	-	36,05,63,856	-	-	-	-	-	36,05,63,856	1,33,10,040
	OWNED													
	2 BUILDINGS	4,62,27,050	1,63,88,005	-	-	-	2,98,39,045	1,98,96,654	8,82,582	-	1,54,73,217	53,06,019	2,45,33,026	2,63,30,396
	3 BOREWELL	1,57,861	-	-	-	-	1,57,861	1,49,968	-	-	-	1,49,968	7,893	7,893
	4 PLANT AND MACHINERY	5,42,71,112	1,31,80,225	-	85,27,795	13,36,973	4,82,81,709	3,90,37,388	13,12,349	59,356	1,31,80,224	2,71,10,157	2,11,71,552	1,52,33,724
	5 OFFICE EQUIPMENTS	13,45,670	55,712	-	14,145	3,59,099	9,45,004	10,77,532	1,37,790	3,43,842	55,712	8,15,768	1,29,236	2,88,138
	6 VEHICLES	1,83,36,217	-	-	34,35,567	12,15,376	2,05,56,408	52,05,369	25,03,529	5,08,521	-	72,00,377	1,33,56,031	1,31,30,848
	7 GOODS TRANSPORT	8,99,250	75,832	-	-	-	8,23,418	3,78,807	77,482	-	75,832	3,80,457	4,42,961	5,20,443
B	ELECTRICAL INSTALLATIONS	37,34,292	11,98,099	-	-	-	25,36,193	33,83,669	50,414	-	12,00,005	22,34,078	3,02,115	3,50,623
	FURNITURE AND FIXTURES	7,98,382	-	-	66,880	66,280	7,98,982	4,79,866	49,117	62,696	-	4,66,287	3,32,695	3,18,516
	COMPUTERS	37,67,253	(3,157)	-	2,58,956	11,64,237	28,65,129	34,85,458	1,40,491	11,59,704	(3,157)	24,69,402	3,95,727	2,81,795
	TOTAL (A)	14,28,47,127	4,41,64,320	36,05,23,420	1,23,03,343	41,41,965	46,73,67,605	7,30,94,711	51,53,754	21,34,119	2,99,81,833	4,61,32,513	42,12,35,092	6,97,52,416
	INTANGIBLE ASSETS													
	Other than Internally Generated													
	1 COMPUTER SOFTWARE	6,20,308	-	-	-	-	6,20,308	3,20,735	1,29,261	-	-	4,49,996	1,70,312	2,99,573
	2 TECHNICAL KNOW - HOW	7,53,48,488	-	-	-	3,92,28,488	3,61,20,000	6,33,06,095	69,32,923	3,92,28,488	-	3,10,10,530	51,09,470	1,20,42,393
	TOTAL (B)	7,59,68,796	-	-	-	3,92,28,488	3,67,40,308	6,36,26,830	70,62,184	3,92,28,488	-	3,14,60,526	52,79,782	1,23,41,966
	TOTAL (A + B)	21,88,15,923	4,41,64,320	36,05,23,420	1,23,03,343	4,33,70,453	50,41,07,913	13,67,21,541	1,22,15,938	4,13,62,607	2,99,81,833	7,75,93,039	42,65,14,874	8,20,94,382
Figures As At 31.03.2016		21,95,86,997	-	-	22,68,002	21,39,076	21,88,15,923	12,65,85,036	1,24,54,745	22,18,240	13,67,21,541	8,20,94,382	-	

C Notes:

- The fixed assets 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. 2.03 (i), Note No. 2.06 (i) and Note No. 2.06 (ii) to the financial statements.
- Pursuant to the substitution of existing Accounting Standard (AS) 10: Accounting for Fixed Assets with new Accounting Standard (AS) 10: Property, Plant & Equipment (PPE) by the Ministry of Corporate Affairs effective 01.04.2016, the Company under transitional provisions has adopted cost model in respect of different classes of assets under Property, Plant & Equipment (PPE) except for Land for which revaluation model is adopted. Accordingly, revaluation effected in earlier year on different classes of PPE has been reversed as on 01.04.2016 by reducing the gross amount of revaluation from the gross block of respective assets and accumulated depreciation thereon from the total balance of accumulated depreciation as on 01.04.2016 in respect of each class of assets.
- The Company has revalued its leasehold land based on the report of an independent valuer dated 05.09.2016. The valuation methodology adopted for this purpose was 'Prevailing Market Rate' and the revaluation surplus of ₹ 36,05,23,420/- arising out of said revaluation has been debited to the gross block of land and correspondingly credited to Revaluation Reserve under 'Reserves & Surplus'. This reserve is not available for distribution as dividends to the shareholders of the company based on the extant provisions provided under Companies Act, 2013.
- The adjustments at (ii) and (iii) above have an effect of net increase in gross block of Property, Plant & Equipment by ₹ 31,63,59,100/-, reduction in accumulated depreciation by ₹ 2,99,81,833/-, net increase in Revaluation Reserve by ₹ 36,05,23,420/- and increase in net block of Property, Plant & Equipment by ₹ 34,63,40,933/-.
- Depreciation on account of revaluation of assets amounting to ₹ 2,52,99,931/- was charged to the Statement of Profit & Loss in the previous financial year based on the requirements of Schedule II to the Companies Act, 2013. Consequently, an equivalent amount was transferred from the Revaluation Reserve to the General Reserve.

(2.11) NON-CURRENT INVESTMENTS

Particulars	Face value (₹)	31-Mar-17		31-Mar-16	
		Nos	(₹)	Nos.	(₹)
[Long Term-Non-Trade-at cost (Fully Paid Up, unless otherwise stated)]					
Un-Quoted Equity Shares in Subsidiary					
Bemco Fluidtechnik Private Limited	10	-	-	6,500	65,000
Unquoted Equity Shares					
Belgaum Coal and Coke Consumer Co-op Ass. Ltd	1,000	4	4,000	4	4,000
Belgaum Manufacturers Co-op Industrial Estate Ltd	100	40	4,000	40	4,000
WG Forge and Allied Industrial Limited	10	50	402	50	402
Sarswat Co-op Bank Ltd	10	783	7,830	783	7,830
Eicher Tractors Limited	10	4	875	-	-
Quoted Equity Shares					
Alfred Herbert (India) Limited	6	5	40	5	40
American Refrigerator Company Limited	10	-	-	100	400
Andhra Sinter Limited	10	-	-	1,000	10,000
Best and Crompton Engineering Limited	10	105	1,782	105	1,782
BF Investment Ltd (Bonus)	5	26	-	26	-
BF Utilites Ltd	5	26	-	26	-
Bharat Forge Company Limited	2	130	1,300	130	1,300
Dynametic Technologies Limited	10	40	272	40	272
E.C.E. Industries Limited	10	30	300	30	300
Eaton Fluid Power Ltd (Vickers Systems International Limited)	10	24	672	24	672
Eicher Motors Ltd (Bonus)	10	1	-	1	-
Eicher Tractors Limited	10	-	-	4	875
Elecon Engineering Co. Limited (Including Bonus)	2	360	707	360	707
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	24	1	24
Jyoti Limited	10	50	722	50	722
Kulkarni Power Tools Limited	5	200	602	200	602
Larsen and Tubro Limited	2	256	3,156	256	3,156
Larsen and Tubro Limited (Bonus)	2	128	-	128	-
LML Limited	10	27	562	27	562
Mahindra and Mahindra Limited(F.C Change)	5	52	196	52	196
Manugraph Industries Limited	2	240	1,120	240	1,120
Nesco Ltd (Formerly, New Standard Engineering Company Limited)	10	40	113	40	113
Scooters India Limited	10	50	230	50	230
SLM Maneklal Industries Limited	100	-	-	1	204
Tata Construction & Projects Ltd	10	-	-	50	500
Tata Motors Ltd	2	115	924	115	924
Tata Motors Ltd (Received on Conversion)	2	15	300	-	-
Texmaco Ltd	10	10	240	10	240
U. T. Limited	10	100	607	100	607
Ultratech Cement (Bonus)	10	51	-	51	-
Voltas Limited	1	150	165	150	165
Quoted Debentures					
Tata Motors Limited	150	-	-	3	300
TATA SSL Limited (NC)	50	-	-	45	2,250
Bharat Forge Limited (NC)	50	-	-	2	100
Un-Quoted Debentures					
Eicher Tractors Limited	100		-	1	100
Investment in Limited Liability Partnership :Subsidiary					
Bemco Fluidtechnik LLP	-	-	65,000	-	-
(Formerly, Bemco Fluidtechnik Private Limited)					
			96,141		1,09,695

Note (i) :

1. Book Value Cost of Un-Quoted Investments	17,107	81,332
2. Book Value Cost of Quoted Investments	14,034	28,363
3. Market Value Quoted Investments	14,09,339	11,26,616
4. Aggregate Provision for Diminution in Value of Investments		

Note (ii) : Details relating to Investment in Limited Liability Partnership

Bemco Fluidtechnik Private Limited, the subsidiary of the Company was during the year converted into a Limited Liability Partnership with effect from 27th February, 2017 under the name and style of Bemco Fluidtechnik LLP. Accordingly, the Company became one of the partners in Bemco Fluidtechnik LLP. The Company previously held 65% of the Equity Share Capital in the subsidiary and continues to have 65% share in profit/ loss of the said LLP.

- Total Capital as on 31.03.2017: 1,00,000/-
- Details of Partners and their respective profit sharing ratio:

Name of the Partner	Profit Sharing Ratio (%)
Bemco Hydraulics Limited	65.00
Jagdish Joshi	20.00
Naveen Padamnoor	10.00
Urmila Devi Mohta	5.00

Note (iii)

The Company during the current financial year has written off its Non-Current/ Long Term Investments amounting to ₹ 13,554/- in various companies due to the liquidation or other reconstructions in those companies. This does not has any material impact on the profits or financial position of the company.

(2.12) DEFERRED TAX ASSETS (NET)

a) Particulars	Opening (₹)	Ch./Cr. To P/L A/C.	Closing (₹)
Deferred Tax Assets			
Expenses charged/credited to P/L account but allowed on Income	11,47,000	82,000	12,29,000
Provision for Product Warranty	1,47,000	(12,000)	1,35,000
Provision for doubtful debts / advances	13,54,000	(6,49,000)	7,05,000
Unabsorbed Business Loss/ Depreciation	12,43,000	1,74,39,000	1,86,82,000
Foreign Currency Fluctuations charged to revenue, allowable in	(21,81,000)	32,01,000	10,20,000
	17,10,000	2,00,61,000	2,17,71,000
Limited to: (a)	17,10,000	(6,46,000)	10,64,000
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets	(17,10,000)	6,46,000	(10,64,000)
(b)	(17,10,000)	6,46,000	(10,64,000)
(a+b)	-	-	-

- b) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- c) On consideration of prudence, deferred tax assets are recognised only to the extent of deferred tax liabilities.

(2.13) LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Unsecured, Considered Good</u>		
Capital Advances	19,00,000.00	-
Advance Tax / TDS (net of provision)	3,63,068.00	2,49,773.00
Deposit with Govt., Public Bodies and Others	9,74,590.00	9,44,590.00
	32,37,658.00	11,94,363.00

(2.14) OTHER NON-CURRENT ASSETS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Other Bank Balances</u>		
- Non-Current portion of fixed deposits with original maturity of more than 12	1,17,86,887.00	71,17,884.00
<u>Advances recoverable in cash or in kind or for value to be received</u>		
Considered good	14,60,844.00	16,83,318.00
- Advances to staff		
	1,32,47,731.00	88,01,202.00

Note:

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

(2.15) INVENTORIES (At lower of cost or net realisable value, unless otherwise stated)

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Raw Materials	2,05,27,444.00	1,77,36,991.00
Intermediate and Components	1,90,35,752.00	2,51,73,446.00
Stores and Spares Parts	47,12,415.00	35,25,365.00
Work-in-Progress	14,31,81,000.00	16,77,77,000.00
Work-in-Progress - Export	-	41,53,000.00
Finished Goods	48,10,021.00	38,95,891.00
Scrap (At estimated realisable value)	14,580.00	6,908.00
	19,22,81,212.00	22,22,68,601.00

(2.16) TRADE RECEIVABLES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Unsecured Considered Good</u>		
Outstanding for a period exceeding six months from due date of payment.	3,01,87,785.65	2,90,31,342.56
Other Debts	9,56,53,988.55	6,52,57,290.73
	12,58,41,774.20	9,42,88,633.29
<u>Unsecured Considered Doubtful Provided for</u>		
Outstanding for a period exceeding six months from due date of payment	21,59,242.00	35,12,807.00
Less: Provision for Doubtful Debts & Liquidated Damages	(21,59,242.00)	(35,12,807.00)
	-	-
	12,58,41,774.20	9,42,88,633.29

(2.17) CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Balance with Banks in Current Account(s)	27,46,380.36	2,32,371.28
Cash-on-hand (As certified by a director)	4,28,099.83	14,69,035.83
	31,74,480.19	17,01,407.11

(2.18) OTHER BANK BALANCES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Fixed deposits with original maturity of more than 12 months	1,20,45,042.00	1,12,55,821.00
	1,20,45,042.00	1,12,55,821.00

Note:

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

(2.19) SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Advances recoverable in cash or in kind or for value to be received</u>		
<u>Considered good</u>		
- Advances to staff	19,77,829.83	14,53,237.05
- Advances to Others	1,32,27,812.40	33,41,233.10
Advance Tax / TDS (net of provision)	7,25,337.00	10,08,207.00
Prepaid Expenses	31,17,692.00	24,21,962.00
Balance with Excise authorities	12,27,266.03	7,94,035.81
Considered Doubtful Provided for	4,00,000.00	4,00,000.00
Less: Provision for Doubtful Advances	(4,00,000.00)	(4,00,000.00)
	2,02,75,937.26	90,18,674.96

(2.20) OTHER CURRENT ASSETS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Income Tax Refund Receivable	95,834.00	95,834.00
Interest Receivable from HESCOM	40,958.00	-
	1,36,792.00	95,834.00

(2.21) REVENUE FROM OPERATIONS

Particulars	Current Year ₹	Previous Year ₹
Sale of Goods Manufactured	44,63,45,977.46	23,00,58,022.16
Sale of Services	25,76,282.00	37,19,511.50
Other Operating Revenues	92,24,526.06	45,39,466.40
	45,81,46,785.52	23,83,17,000.06

(2.22) OTHER INCOME

Particulars	Current Year ₹	Previous Year ₹
Interest Income		
i Interest from Banks	15,72,364.00	13,91,581.00
ii Interest from Others	64,506.00	45,960.00
iii Interest on Security Deposit with Hubli Electricity	45,509.00	49,913.00
	16,82,379.00	14,87,454.00
Dividend from Non-Current/Long Term Investments	12,820.47	11,285.50
Miscellaneous Income	1,41,215.58	15,54,357.14
Prior Period Adjustments	6,000.00	3,94,994.00
Liability no longer required written back	8,89,881.38	90,174.00
Fluctuation in Foreign Currency (Net)	21,05,038.00	-
Provision for Doubtful Debts and Advances written back	13,53,565.00	-
Profit on Sale of Non-Current Investments	-	4,706.74
Profit on Disposal of Property, Plant & Equipment	41,915.00	1,41,118.00
Lease/ Rental Income from Subsidiary	1,20,000.00	1,00,000.00
Lease/ Rental Income from Others	5,39,160.00	-
	68,91,974.43	37,84,089.38

(2.23) COST OF MATERIAL CONSUMED

Particulars	Current Year ₹	Previous Year ₹
Raw Materials		
Opening Stock	1,77,36,991.00	1,42,98,592.00
Add: Purchases	10,44,03,721.00	7,30,65,473.00
Less: Closing Stock	(2,05,27,444.00)	(1,77,36,991.00)
(A)	10,16,13,268.00	6,96,27,074.00
Intermediates and Components		
Opening Stock	2,51,73,446.00	1,54,77,555.00
Add: Purchases	8,16,82,405.80	5,41,41,920.51
Less: Closing Stock	(1,90,35,752.00)	(2,51,73,446.00)
(B)	8,78,20,099.80	4,44,46,029.51
Packing Material		
Opening Stock	-	-
Add: Purchases	13,36,746.00	7,71,151.00
Less: Closing Stock	-	-
(C)	13,36,746.00	7,71,151.00
Stores and Spares		
Opening Stock	35,25,365.00	27,51,380.00
Add: Purchases	1,11,04,665.00	87,85,439.00
Less: Closing Stock	(47,12,415.00)	(35,25,365.00)
(D)	99,17,615.00	80,11,454.00
Total (A+B+C+D)	20,06,87,728.80	12,28,55,708.51
Less: Materials consumed on account of warranties	(13,50,383.00)	(20,53,700.00)
Total	19,93,37,345.80	12,08,02,008.51

(2.24) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Current Year ₹	Previous Year ₹
Opening Stock		
Work-in Progress	16,77,77,000.00	14,62,20,000.00
Work-in Progress-Export	41,53,000.00	-
Finished Goods	38,95,891.00	33,792.00
Scrap	6,908.00	-
Total of Opening Stock (A)	17,58,32,799.00	14,62,53,792.00
Closing Stock		
Work-in Progress	14,31,81,000.00	16,77,77,000.00
Work-in Progress-Export	-	41,53,000.00
Finished Goods	48,10,021.00	38,95,891.00
Scrap	14,580.00	6,908.00
Total of Closing Stock (B)	14,80,05,601.00	17,58,32,799.00
Net changes in inventories of finished goods, work-in-progress [Total (A-B)]	2,78,27,198.00	(2,95,79,007.00)

(2.25) EMPLOYEE BENEFITS EXPENSE

Particulars	Current Year ₹	Previous Year ₹
Salaries, Wages, Bonus, etc.	5,88,00,569.00	5,14,82,005.00
Contribution to Provident Fund & Other Funds	74,66,054.00	73,99,094.00
Staff Welfare Expense	33,13,293.00	28,20,124.75
	6,95,79,916.00	6,17,01,223.75

(2.26) FINANCE COSTS

Particulars	Current Year ₹	Previous Year ₹
Interest Expense	2,05,53,133.46	2,16,08,070.68
Other Borrowing Cost	63,45,563.00	50,29,176.93
	2,68,98,696.46	2,66,37,247.61

(2.27) DEPRECIATION

Particulars	Current Year ₹	Previous Year ₹
Depreciation on Property, Plant & Equipment	51,53,754.00	53,73,213.00
Depreciation on Intangible Assets	70,62,184.00	70,81,532.00
	1,22,15,938.00	1,24,54,745.00

(2.28) OTHER EXPENSES

Particulars	Current Year ₹	Previous Year ₹
Power & Fuel	33,47,391.00	29,48,021.00
Manufacturing Expenses	2,33,43,453.10	1,26,52,850.20
Freight & Transportation	1,11,76,583.00	51,85,225.00
Product Warranty Expenses	14,14,883.00	16,64,296.00
Repairs		
Buildings	8,65,675.00	18,44,152.00
Machinery	23,48,627.00	16,49,931.00
Computers	3,20,228.00	1,42,588.00
Others	3,71,791.00	2,90,951.00
Insurance	5,82,672.00	4,81,857.00
Rent	4,82,403.00	4,77,868.00
Rates & Taxes	10,73,152.50	4,59,363.00
Printing and Stationery	11,65,982.00	7,86,412.00
Postage, Telephone & Telegram	8,61,411.35	7,66,866.96
Travelling & Conveyance Expenses	1,02,82,972.00	81,14,126.56
Bad Debts / Advances Written Off	57,21,318.67	5,96,067.64
Miscellaneous Expenses	38,73,877.84	50,81,848.55
Payment to Auditors for:		
Audit Fees	3,00,000.00	3,00,000.00
Limited Review Certification charges	60,000.00	60,000.00
Other Certification & Services	1,12,300.00	1,25,000.00
Reimbursement of Expenses (including ST)	76,420.00	74,890.00
Directors' Sitting Fees	23,000.00	27,000.00
Commission & Brokerages	2,60,870.00	-
Loss on Sale of Property, Plant & Equipment	7,316.00	104.00
Loss in Foreign Currency Fluctuation (net)	-	55,20,450.00
Excess & Short Provision	182.00	1,35,626.00
Liquidated Damages	26,76,654.00	72,51,791.00
Prior Period Adjustments	-	52,902.00
Non-Current/ Long Term Investments written off	13,554.00	-
Excise duty on opening & closing stock (net)	1,30,967.00	4,49,849.00
	7,08,93,683.46	5,71,40,035.91

- (2.29) 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 current 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.

(2.30) EARNINGS PER SHARE: BEFORE EXCEPTIONAL ITEMS

PARTICULARS	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Profit/ (Loss) After tax but before Exceptional Items (₹)	1,31,35,933.73	(3,07,82,945.34)
Less: Dividend (including tax thereon) on Cumulative Preference Share (Excluding arrears)	(42,36,588.00)	(42,36,588.00)
Adjusted Net Profit attributable to Equity Shareholders (₹)	88,99,345.73	(3,50,19,533.34)
Weighted Average Number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earnings per Equity Share of ₹10/- each (in ₹)	4.07	(16.01)
Diluted Earnings per Equity Share of ₹ 10/- each (in ₹)	4.07	(16.01)

Note: (i) The company does not have any potentially diluted equity shares and consequently, basic and diluted equity share remains the same.

(ii) The Company has only one class of equity shares with face value of ₹ 10/- each.

(2.31) EARNINGS PER SHARE: AFTER EXCEPTIONAL ITEMS

PARTICULARS	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Profit/ (Loss) After tax and Exceptional Items (₹)	4,13,78,033.73	(3,07,82,945.34)
Less: Dividend (including tax thereon) on Cumulative Preference Share (Excluding arrears)	(42,36,588.00)	(42,36,588.00)
Adjusted Net Profit attributable to Equity Shareholders (₹)	3,71,41,445.73	(3,50,19,533.34)
Weighted Average Number of Equity Shares in issue (Nos.)	21,86,700.00	21,86,700.00
Basic Earnings per Equity Share of ₹10/- each (in ₹)	16.99	(16.01)
Diluted Earnings per Equity Share of ₹ 10/- each (in ₹)	16.99	(16.01)

Note: (i) The company does not have any potentially diluted equity shares and consequently, basic and diluted equity share remains the same.

(ii) The Company has only one class of equity shares with face value of ₹ 10/- each.

(2.32) EMPLOYEE BENEFITS
a) Post Retirement Benefits :
Defined Contribution Plans
(Figures in ₹)

Particulars	2016-17	2015-16
1 Contribution to Employees' Provident Fund	21,35,365	19,59,710
2 Contribution to Employees' Family Pension Fund	21,36,997	20,96,719
3 Contribution to Employees' Superannuation Fund	7,74,638	7,01,122
	50,47,000	47,57,551

b) Defined Benefit Plans
(i)
(Figures in ₹)

Changes in the Present Value of Obligation	2016-17	2015-16
	Gratuity Funded	Gratuity Funded
a. Present Value of Obligation as at opening date	1,95,00,974	1,76,20,272
b. Interest Cost	15,24,295	13,10,855
c. Past Service Cost	-	-
d. Current Service Cost	13,40,858	12,86,391
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(8,94,567)	(20,54,343)
h. Actuarial (Gain)/Loss	7,75,147	13,37,799
i. Present Value of Obligation as at closing date	2,22,46,707	1,95,00,974

(ii)
(Figures in ₹)

Changes in the Fair Value of Plan Assets	2016-17	2015-16
	Gratuity Funded	Gratuity Funded
a. Present Value of Plan Assets as at opening date	1,44,14,793	1,51,38,163
b. Expected Return on Plan Assets	12,69,144	12,01,027
c. Actuarial Gain/(Loss)	(4,580)	92,474
d. Employers' Contributions	28,32,111	37,472
e. Employees' Contributions	-	-
f. Mortality Charges and Taxes	(2,00,595)	-
g. Benefits Paid	(8,94,567)	(20,54,343)
h. Fair Value of Plan Assets as at closing date	1,74,16,306	1,44,14,793

(iii)
(Figures in ₹)

Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Present Value of Obligation as at the end of the period	2,22,46,707	1,95,00,974
b.	Fair Value of Plan Assets	1,74,16,306	1,44,14,793
c.	Funded (Asset)/ Liability recognized in the Balance Sheet	48,30,401	50,86,181
d.	Present Value of unfunded Obligation as at Mar 31, 2017		
e.	Unrecognized Past Service Cost	-	-
f.	Unrecognized Actuarial (Gains)/Losses	-	-
g.	Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv)
(Figures in ₹)

Expenses recognized in the Statement of Profit & Loss		2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Current Service Cost	13,40,858	12,86,391
b.	Past Service Cost	-	-
c.	Interest Cost	15,24,295	13,10,855
d.	Expected Return on Plan Assets	(12,69,144)	(12,01,027)
e.	Curtailment Cost/(Credit)	-	-
f.	Settlement Cost/(Credit)	-	-
g.	Net actuarial (Gain)/Loss	7,79,727	12,45,325
h.	Employees' Contribution	-	-
i.	Total Expenses recognized in the Statement of Profit & Loss	23,75,736	26,41,544

(v)
(Figures in ₹)

Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date		2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Government of India Securities	-	-
b.	Corporate Bonds	-	-
c.	Special Deposits Scheme	-	-
d.	Equity Shares of Listed Companies	-	-
e.	Property	-	-
f.	Insurer Managed Funds	100%	100%
g.	Others	-	-

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

d) The Actual Return on Plan Assets is as follows (₹)

12,64,564
(12,93,501)

e)

Following are the Principal Actuarial Assumptions used as at the balance		2016-17	2015-16
a.	Interest Rate	7.40%	8.00%
b.	Discount Rate	7.40%	8.00%
c.	Expected Rate of Return on Plan Assets	8.25%	8.50%
d.	Salary Escalation Rate	6.00%	6.00%
e.	Expected Average Remaining Working Lives of Employees	11.47 years	11.64 years

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

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

- (2.33) Related Party Disclosures (where transactions have taken place)
- Subsidiary Company
Bemco Fluidtechnik LLP (Formerly, Bemco Fluidtechnik Private Limited)
 - Key Management personnel:
Shri Madan Mohan Mohita
Shri Anirudh Mohita
Smt. Urmila Devi Mohita
 - Relatives of Key management personnel:
Smt. Urmila Devi Mohita
 - Enterprises where key management personnel have significant influence:
U. D. Finnvest Pvt Ltd
Mohita Capital Pvt Ltd
Bemco Precitech Pvt Ltd
U.D.Polyproducts Pvt Ltd
See Ramachandra Enterprises Private Limited

Related party relationship in terms of AS-18 – Related party Disclosures have been certified by the Auditors. There are no related parties where control exists in terms of AS-18.
v In respect of above parties, there is no provision for doubtful debts as at year end and no amount has been written off or written back during the year in respect of debts due from / to them.
vi The following related party transactions were carried out during the year.

Nature of Transaction		Property, Plant & Equipment	Preference Shares	Non-Current Investments/Long Term		Trade Receivables	Trade Payables	Other Current Liabilities	Expenditure				Income		Short term Borrowings			
	Sale of Machinery (Excl. VAT & Excise)	Preference Shares as at the year end	Purchase/ Sale of Non-Current Investments	Balance at the year end (Dr.)	Balance at the year end (Dr.)	Balance at the year end (Dr.)	Balance at the year end (Cr.)	Balance at the year end (Cr.)	Interest	Sitting Fees	Guaran-tee Commis-sion	Remuner-ation (incl. Perks)	Purchase of Materials	Sale of Materials & Job Work Charges	Lease/ Rental Income	Accepted	Repaid	Balance as at year end (Cr) (incl. interest)
Subsidiary																		
	Bemco Fluidtechnik LLP	12,78,028	-	-	65,000	2,64,074	6,59,447	-	-	-	-	-	30,76,587	2,10,410	1,20,000	-	-	-
		(-)	(-)	(80,000)	(65,000)	(16,94,452)	(-)	(-)	(-)	(-)	(-)	(-)	(2,82,050)	(20,57,767)	(1,00,000)	(-)	(-)	(-)
Key Management Personnel																		
	Shri Madan Mohan Mohita	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	-	(6,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	Shri Anirudh Mohita	-	-	-	-	-	-	-	-	-	-	22,78,426	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21,02,006)	(-)	(-)	(-)	(-)	(-)	(-)
	Total	-	-	-	-	-	-	-	-	5,000	-	22,78,426	-	-	-	-	-	(-)
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21,02,006)	(-)	(-)	(-)	(-)	(-)	(-)
Relatives of Key Management Personnel																		
	Smt. Urmila Devi Mohita	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(6,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Enterprises where Key Management Personnel have Significant Influence																		
	U.D. Finnvest Pvt Ltd	-	65,00,000	-	-	-	-	20,514	38,103	-	22,793	-	-	-	-	-	82,000	2,54,401
		(-)	(65,00,000)	(-)	(-)	(-)	(-)	(-)	(58,369)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,55,000)	(3,38,285)
	Sri Ramachandra Enterprises Pvt Ltd	-	65,00,000	-	-	-	-	54,110	9,816	-	60,122	-	-	-	-	-	1,01,720	-
		(-)	(65,00,000)	(-)	(-)	(-)	(-)	(-)	(27,720)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,30,000)	(1,03,732)
	Mohita Capital Pvt Ltd	-	1,90,00,000	-	-	-	-	1,03,129	27,69,980	-	1,14,588	-	-	-	-	2,95,45,000	2,73,60,000	4,34,72,459
		(-)	(1,90,00,000)	(-)	(-)	(-)	(-)	(-)	(39,63,077)	(-)	(-)	(-)	(-)	(-)	(-)	(1,32,00,000)	(62,00,000)	(4,14,28,493)
	Bemco Precitech Pvt Ltd	-	-	-	-	-	-	-	17,347	-	-	-	-	-	-	-	-	1,45,780
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(17,398)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1,45,781)
	U.D Polyproducts Pvt Ltd	-	-	-	-	-	-	-	26,150	-	-	-	-	-	-	-	-	2,15,197
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(25,710)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2,15,231)
	Total	-	3,20,00,000	-	-	-	-	1,77,753	28,61,396	-	1,97,503	-	-	-	-	2,95,45,000	2,75,43,720	4,40,87,837
		(-)	(3,20,00,000)	(-)	(-)	(-)	(-)	(-)	(40,92,274)	(-)	(-)	(-)	(-)	(-)	(-)	(1,32,00,000)	(64,85,000)	(4,22,31,522)

(Figures in bracket pertain to Previous Year)

- (2.34) The Company is engaged in the manufacturing and sale of hydraulic press machine and related equipments, which as per the Accounting Standard
- (2.35) In accordance with the provisions of Accounting Standard on Impairment of Assets (AS 28), the management has made an assessment of assets in use and considering the business prospects related thereto, no provision is considered necessary on account of impairment of Assets.
- (2.36) a) Disclosure of the amount due to the Micro, Small & Medium Enterprises (on the basis of the information and records available with the management)

PARTICULARS		As At 31-Mar-17 (₹)	As At 31-Mar-16 (₹)
1	The principal amount and the Interest due thereon remaining unpaid to any Micro/Small supplier - Principal amount - Interest thereon	NIL NIL	NIL NIL
2	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
3	The amount of Interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small And Medium Enterprises Act Development Act 2006.	NIL	NIL
4	The amount of interest accrued and remaining un paid at the end each accounting year.	NIL	NIL
5	The amount of further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	NIL	NIL

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

- (2.37) Disclosures on Loans/ Advances/ Investments pursuant to Part A (2) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements), 2015 (as certified by the management)

Sr. No.	PARTICULARS	2016-2017		2015-2016	
		Out-standing Balance as at year end (₹)	Max. amount out-standing during the year (₹)	Out-standing Balance as at year end (₹)	Maximum amount outstanding during the year (₹)
i	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii	Loans and advances in the nature of loan to associates	-	-	-	-
iii	Loans and advance in the nature of loans to firms/companies in which director are interested.	-	-	-	-
iv	Investments by loanee in the shares of parent company and subsidiary companies when the company has made loan or advance in the nature of loan.	-	-	-	-

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

PARTICULARS		2016-2017	2015-2016
1	C.I.F. Value of Imports: Raw Materials And Components	30,68,104.00	1,19,41,045.00
2	Expenditure in Foreign Currency:(paid/payable) - Travelling - Technical Consultancy Services - Exhibition Expenses	5,21,664.00 - -	2,71,171.00 1,27,139.00 52,902.00
3	Earnings in Foreign Exchange: FOB value of Exports	1,26,84,838.00	30,54,140.00

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

PRODUCTS	Opening Stock Amount (₹)	Closing Stock Amount (₹)	Turnover Amount (₹)
Hydraulic Presses	7,82,224.00 (-)	18,55,957.00 (7,82,224.00)	19,74,68,996.00 (10,38,23,250.00)
Axial Piston Pumps	- -	- -	- (18,44,610.00)
Hydraulic Equipments	31,13,667.00 (33,792.00)	29,54,064.00 (31,13,667.00)	18,04,55,522.63 (8,39,30,756.00)
Others	- -	- -	2,32,77,456.33 (1,67,91,929.00)
Scrap	6,908.00 -	14,580.00 (6,908.00)	1,06,788.00 (32,980.00)
Total	39,02,799.00 (33,792.00)	48,24,601.00 (39,02,799.00)	40,13,08,762.96 (20,64,23,525.00)

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

(2.40) RAW MATERIALS AND COMPONENTS CONSUMED:

Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
MS Rounds, Squares, Flats, Plates and Angles	6,69,39,864.00	3,93,67,201.00
Rough Castings	3,07,80,999.00	2,65,17,158.00
Hydraulic Pumps and Valves	2,55,69,423.00	1,56,79,703.00
Steel Pipes	35,16,412.00	30,12,949.00
Packing Material	13,36,746.00	7,71,151.00
Components and Others	7,25,44,284.80	3,75,07,546.51
Materials consumed on account of warranties	(13,50,383.00)	(20,53,700.00)
Total	19,93,37,345.80	12,08,02,008.51

IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED:

	2016-2017 Amount (₹)	%	2016-2017 Amount (₹)	%
Imported	29,55,024.00	1.48%	1,18,41,188.00	9.80%
Indigenous	19,77,32,704.80	99.20%	11,10,14,520.51	91.90%
Warranties	(13,50,383.00)	-0.68%	(20,53,700.00)	-1.70%
Total	19,93,37,345.80	100.00%	12,08,02,008.51	100.00%

(2.41) WORK IN PROGRESS

Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
160T CLOSED FRAME DOWNSTROKING PRESS	79,20,000.00	12,53,023.00
300T DOUBLE PRESSING CYLINDER WHEEL PRESS	1,14,59,000.00	-
500T WHEEL FITTING PRESS	68,16,000.00	-
1000T CLOSED FRAME PRESS	-	3,64,30,000.00
4000T HYDRAULIC PRESS	5,32,63,000.00	-
OTHERS	6,37,23,000.00	13,42,46,977.00
Total	14,31,81,000.00	17,19,30,000.00

(2.42) SERVICES RENDERED

Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
Job Charges	9,62,307.00	18,66,907.50
Servicing Charges	16,13,975.00	18,52,604.00
Total	25,76,282.00	37,19,511.50

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

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

Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
<u>Deferred Payment Liabilities :</u>		
a) Payable for Technical Know-How (in Euros)	4,00,000.00	7,70,000.00
Payable for Technical Know-How (in INR)	2,81,44,000.00	5,83,50,600.00

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

(Figures in ₹)

Particulars	Balance as at the opening	Addition during the year	Amount paid/ reversed/ used during the year	Balance as at year end
Provisions				
Provision for Warranty Claims	4,24,406	64,500	-	4,88,906
(b) Arrears of Preference Dividend				1,71,84,660
(c) Contingent Liability:				(1,29,48,072)
Particulars				Amount (₹)
(i) Entry Tax Demand disputed in Appeal* (net of amount paid)				1,04,816
				(1,46,742)
* 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) Bills discounted from Bank against irrevocable Letter of Credit issued by the party				-
				(1,20,34,500)

(2.46) Warranty expenses on rectification work are accounted for on natural heads as and when incurred & charged to provision on year end. Warranty expenses include ₹ 13,50,383/- (P.Y. ₹ 20,53,700/-) on account of free supplies of materials under warranty period.

(iii) 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.

(iv) 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.

(2.47) Capital Commitments

Estimated amount of contracts remaining to be executed on capital accounts not provided for: ₹ 1,20,00,000/- (Previous Year: NIL)

(2.48) Disclosure on Specified Bank Notes (SBNs)*:

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Figures in ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	20,94,500.00	4,09,492.00	25,03,992.00
(+) Permitted Receipts	-	9,83,840.00	9,83,840.00
(-) Permitted Payments		(9,29,395.00)	(9,29,395.00)
(-) Amount deposited in Banks	(20,94,500.00)	-	(20,94,500.00)
Closing Cash in hand as on 30.12.2016	-	4,63,937.00	4,63,937.00

*For the purposes of this clause, the term 'Specified Bank Notes' (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

(2.49) The Company has entered into Lease Agreements 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 Tangible Fixed Assets, in lieu of monthly lease rentals. Disclosures pursuant to Accounting Standard (AS) 19 : 'Leases' is given below:

(i) The future minimum lease payments (excluding service tax) under the above non-cancellable lease agreement is disclosed below:

Particulars	Amount (₹)
(a) Not later than one year	6,74,160
	(1,20,000)
(b) Later than one year and not later than five years	24,76,640
	(3,80,000)
(c) Later than five years	16,77,480
	(-)

(ii) The Agreement 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.

(2.50) Previous year figures have been regrouped / rearranged wherever necessary.

As Per our Report of Even Date
For M/s A.C. BHUTERIA & CO.
Chartered Accountants
Firm Regn No.:303105E

Ashish Choudhary
 Partner
 Membership No.:308886

Amruta Tarale
 Company Secretary
 ACS - 42288

R B Patil
 CFO
 PAN:AANPP9374M

Anirudh Mohta
 Managing Director
 DIN:00065302

M.M. Mohtra
 Chairman
 DIN:00068884

Place: Camp Belgaum
 Date: 30-05-2017

Place: Belgaum
 Date: 30-05-2017

A.C.BHUTERIA & CO.
CHARTERED ACCOUNTANTS
2, India Exchange Place 2nd Floor Room No: 10 Kolkata- 700 001
Phone: 2230 6990, E-mail: m_bhuteria@yahoo.co.in Website: www.acbhuteria.com
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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"), which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company and the Partners of the Limited Liability Partnership 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

We believe that the audit evidence obtained by us 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 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The subsidiary company, Bemco Fluidtechnik Private Limited has been converted into a Limited Liability Partnership under the name and style of Bemco Fluidtechnik LLP (hereinafter referred to as "the LLP") with effect from 27th February, 2017. The financial statements of the subsidiary company for the period 1st April, 2016 to 26th February, 2017 included in consolidated financial statements has been duly reviewed by us.

Our Opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - ii. 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.
 - iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
 - iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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 2017 from being appointed as a director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - 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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 2.41(c) to the consolidated financial statements;
 - b. The Holding Company and its subsidiary incorporated in India did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - c. 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.
 - d. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the relevant books of accounts maintained by the Group and as produced to us by the management of the respective entities – Refer Note No. 2.44 to the consolidated financial statements

For **A.C. Bhuteria & Co.**
 Chartered Accountants
 Firm's Registration No. 303105E

Ashish Choudhary
 Partner
 Membership No. 308886

Place: Camp Belgaum
 Date: 30-05-2017

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 financial statements of the Company as of and for the year ended 31 March 2017, 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 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 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 2017, 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.

Place: Camp Belgaum
Date: 30-05-2017

For **A.C. Bhuteria & Co.**
Chartered Accountants
Firm's Registration No. 303105E

Ashish Choudhary
Partner
Membership No. 308886

CONSOLIDATED BALANCE SHEET AS AT 31-Mar-17

	Note No.	31-Mar-17 Rs. P	31-Mar-16 Rs. P
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.01	5,39,33,500.00	5,39,33,500.00
(b) Reserves & Surplus	2.02	37,11,14,922.75	(1,15,23,047.17)
Total Equity (1)		42,50,48,422.75	4,24,10,452.83
(2) Minority Interest		-	-
Total Minority Interest (2)		-	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	2.03	3,41,27,930.00	5,30,57,916.92
(b) Other Long Term Liabilities	2.04	49,10,588.00	34,28,284.00
(c) Long Term Provisions	2.05	5,51,065.00	6,21,611.00
Total Non-Current Liabilities (3)		3,95,89,583.00	5,71,07,811.92
(4) Current Liabilities			
(a) Short Term Borrowings	2.06	12,92,62,557.34	14,49,26,181.08
(b) <u>Trade Payables</u>	2.07		
- Micro & Small Enterprises		-	-
- Others		10,77,06,193.36	9,59,79,009.98
(c) Other Current Liabilities	2.08	10,75,39,400.20	9,01,75,523.36
(d) Short Term Provisions	2.09	43,96,926.00	37,39,432.00
Total Current Liabilities (4)		34,89,05,076.90	33,48,20,146.42
TOTAL EQUITY AND LIABILITIES (1+2+3+4)		81,35,43,082.65	43,43,38,411.17
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.10		
(i) Property, Plant & Equipment		42,49,75,790.00	7,13,53,482.00
(ii) Intangible Assets		53,18,754.00	1,23,92,618.00
(b) Non-Current Investments	2.11	31,141.00	44,695.00
(c) Deferred Tax Assets (Net)	2.12	-	-
(d) Long Term Loans and Advances	2.13	35,78,881.00	12,99,363.00
(e) Other Non-Current Assets	2.14	1,32,47,731.00	88,01,202.00
Total Non-Current Assets (1)		44,71,52,297.00	9,38,91,360.00
(2) Current Assets			
(a) Inventories	2.15	20,07,99,473.00	22,47,26,974.81
(b) Trade Receivables	2.16	12,85,85,675.20	9,26,64,115.29
(c) Cash and Bank Balances			
(i) Cash and Cash Equivalents	2.17	36,90,908.19	17,18,933.11
(ii) Other Bank Balances	2.18	1,20,45,042.00	1,12,55,821.00
(d) Short Term Loans and Advances	2.19	2,11,32,895.26	99,85,372.96
(e) Other Current Assets	2.20	1,36,792.00	95,834.00
Total Current Assets (2)		36,63,90,785.65	34,04,47,051.17
TOTAL ASSETS (1+2)		81,35,43,082.65	43,43,38,411.17
Significant Accounting Policies	1		
Notes to Consolidated Financial Statements	2		

As Per our Report of Even Date
For M/s A.C. BHUTERIA & CO.
Chartered Accountants
Firm Regn No.:303105E

for Bemco Hydraulics Limited

Ashish Choudhary
Partner
Membership No.:308886

Amruta Tarale
Company Secretary
ACS - 42288

R B Patil
CFO
PAN:AANPP9374M

Anirudh Mohta
Managing Director
DIN:00065302

M.M. Mohta
Chairman
DIN:00068884

Place: Camp Belgaum
Date: 30-05-2017

Place: Belgaum
Date: 30-05-2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31-Mar-17

	Note No.	31-Mar-17 Rs. P	31-Mar-16 Rs. P
I REVENUE FROM OPERATIONS (Gross)	2.21	46,42,59,562.52	23,66,22,569.06
Less: Excise Duty		4,58,60,336.50	2,34,68,847.00
REVENUE FROM OPERATIONS (Net)		41,83,99,226.02	21,31,53,722.06
II OTHER INCOME	2.22	69,24,643.43	36,84,089.38
III TOTAL REVENUE (I + II)		42,53,23,869.45	21,68,37,811.44
IV EXPENSES			
Cost of Material Consumed	2.23	20,32,18,113.61	11,92,76,995.70
Changes in Inventories of Finished Goods and Work-in-Progress	2.24	2,55,89,278.00	(2,95,79,007.00)
Employee Benefits Expense	2.25	7,37,30,634.00	6,36,91,758.75
Finance Costs	2.26	2,83,10,733.46	2,68,32,490.61
Depreciation and Amortization Expense	2.27	1,26,18,224.00	1,25,54,830.00
Other Expenses	2.28	7,38,07,891.46	5,76,14,762.91
TOTAL EXPENSES		41,72,74,874.53	25,03,91,830.97
V PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)		80,48,994.92	(3,35,54,019.53)
VI EXCEPTIONAL ITEMS	2.29	2,82,42,100.00	-
VII PROFIT/ (LOSS) BEFORE TAX (V+VI)		3,62,91,094.92	(3,35,54,019.53)
VIII TAX EXPENSES			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Income Tax for Earlier Years		(5,942.00)	(47,390.00)
(4) Wealth Tax of Earlier Years		-	1,07,694.00
		(5,942.00)	60,304.00
IX PROFIT/ (LOSS) FOR THE YEAR (VII - VIII)		3,62,97,036.92	(3,36,14,323.53)
X SHARE OF MINORITY INTEREST		-	(35,000.00)
XI PROFIT/ (LOSS) FOR THE YEAR (AFTER ADJUSTMENT FOR MINORITY INTEREST) (IX - X)		3,62,97,036.92	(3,35,79,323.53)
XII EARNINGS PER EQUITY SHARE: BEFORE EXCEPTIONAL ITEMS	2.30		
(1) Basic		1.75	(17.29)
(2) Diluted		1.75	(17.29)
XIII EARNINGS PER EQUITY SHARE: AFTER EXCEPTIONAL ITEMS	2.31		
(1) Basic		14.66	(17.29)
(2) Diluted		14.66	(17.29)
Significant Accounting Policies	1		
Notes to Consolidated Financial Statements	2		

 As Per our Report of Even Date
 For M/s A.C. BHUTERIA & CO.
 Chartered Accountants
 Firm Regn No.:303105E

for Bemco Hydraulics Limited

 Ashish Choudhary
 Partner
 Membership No.:308886

 Amruta Tarale
 Company Secretary
 ACS - 42288

 R B Patil
 CFO
 PAN:AANPP9374M

 Anirudh Mohta
 Managing Director
 DIN:00065302

 M.M. Mohta
 Chairman
 DIN:00068884

 Place: Camp Belgaum
 Date: 30-05-2017

 Place: Belgaum
 Date: 30-05-2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Figures in ₹)

	Particulars	31-Mar-17		31-Mar-16	
A	Cash Flow from Operating Activities:				
	Net Profit/ (Loss) Before Exceptional Items and Tax		80,48,994.92		(3,35,54,019.53)
	Adjustments for:				
	Loss on Sale of Property, Plant & Equipment	7,316.00		104.00	
	Non Current/ Long Term Investments Written Off	13,554.00		-	
	Provision for doubtful debts and advances	(13,53,565.00)		1,37,500.00	
	Bad Debt and advances written off	57,21,318.67		5,96,067.64	
	Finance Cost	2,83,10,733.46		2,68,32,490.61	
	Depreciation and Amortization expense	1,26,18,224.00		1,25,54,830.00	
	Unrealised Foreign Exchange (Gain) / Loss (net)	(19,64,500.00)		55,20,450.00	
	Provision for Warranty Made/ (written back)	64,500.00		(3,89,404.00)	
	Profit on Disposal of Property, Plant & Equipment	(41,504.00)		(1,41,118.00)	
	Preliminary Expenses Written off	-		78,346.00	
	Profit on Sale of Non-Current/ Long Term Investments	-		(4,706.74)	
	Liability no Longer required written back	(9,42,901.38)		(90,174.00)	
	Dividend from Non-Current/ Long Term Investments	(12,820.47)		(11,285.50)	
	Interest Income	(16,82,379.00)		(14,87,454.00)	
	Lease/ Rental Income from Others	(5,39,160.00)		-	
	Excess & Short Provision	182.00		1,35,626.00	
			4,01,98,998.28		4,37,31,272.01
	Operating Profit before Working Capital Changes		4,82,47,993.20		1,01,77,252.48
	Movements in Working Capital				
	Decrease/ (Increase) in Inventories	2,39,27,501.81		(4,59,45,655.81)	
	Decrease/ (Increase) in Trade and Other Receivables	(5,15,27,413.88)		(2,34,33,538.21)	
	Increase/ (Decrease) in Trade and Other Payables	2,94,21,068.22	18,21,156.15	6,10,42,059.11	(83,37,134.91)
	Cash Generated from Operations		5,00,69,149.35		18,40,117.57
	Direct Taxes paid		2,40,023.00		45,436.70
	Net Cash from/used in Operating Activities (A)		5,03,09,172.35		18,85,554.27
B	Cash Flow from Investing Activities:				
	Purchase of Property, Plant & Equipment (incl.Capital Advances)	(1,32,53,788.00)		(40,29,606.00)	
	Sale of Property, Plant & Equipment	7,64,417.00		9,61,850.00	
	Sale of Non- Current / Long Term Investments	-		4,771.40	
	Sale of Equity Shares of Subsidiary Company	-		15,000.00	
	Investment in Fixed Deposits	(56,94,725.00)		(20,90,101.00)	
	Dividend Received	12,820.47		11,285.50	
	Interest Received	18,13,416.00		13,91,154.00	
	Lease/ Rental Income from Others	5,39,160.00		-	
	Net Cash Used in Investing Activities (B)		(1,58,18,699.53)		(37,35,646.10)
C	Cash Flow from Financing Activities:				
	Proceeds from Long term Borrowings	1,91,81,000.00		53,00,117.00	
	Repayment of Long term Borrowings	(77,20,567.54)		(82,67,212.32)	
	Proceeds/ (Repayment) of Short term Borrowings(net)	(1,56,63,623.74)		3,30,64,783.53	
	Proceeds from issue of Equity Shares	-		20,000.00	
	Share Issue Expenses	-		(58,657.00)	
	Interest Paid	(2,83,15,306.46)		(2,71,15,485.61)	
	Net Cash from/used in Financing Activities (C)		(3,25,18,497.74)		29,43,545.60
	Net Increase in Cash & Cash Equivalents (A+B+C)		19,71,975.08		10,93,453.77
	Cash & Cash Equivalents at the beginning of the Year		17,18,933.11		6,25,479.34
	Cash & Cash Equivalents at the End of the Year*		36,90,908.19		17,18,933.11

* Represents Cash and Cash Equivalents as indicated in Note 2.17 to the consolidated financial statements.

Note: Cash Flow Statement has been prepared using the indirect method in accordance with Accounting Standard (AS) 3-"Cash Flow Statement" notified under Section 133 of the Companies Act, 2013

 As Per our Report of Even Date
 For M/s A.C. BHUTERIA & CO.
 Chartered Accountants
 Firm Regn No.:303105E

for Bemco Hydraulics Limited

 Ashish Choudhary
 Partner
 Membership No.:308886

 Amruta Tarale
 Company Secretary
 ACS - 42288

 R B Patil
 CFO
 PAN:AANPP9374M

 Anirudh Mohta
 Managing Director
 DIN:00065302

 M.M. Mohta
 Chairman
 DIN:00068884

 Place: Camp Belgaum
 Date: 30-05-2017

 Place: Belgaum
 Date: 30-05-2017

BEMCO HYDRAULICS LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain fixed assets which are stated at revalued amounts. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the Assets and Liabilities have been classified as Current and Non-Current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities, the Group has ascertained its operating cycle as 12 months for the purpose of Current and Non Current classification of Assets and Liabilities.

b) Use of Estimates

The preparation of the consolidated financial statements is in conformity with Indian GAAP which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and reported amounts of income and expenses during the period.

The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of consolidated financial statement. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Principles of Consolidation

The consolidated financial statements relate to Bemco Hydraulics Limited ('the Company') and its Subsidiary, Bemco Fluidtechnik LLP (Formerly, Bemco Fluidtechnik Private Limited) and is collectively referred to as 'the Group'. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements". The Consolidated Financial Statements of the Company 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, income and expenses after fully eliminating intra-group balances, intra-group transactions and unrealised profits in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements' notified under the Companies Act, 2013.
- The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary at the dates on which the investments in the Subsidiary are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements and disclosed under Fixed Assets as "Intangible Assets". However, there is no goodwill/ capital reserve arising out of acquisition of subsidiary in the case of the Company.
- Minority Interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Financial Statements separately from liabilities and equity of the Company's shareholders.
- Minority Interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to minority at the dates on which investments in the Subsidiary are made by the Company and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- The financial statements of subsidiary are drawn upto the same reporting date as that of the Company i.e. 31st March, 2017.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- The subsidiary considered in the consolidated financial statements is:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership
Bemco Fluidtechnik LLP (Formerly, Bemco Fluidtechnik Private Limited)	India	65%

d) Property, Plant & Equipment

(i) Recognition

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, 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 the statement of profit or loss during the reporting period in which they are incurred.

The Group has adopted cost model as prescribed under Accounting Standard (AS) 10: Property, Plant & Equipment in respect of all classes of assets except for leasehold land for which revaluation model has been adopted.

(ii) Depreciation

Depreciation is recognised (on assets other than leasehold land) so as to write off the cost of assets less their residual values over the useful lives, using the straight-line method ("SLM"). The useful life of the assets are determined as per Schedule II of the Companies Act 2013. 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. However, at present, there is no change in useful life of the assets from that prescribed in Schedule II of the Companies Act, 2013.

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 the statement of profit or loss.

e) Capital Work-In-Progress

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

f) **Intangible Assets**

(i) **Recognition**

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

(ii) **Amortization**

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

g) **Non-Current/Long Term Investment**

Non- Current/ Long-term investments are stated at cost. Provision is made for diminution in the value of investments, if the same is considered to be other than temporary in nature. The carrying amount of long-term investments is determined on an individual investment basis.

h) **Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made as to the amount the inventories are expected to realise. The cost of inventories are arrived at by applying the weighted average cost formula.

Scrap is valued at net realizable value. Excise duty payable on finished goods lying in the factory is provided for and included in closing stock of finished goods.

i) **Employee Benefits**

1 Short term employee benefits :

Short-term employee benefits are employee benefits (other than termination benefits) such as salary, wages and performance incentive which fall due wholly within twelve months after the end of the period in which the employees render the related service and are recognised as expense in the period in which the related service is rendered.

2 Post-employment Benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

a. Defined Contribution Plans

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

b. Defined Benefit Plans

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

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

c. Other Long-term Employee Benefit

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

3 Termination benefits are recognised as an expense as and when incurred.

4 The Actuarial gains and losses arising during the year are recognised in the Statement of Profit and Loss.

j) **Research and Development**

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Revenue expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

k) **Revenue Recognition**

Sale of goods

Sales are recognised net of returns, trade discounts and rebates when the seller has transferred the property in the goods to the buyer for a consideration. The transfer of property in goods, in most cases, results in or coincides with the transfer of significant risks and rewards of ownership to the buyer. However, there may be situations where transfer of property in goods does not coincide with the transfer of significant risks and rewards of ownership. Revenue in such situations is recognised at the time of transfer of significant risks and rewards of ownership to the buyer.

Sales include excise duty but excludes value added tax and central sales tax collected.

Rendering of services

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

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

Other income

Interest accrues on the time basis determined by the amount outstanding and the rate applicable.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Other items of income are recognized on accrual basis.

l) **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset upto the date the asset is ready for use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Foreign Currency Transactions**Initial recognition**

A foreign currency transaction is recorded on initial recognition in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Measurement of foreign currency monetary items at Balance Sheet date

Foreign currency monetary items are reported using the closing rate. However, in certain circumstances, where the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date, the relevant monetary item is reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date.

Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise (except Net Investment in a Non-integral Foreign Operation.)

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The net profit or loss for the period attributable to equity shareholders is the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted by the number of equity shares bought back or issued during the period multiplied by the time-weighting factor.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed to have been converted into equity shares at the beginning of the period or, if issued later, the date of the issue of the potential equity shares. Potential equity shares are treated as dilutive when, and only when, their conversion to equity shares would decrease net profit per share from continuing ordinary operations.

o) Taxation

Tax expense for the period, comprising current tax and deferred tax, is included in the determination of the net profit or loss for the period. Provision is made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Provision is made for deferred tax for all the timing differences arising between taxable income and accounting income at currently or substantively enacted tax rates, subject to the consideration of prudence in respect of deferred tax assets. Whenever there exists any unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet Date.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

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

q) Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of cash generating units. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

r) Leases**Where the Company is a Lessor**

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item are classified as 'Finance Lease'. Assets acquired on Finance Lease which substantially transfer all the risks and rewards of ownership to the Company are capitalized as assets by the Company at the lower of the fair value and the present value of the minimum lease payment and a liability is created for an equivalent amount. Amortization of capitalized Leased asset is computed on Straight Line Method over the useful life of the asset. Lease rentals payable is apportioned between the liability and finance charge so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight line basis.

Where the Company is a Lessee

Initial Direct Costs in respect of operating lease is recognised in the Statement of Profit and Loss in the period in which they are incurred. Lease income in respect of Operating Lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

s) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

t) Cash Flow Statement

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities. Cash flows from operating activities are reported using the indirect method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

u) Post-sales client support and warranties

The Company provides its clients with a fixed-period warranty for corrections of errors and support on all its fixed-price, fixed-time frame contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in statement of profit and loss. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

(2) NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(2.01) SHARE CAPITAL

(a) Authorized Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Preference Shares of ₹ 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000
	44,00,000	8,00,00,000	44,00,000	8,00,00,000
(b) Issued Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	22,22,750	2,22,27,500	22,22,750	2,22,27,500
Preference Shares of ₹ 100/- each	3,27,268	3,27,26,800	3,27,268	3,27,26,800
	25,50,018	5,49,54,300	25,50,018	5,49,54,300
(c) Subscribed Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	22,00,000	2,20,00,000	22,00,000	2,20,00,000
Preference Shares of ₹ 100/- each	3,20,000	3,20,00,000	3,20,000	3,20,00,000
	25,20,000	5,40,00,000	25,20,000	5,40,00,000
(d) Fully Paid-up Share Capital	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Equity Shares of ₹ 10/- each	21,86,700	2,18,67,000	21,86,700	2,18,67,000
Shares Forfeited	-	66,500	-	66,500
	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Preference Shares of ₹ 100/- each	3,20,000	3,20,00,000	3,20,000	3,20,00,000
	25,06,700	5,39,33,500	25,06,700	5,39,33,500
(e) Reconciliation of Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of each financial year.	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Balance as at the beginning of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Add/(Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
(f) Reconciliation of Preference Shares of ₹ 100/- each outstanding at the beginning and at the end of each financial year.	As at 31-Mar-17		As at 31-Mar-16	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
Balance as at the beginning of the financial year	3,20,000	3,20,00,000	3,20,000	3,20,00,000
Add/(Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	3,20,000	3,20,00,000	3,20,000	3,20,00,000
(g) Shareholders holding more than 5% of Equity Share Capital.	As at 31-Mar-17		As at 31-Mar-16	
	(Nos.)	(%)	(Nos.)	(%)
Mohta Capital Private Limited	6,65,606	30.44	6,65,606	30.44
Sri Ramchandra Enterprises Pvt Ltd	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
Urmila Devi Mohta	2,08,668	9.54	2,08,668	9.54
Sungrace Finvest Private Limited	1,69,755	7.76	1,84,000	8.41

(h) Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/-each

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 any of the remaining assets of the company, after distribution of all preferential amounts.

(i) 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, 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.

However, the company has not paid dividends to Preference Shareholders for two consecutive financial years 2013-14 and 2014-15 and therefore, as per the provisions of the Section 47 of the Companies Act 2013, the Preference Shareholders have received voting rights on par with Equity Shareholders on and from the conclusion of 57th Annual General Meeting held on 25-09-2015.

(j) Terms of redemption of Preference Shares of ₹ 100/- each

Particulars	As at	31-Mar-17	As at	31-Mar-16
	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
(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
(k) Shareholders holding more than 5% of Preference Share Capital.	As at	31-Mar-17	As at	31-Mar-16
	(Nos.)	%	(Nos.)	%
Mohta Capital Private Limited	1,90,000	59.38	1,90,000	59.38
U D Finnvest Private Limited	65,000	20.31	65,000	20.31
Sri Ramchandra Enterprises Pvt Ltd	65,000	20.31	65,000	20.31

(2.02) RESERVES AND SURPLUS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Capital Reserve		
Opening/Closing Balance	6,44,876.00	6,44,876.00
(A) Capital Redemption Reserve	6,44,876.00	6,44,876.00
Opening/Closing Balance	14,73,200.00	14,73,200.00
(B) Securities Premium Account	14,73,200.00	14,73,200.00
Opening Balance	4,48,31,700.00	4,48,31,700.00
Add: Addition during the year	-	-
Closing Balance	4,48,31,700.00	4,48,31,700.00
Revaluation Reserve		
Opening Balance	1,41,82,487.00	1,44,35,480.00
Less: Reversal of revaluation balance of fixed assets pursuant to amendment in Accounting Standard 10 [Refer Note No. 2.10 C (ii)]	(1,41,82,487.00)	-
Add: Addition on account of fresh revaluation of land [Refer Note No. 2.10 C (iii)]	36,05,23,420.00	-
Less: Transferred to General Reserve on account of depreciation for the year on revalued amounts [Refer Note No. 2.10 C (v)]	-	(2,52,993.00)
Closing Balance	36,05,23,420.00	1,41,82,487.00
(D)		

	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
General Reserve		
Opening Balance	70,24,153.00	67,71,160.00
Add: Transferred from Revaluation Reserve [Refer Note No. 2.10 C (v)]	-	2,52,993.00
Closing Balance (E)	70,24,153.00	70,24,153.00
Surplus/(Deficit) in the Statement of Profit & Loss		
Opening Balance	(7,96,79,463.17)	(4,61,00,139.64)
Add: Surplus/(deficit) for the year	3,62,97,036.92	(3,35,79,323.53)
Closing Balance (F)	(4,33,82,426.25)	(7,96,79,463.17)
	-	-
Total (A to F)	37,11,14,922.75	(1,15,23,047.17)

(2.03) LONG TERM BORROWINGS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Secured		
<u>Term Loans from Banks [Refer Note (i) below]</u>		
- Working Capital Term Loan	-	12,40,400.00
- Specific Purpose Term Loan:		
(a) Plant & Machinery Loans	22,96,000.00	-
(b) Motor Car Loans	26,60,189.00	37,47,916.92
Unsecured		
Deferred Payment Liabilities [Refer Note (ii) below]	1,05,54,000.00	4,31,94,600.00
Loan from Related Parties [Refer Note (iii) below & Note 2.33]	1,86,17,741.00	48,75,000.00
	3,41,27,930.00	5,30,57,916.92

Note:

- (i) Terms of Repayment of Term Loans from Banks (Including Current Maturities of Term Loans as disclosed under Note 2.08: Other Current Liabilities)

Working Capital Term Loan

Term Loans from Banks are secured by way of first pari-passu charge between the lending banks on the assets created out of bank finance and collaterally secured by equitable mortgage of Land & Building of the Group and hypothecation of unencumbered fixed assets of the holding company on pari-passu basis. These are further secured by personal guarantee of three directors of the holding company.

Interest payable on loan from Bank of Maharashtra is at base rate + 4.70% repayable in 53 monthly installments of ₹. 1,86,000/- each and last installment of ₹. 1,42,000/- (or less to balance the outstanding) after a moratorium period of 6 months. Interest shall be serviced as and when applied. As on 31-03-2017, 7 installments (Previous year 19 installments) are due for repayment amounting to ₹. 12,40,400/- excluding interest (Previous Year ₹.34,72,400/-)

Interest payable on loan from State Bank of India was at base rate + 4.60% repayable in 40 monthly installments after a moratorium period of 8 month. Of the 40 installments, first 20 installments was of ₹. 2,00,000/- each and the balance 20 installments was of ₹. 3,00,000/- each. As on 31-03-2017 the loan has been squared off (7 installments were due for repayment amounting to ₹. 21,00,000/- in the previous year).

Specific Purpose Term Loan

Plant & Machinery Loan:

During the year, the holding company has obtained loan from Bank of Maharashtra for purchase of plant & machinery which is secured by first pari-passu charge on machinery purchased out of bank finance and collaterally secured by equitable mortgage of Land & Building on pari-passu basis with State Bank of India. It is further secured by personal guarantee of three directors of the holding company. The sanctioned amount of loan under the consortium of bankers is ₹. 85,00,000/- out of which the holding company has drawn ₹. 35,76,000/- for purchase of the current machinery.

Interest payable thereon is at base rate + 4.70% repayable in 45 monthly installments of ₹. 80,000/- each after a moratorium period of 6 months. Interest shall be serviced as and when applied. As on 31-03-2017, 40 installments of ₹. 80,000/- each and a last installment of ₹. 56,000/- are due for repayment amounting to ₹. 32,56,000/- (excluding interest).

Motor Car Loans:

Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments carrying interest on reducing balance method varying between 10% per annum to 12.5% per annum. As on 31-03-2017, 499 installments (Previous Year 530 installments) are due for repayment amounting to ₹. 49,93,823/- excluding interest (Previous Year ₹. 62,00,131/-).

(ii) Details of continuing defaults in respect of Deferred Payment Liabilities.

The holding company has a continuing default of ₹. 1,40,72,000/- in respect of deferred payment liabilities as at the balance sheet date which is included in the amount of 'Current portion of deferred liability for Intangible

Assets' disclosed under Note 2.08: Other Current Liabilities. Interest is not chargeable on this amount.

(iii) The subsidiary has entered into a loan arrangement with related party for a period of three years with an option to renew the credit limit and other terms at the end of first year. The initial credit limit of ₹. 1,00,00,000/- has been enhanced to ₹. 3,00,00,000/-. Interest is charged @ 12% p.a. compounded quarterly.

The repayment of principal amount outstanding at the end of 3 years shall be made on the expiration of the arrangement or the same may be renewed further on the terms and conditions to be decided.

(2.04) OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Other Payables- Deposits	47,54,548.00	34,03,284.00
Security Deposits	1,56,040.00	25,000.00
	49,10,588.00	34,28,284.00

(2.05) LONG TERM PROVISIONS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Provision for Employee Benefits		
- Provision for Leave Encashment	5,51,065.00	6,21,611.00
	5,51,065.00	6,21,611.00

(2.06) SHORT TERM BORROWINGS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Secured		
Loans Repayable on Demand:		
- Cash Credit/ Packing Credit from Banks [Refer Note (i) below]	6,34,34,687.12	8,37,14,236.86
- Stand By Line Credit [Refer Note (ii) below]	50,00,000.00	-
- Raw Material Assistance Scheme from NSIC [Refer Note (iii) below]	94,99,905.22	94,85,259.22
Unsecured		
Loans Repayable on Demand:		
- Loans from Related Parties [Refer Note 2.33]	4,39,27,965.00	4,19,26,685.00
- Loans from Other Parties	74,00,000.00	98,00,000.00
	12,92,62,557.34	14,49,26,181.08

Note

- (i) Cash Credit availed from Banks are primarily secured by hypothecation of inventory and receivables of the holding company upto 120 days/ 150 days and equitable mortgage of factory land and building on pari-passu basis amongst the lending banks. These are further secured by personal guarantee of three directors of the holding Company and pledge of 30% of Equity Shares of the Company by certain related parties.

Interest on cash credit from Bank of Maharashtra is payable at floating rate being base rate of bank plus 4.60% at monthly rests.

Interest on cash credit from State Bank of India is payable at floating rate being base rate of bank plus 4.50% at monthly rests.(ii)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 of the holding company 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 5.50% at monthly rests.(iii)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.

(2.07) TRADE PAYABLES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
For Goods and Services received in the ordinary course of business		
- Micro & Small Enterprises	-	-
- Others	7,68,39,119.36	7,43,52,819.98
- Acceptances	3,08,67,074.00	2,16,26,190.00
	10,77,06,193.36	9,59,79,009.98

(2.08) OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Current Maturities of Long Term Borrowings:		
- Working Capital Term Loan	12,40,400.00	43,32,000.00
- Plant & Machinery Loans	9,60,000.00	-
- Motor Car Loans	23,33,633.92	24,52,214.54
- Current Portion of Deferred Payment Liabilities	1,75,90,000.00	1,51,56,000.00
Interest accrued but not due on borrowings	725.00	33,514.00
Interest accrued and due on borrowings	8,29,111.00	8,00,895.00
Other Payables		
- Gratuity Payable to LIC	48,30,401.00	50,86,181.00
- Advance from Customers	6,09,99,703.78	5,16,94,350.36
- Other deposits	-	3,61,671.00
- Liability against Capital Assets	26,28,598.00	1,90,199.00
- Liabilities for Statutory Dues	1,00,97,692.20	47,07,707.30
- Guarantee Commission Payable to Related Parties	1,77,753.00	-
- Director's Current Account Payable	-	29,689.00
- Liabilities for Expenses	58,51,382.30	53,31,102.16
	10,75,39,400.20	9,01,75,523.36

(2.09) SHORT TERM PROVISIONS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Provision for Employee Benefits		
- Provision for Leave Encashment	39,08,020.00	33,15,026.00
Provision - Others		
- Provision for Product Warranty	4,88,906.00	4,24,406.00
	43,96,926.00	37,39,432.00

NOTE NO. 2.10: FIXED ASSETS

(all figures in ₹)															
PARTICULARS		GROSS BLOCK			DEPRECIATION			NET BLOCK							
SL NO		ASAT 1-Apr-16 Year	Reversal Of Previous Revaluation	Addition on account of Revaluation during the Year	Additions	Deductions/ Adjustments	AS AT 31-Mar-17	UP TO 1-Apr-16	For the Year	Deductions	Reversal of Accumulated Depreciation on Previous Revaluation	TOTAL As at 31-Mar-17	As on 31-Mar-17	As on 31-Mar-16	
A	Property, Plant & Equipment														
	LEASED														
	1 LEASEHOLD LAND	1,33,10,040	1,32,69,604	36,05,23,420	-	-	-	36,05,63,856	-	-	-	-	-	36,05,63,856	1,33,10,040
	OWNED														
	2 BUILDINGS	4,62,27,050	1,63,88,005	-	-	-	2,98,39,045	1,98,96,654	8,82,582	-	1,54,73,217	53,06,019	2,45,33,026	2,63,30,396	
	3 BOREWELL	1,57,861	-	-	-	-	1,57,861	1,49,968	-	-	-	1,49,968	7,893	7,893	
	4 PLANT AND MACHINERY	5,51,03,997	1,31,80,225	-	90,73,291	-	-	5,09,97,063	3,90,62,602	14,45,707	-	1,31,80,224	2,73,28,085	2,36,68,978	1,60,41,395
	5 OFFICE EQUIPMENTS	13,53,670	55,712	-	14,145	3,59,099	-	9,53,004	10,78,328	1,39,250	3,43,842	55,712	8,18,024	1,34,980	2,75,342
	6 VEHICLES	1,83,36,217	-	-	34,35,567	12,15,376	-	2,05,56,408	52,05,369	25,03,529	5,08,521	-	72,00,377	1,33,56,031	1,31,30,848
	7 GOODS TRANSPORT	8,99,250	75,832	-	-	-	-	8,23,418	3,78,807	77,482	-	75,832	3,80,457	4,42,961	5,20,443
	8 ELECTRICAL INSTALLATIONS	37,34,292	11,98,099	-	-	-	-	25,36,193	33,83,669	50,414	-	12,00,005	22,34,078	3,02,115	3,50,623
B	FURNITURE AND FIXTURES	10,32,467	-	-	1,82,821	66,280	11,49,008	4,89,646	75,220	62,696	-	5,02,170	6,46,838	5,42,821	5,42,821
	10 COMPUTERS	41,35,574	(3,157)	-	3,78,585	11,64,237	33,53,079	35,13,666	2,26,341	11,59,704	(3,157)	25,83,460	7,69,619	6,21,908	6,21,908
	11 MOULDS, DIES & PATTERNS	2,50,500	-	-	4,71,555	-	-	7,22,055	28,727	1,43,835	-	1,72,562	5,49,493	2,21,773	2,21,773
	TOTAL (A)	14,45,40,918	4,41,64,320	36,05,23,420	1,35,55,964	28,04,992	47,16,50,990	7,31,87,436	55,44,360	20,74,763	2,99,81,833	4,66,75,200	42,49,75,790	7,13,53,482	7,13,53,482
	INTANGIBLE ASSETS														
	Other than Internally Generated														
	1 COMPUTER SOFTWARE	6,78,320	-	-	-	-	-	6,78,320	3,28,095	1,40,941	-	-	4,69,036	2,09,284	3,50,225
	2 TECHNICAL KNOW - HOW	7,53,48,488	-	-	-	-	3,92,28,488	3,61,20,000	6,33,06,095	69,32,923	3,92,28,488	-	3,10,10,530	51,09,470	1,20,42,393
	TOTAL (B)	7,60,26,808	-	-	-	-	3,92,28,488	3,67,98,320	6,36,34,190	70,73,864	3,92,28,488	-	3,14,79,566	53,18,754	1,23,92,618
	TOTAL (A + B)	22,05,67,726	4,41,64,320	36,05,23,420	1,35,55,964	4,20,33,480	50,84,49,310	13,68,21,626	1,26,18,224	4,13,03,251	2,99,81,833	7,81,54,766	43,02,94,544	8,37,46,100	8,37,46,100
	Figures As At 31-03-2016	21,95,86,997	-	-	41,19,805	31,39,076	22,05,67,726	12,65,85,036	1,25,54,830	23,18,240	-	13,68,21,626	-	-	-

C Notes:

- (i) The fixed assets of the Holding company are Charged against various loan facilities availed by the holding company from Banks. The complete details in this regard are given in Note No. 2.03 (i). Note No. 2.06 (i) and Note No. 2.06 (ii) to the consolidated financial statements.
- (ii) Pursuant to the substitution of existing Accounting Standard (AS) 10: Accounting for Fixed Assets with new Accounting Standard (AS) 10: Property, Plant & Equipment (PPE) by the Ministry of Corporate Affairs effective 01.04.2016, the Group under transitional provisions has adopted cost model in respect of different classes of assets under Property, Plant & Equipment (PPE) except for Land for which revaluation model is adopted. Accordingly, revaluation effected in earlier year on different classes of PPE has been reversed as on 01.04.2016 by reducing the gross amount of revaluation from the gross block of respective assets and accumulated depreciation thereon from the total balance of accumulated depreciation as on 01.04.2016 in respect of each class of assets.
- (iii) The Group has revalued its leasehold land based on the report of an independent valuer dated 05.09.2016. The valuation methodology adopted for this purpose was 'Prevailing Market Rate' and the revaluation surplus of ₹ 36,05,23,420/- arising out of said revaluation has been debited to the gross block of land and correspondingly credited to Revaluation Reserve under 'Reserves & Surplus'. This reserve is not available for distribution as dividends to the shareholders of the company based on the extant provisions provided under Companies Act, 2013.
- (iv) The adjustments at (ii) and (iii) above have an effect of net increase in gross block of Property, Plant & Equipment by ₹ 31,63,59,100/-, reduction in accumulated depreciation by ₹ 2,99,81,833/-, net increase in Revaluation Reserve by ₹ 36,05,23,420/- and increase in net block of Property, Plant & Equipment by ₹ 34,63,40,933/-.
- (v) Depreciation on account of revaluation of assets amounting to ₹ 2,52,993/- was charged to the Consolidated Statement of Profit & Loss in the previous financial year based on the requirements of Schedule II to the Companies Act, 2013. Consequently, an equivalent amount was transferred from the Revaluation Reserve to the General Reserve.

(2.11) NON-CURRENT INVESTMENTS

Particulars	Face value (₹)	31-Mar-17		31-Mar-16	
		Nos	(₹)	Nos.	(₹)
[Long Term-Non-Trade-at cost (Fully Paid Up, unless otherwise stated)]					
<u>Unquoted Equity Shares</u>					
Belgaum Coal and Coke Consumer Co-op Ass. Ltd	1,000	4	4,000	4	4,000
Belgaum Manufacturers Co-op Industrial Estate Ltd	100	40	4,000	40	4,000
WG Forge and Allied Industrial Limited	10	50	402	50	402
Sarswat Co-op Bank Ltd	10	783	7,830	783	7,830
Eicher Tractors Limited	10	4	875	-	-
<u>Quoted Equity Shares</u>					
Alfred Herbert (India) Limited	6	5	40	5	40
American Refrigerator Company Limited	10	-	-	100	400
Andhra Sinter Limited	10	-	-	1,000	10,000
Best and Crompton Engineering Limited	10	105	1,782	105	1,782
BF Investment Ltd (Bonus)	5	26	-	26	-
BF Utilites Ltd	5	26	-	26	-
Bharat Forge Company Limited	2	130	1,300	130	1,300
Dynametic Technologies Limited	10	40	272	40	272
E.C.E. Industries Limited	10	30	300	30	300
Eaton Fluid Power Ltd (Vickers Systems International Limited)	10	24	672	24	672
Eicher Motors Ltd (Bonus)	10	1	-	1	-
Eicher Tractors Limited	10	-	-	4	875
Elecon Engineering Co. Limited (Including Bonus)	2	360	707	360	707
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	24	1	24
Jyoti Limited	10	50	722	50	722
Kulkarni Power Tools Limited	5	200	602	200	602
Larsen and Tubro Limited	2	256	3,156	256	3,156
Larsen and Tubro Limited (Bonus)	2	128	-	128	-
LML Limited	10	27	562	27	562
Mahindra and Mahindra Limited(F.C Change)	5	52	196	52	196
Manugraph Industries Limited	2	240	1,120	240	1,120
Nesco Ltd (Formerly, New Standard Engineering Company Limited)	10	40	113	40	113
Scooters India Limited	10	50	230	50	230
SLM Maneklal Industries Limited	100	-	-	1	204
Tata Construction & Projects Ltd	10	-	-	50	500
Tata Motors Ltd	2	115	924	115	924
Tata Motors Ltd (Received on Conversion)	2	15	300	-	-
Texmaco Ltd	10	10	240	10	240
U. T. Limited	10	100	607	100	607
Ultratech Cement (Bonus)	10	51	-	51	-
Voltas Limited	1	150	165	150	165

Quoted Debentures					
Tata Motors Limited	150	-	-	3	300
TATA SSL Limited (NC)	50	-	-	45	2,250
Bharat Forge Limited (NC)	50	-	-	2	100
Un-Quoted Debentures					
Eicher Tractors Limited	100	-	-	1	100
			31,141		44,695

Note

1. Book Value Cost of Un-Quoted Investments
2. Book Value Cost of Quoted Investments
3. Market Value Quoted Investments
4. Aggregate Provision for Diminution in Value of Investments

17,107	16,332
14,034	28,363
14,09,339	11,26,616

Note (ii):

The Holding Company during the current financial year has written off its Non-Current/ Long Term Investments amounting to ₹ 13,554/- in various companies due to the liquidation or other reconstructions in those companies. This does not have any material impact on the profits or financial position of the Company or the Group.

(2.12) DEFERRED TAX ASSETS (NET)

a) Particulars	Opening (₹)	Ch./Cr. To P/L A/C.	Closing (₹)
Deferred Tax Assets			
Expenses charged/credited to P/L account but allowed on Income Tax on payable basis	11,47,000	82,000	12,29,000
Provision for Product Warranty	1,47,000	(12,000)	1,35,000
Provision for doubtful debts / advances	13,54,000	(6,49,000)	7,05,000
Unabsorbed Business Loss/ Depreciation	12,43,000	1,74,39,000	1,86,82,000
Foreign Currency Fluctuations charged to revenue, allowable in future, on capitalisation to intangible asset/ payment thereof	21,81,000	32,01,000	53,82,000
	60,72,000	2,00,61,000	2,61,33,000
Limited to: (a)	17,10,000	(6,46,000)	10,64,000
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets as per books of account and as per Income Tax	(17,10,000)	6,46,000	(10,64,000)
(b)	(17,10,000)	6,46,000	(10,64,000)
(a+b)	-	-	-

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- On consideration of prudence, deferred tax assets are recognised only to the extent of deferred tax liabilities.

(2.13) LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Unsecured, Considered Good</u>		
Capital Advances	22,36,223.00	1,00,000.00
Advance Tax / TDS (net of provision)	3,63,068.00	2,49,773.00
Deposit with Govt., Public Bodies and Others	9,79,590.00	9,49,590.00
	35,78,881.00	12,99,363.00

(2.14) OTHER NON-CURRENT ASSETS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Other Bank Balances</u> - Non-Current portion of fixed deposits with original maturity of more than 12 months	1,17,86,887.00	71,17,884.00
<u>Advances recoverable in cash or in kind or for value to be received</u> Considered good - Advances to staff	14,60,844.00	16,83,318.00
	1,32,47,731.00	88,01,202.00

Note:

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

(2.15) INVENTORIES (At lower of cost or net realisable value, unless otherwise stated)

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Raw Materials	2,05,27,444.00	1,77,36,991.00
Intermediate and Components	1,90,35,752.00	2,73,32,842.75
Stores, Spares & Components	1,09,92,756.00	38,24,342.06
Work-in-Progress	14,33,25,400.00	16,77,77,000.00
Work-in-Progress - Export	-	41,53,000.00
Finished Goods	54,85,851.00	38,95,891.00
Intermediate Goods	14,17,690.00	-
Scrap (At estimated realisable value)	14,580.00	6,908.00
	20,07,99,473.00	22,47,26,974.81

(2.16) TRADE RECEIVABLES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Unsecured Considered Good</u> Outstanding for a period exceeding six months from due date of payment.	3,01,87,785.65	2,90,83,872.56
Other Debts	9,83,97,889.55	6,35,80,242.73
	12,85,85,675.20	9,26,64,115.29
<u>Unsecured Considered Doubtful Provided for</u> Outstanding for a period exceeding six months from due date of payment	21,59,242.00	35,12,807.00
Less: Provision for Doubtful Debts & Liq.Damages	(21,59,242.00)	(35,12,807.00)
	-	-
	12,85,85,675.20	9,26,64,115.29

(2.17) CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Balance with Banks in Current Account(s)	32,56,118.36	2,46,063.28
Cash-on-hand (As certified by a director)	4,34,789.83	14,72,869.83
	36,90,908.19	17,18,933.11

(2.18) OTHER BANK BALANCES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Fixed deposits with original maturity of more than 12 months	1,20,45,042.00	1,12,55,821.00
	1,20,45,042.00	1,12,55,821.00

Note:

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

(2.19) SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
<u>Advances recoverable in cash or in kind or for value to be received</u>		
<u>Considered good</u>		
- Advances to staff	19,90,829.83	14,53,237.05
- Advances to Others	1,33,60,690.40	37,55,737.10
-Other Advances	48,631.00	-
Advance Tax / TDS (net of provision)	7,25,337.00	10,08,207.00
Prepaid Expenses	31,33,366.00	24,26,793.00
Balance with Excise authorities	18,74,041.03	13,41,398.81
Considered Doubtful Provided for	4,00,000.00	4,00,000.00
Less:Provision for Doubtful Advances	(4,00,000.00)	(4,00,000.00)
	2,11,32,895.26	99,85,372.96

(2.20) OTHER CURRENT ASSETS

Particulars	As at 31-Mar-17 ₹	As at 31-Mar-16 ₹
Income Tax Refund Receivable	95,834.00	95,834.00
Interest Receivable from HESCOM	40,958.00	-
	1,36,792.00	95,834.00

(2.21) REVENUE FROM OPERATIONS

Particulars	Current Year ₹	Previous Year ₹
Sale of Goods Manufactured	45,25,75,504.46	22,83,61,303.16
Sale of Services	24,59,532.00	37,19,511.50
Other Operating Revenues	92,24,526.06	45,41,754.40
	46,42,59,562.52	23,66,22,569.06

(2.22) OTHER INCOME

Particulars	Current Year ₹	Previous Year ₹
Interest Income		
i Interest from Banks	15,72,364.00	13,91,581.00
ii Interest from Others	64,506.00	45,960.00
iii Interest on Security Deposit with Hubli Electricity	45,509.00	49,913.00
	16,82,379.00	14,87,454.00
Dividend from Non-Current/Long Term Investments	12,820.47	11,285.50
Miscellaneous Income	2,41,275.58	15,54,357.14
Prior Period Adjustments	6,000.00	3,94,994.00
Liability no longer required written back	9,42,901.38	90,174.00
Fluctuation in Foreign Currency -Export	21,05,038.00	-
Provision for Doubtful Debts and Advances written back	13,53,565.00	-
Profit on Sale of Non-Current/ Long Term Investments	-	4,706.74
Profit on Disposal of Property, Plant & Equipment	41,504.00	1,41,118.00
Lease/ Rental Income from Others	5,39,160.00	-
	69,24,643.43	36,84,089.38

(2.23) COST OF MATERIAL CONSUMED

Particulars	Current Year ₹	Previous Year ₹
Raw Materials		
Opening Stock	1,77,36,991.00	1,42,98,592.00
Add: Purchases	10,44,03,721.00	7,27,83,423.00
Less: Closing Stock	(2,05,27,444.00)	(1,77,36,991.00)
(A)	10,16,13,268.00	6,93,45,024.00
Intermediates and Components		
Opening Stock	2,51,73,446.00	1,54,77,555.00
Add: Purchases	7,86,05,818.80	5,41,41,920.51
Less: Closing Stock	(1,90,35,752.00)	(2,51,73,446.00)
(B)	8,47,43,512.80	4,44,46,029.51
Packing Material		
Opening Stock	-	-
Add: Purchases	13,36,746.00	7,71,151.00
Less: Closing Stock	-	-
(C)	13,36,746.00	7,71,151.00
Stores, Spares and Components		
Opening Stock	59,83,738.81	27,51,380.00
Add: Purchases	2,18,83,987.00	1,00,00,850.00
Less: Closing Stock	(1,09,92,756.00)	(59,83,738.81)
(D)	1,68,74,969.81	67,68,491.19
Total (A+B+C+D)	20,45,68,496.61	12,13,30,695.70
Less: Materials consumed on account of warranties	(13,50,383.00)	(20,53,700.00)
Total	20,32,18,113.61	11,92,76,995.70

(2.24) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Current Year ₹	Previous Year ₹
Opening Stock		
Work-in Progress	16,77,77,000.00	14,62,20,000.00
Work-in Progress-Export	41,53,000.00	-
Finished Goods	38,95,891.00	33,792.00
Scrap	6,908.00	-
Total of Opening Stock (A)	17,58,32,799.00	14,62,53,792.00
Closing Stock		
Intermediate Goods	14,17,690.00	-
Work-in Progress	14,33,25,400.00	16,77,77,000.00
Work-in Progress-Export	-	41,53,000.00
Finished Goods	54,85,851.00	38,95,891.00
Scrap	14,580.00	6,908.00
Total of Closing Stock (B)	15,02,43,521.00	17,58,32,799.00
Net changes in inventories of finished goods, work-in-progress [Total (A-B)]	2,55,89,278.00	(2,95,79,007.00)

(2.25) EMPLOYEE BENEFITS EXPENSE

Particulars	Current Year ₹	Previous Year ₹
Salaries, Wages, Bonus, etc.	6,29,36,147.00	5,34,72,540.00
Contribution to Provident Fund & Other Funds	74,66,054.00	73,99,094.00
Staff Welfare Expense	33,28,433.00	28,20,124.75
	7,37,30,634.00	6,36,91,758.75

(2.26) FINANCE COSTS

Particulars	Current Year ₹	Previous Year ₹
Interest Expense	2,19,65,170.46	2,18,03,313.68
Other Borrowing Cost	63,45,563.00	50,29,176.93
	2,83,10,733.46	2,68,32,490.61

(2.27) DEPRECIATION

Particulars	Current Year ₹	Previous Year ₹
Depreciation on Property, Plant & Equipment	55,44,360.00	54,65,938.00
Depreciation on Intangible Assets	70,73,864.00	70,88,892.00
	1,26,18,224.00	1,25,54,830.00

(2.28) OTHER EXPENSES

Particulars	Current Year ₹	Previous Year ₹
Preliminary Expenses Written Off	-	78,346.00
Power & Fuel	33,47,391.00	29,48,021.00
Manufacturing Expenses	2,43,83,652.10	1,26,88,511.20
Freight & Transportation	1,15,32,159.00	52,11,652.00
Product Warranty Expenses	14,14,883.00	16,64,296.00
Repairs		
Buildings	8,65,675.00	18,44,152.00
Machinery	23,48,627.00	16,49,931.00
Computers	3,20,228.00	1,61,586.00
Others	4,34,808.00	2,94,229.00
Insurance	5,82,672.00	4,81,857.00
Rent	5,00,303.00	4,77,868.00
Rates & Taxes	10,79,867.50	4,61,863.00
Printing and Stationery	12,64,036.00	8,59,206.00
Postage, Telephone & Telegram	8,83,033.35	7,71,320.96
Travelling & Conveyance Expenses	1,06,28,567.00	82,74,629.56
Bad Debts / Advances Written Off	57,21,318.67	5,96,067.64
Miscellaneous Expenses	45,37,794.84	51,28,614.55
Payment to Auditors for:		
Audit Fees	3,28,750.00	3,25,000.00
Limited Review Certification charges	60,000.00	60,000.00
Other Certification & Services	1,52,550.00	1,25,000.00
Reimbursement of Expenses (including ST)	76,420.00	74,890.00
Directors' Sitting Fees	23,000.00	27,000.00
Commission & Brokerages	2,60,870.00	-
Loss on Sale of Property, Plant & Equipment	7,316.00	104.00
Loss in Foreign Currency Fluctuation (net)	-	55,20,450.00
Excess & Short Provision	182.00	1,35,626.00
Liquidated Damages	26,76,654.00	72,51,791.00
Prior Period Adjustments	-	52,902.00
Non-Current/ Long Term Investments written off	13,554.00	-
Excise duty on opening & closing stock (net)	3,63,580.00	4,49,849.00
	7,38,07,891.46	5,76,14,762.91

(2.29) The Holding Company had entered into a Technology License Agreement dated 10th April, 2006 with a French Company under which the Holding 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 current financial year, the term of the Agreement has expired and thus, the holding 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 Consolidated Statement of Profit & Loss.

(2.30) EARNINGS PER SHARE: BEFORE EXCEPTIONAL ITEMS

PARTICULARS	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Profit/ (Loss) After tax but before Exceptional Items (₹)	80,54,936.92	(3,35,79,323.53)
Less: Dividend (including tax thereon) on Cumulative Preference Share (Excluding arrears)	(42,36,588.00)	(42,36,588.00)
Adjusted Net Profit attributable to Equity Shareholders (₹)	38,18,348.92	(3,78,15,911.53)
Weighted Average Number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earnings per Equity Share of ₹10/- each (in ₹)	1.75	(17.29)
Diluted Earnings per Equity Share of ₹ 10/- each (in ₹)	1.75	(17.29)

(2.32) EMPLOYEE BENEFITS

a) Post Retirement Benefits :

Defined Contribution Plans

(Figures in ₹)

	Particulars	2016-17	2015-16
1	Contribution to Employees' Provident Fund	21,35,365	19,59,710
2	Contribution to Employees' Family Pension Fund	21,36,997	20,96,719
3	Contribution to Employees' Superannuation Fund	7,74,638	7,01,122
		50,47,000	47,57,551

 b) Defined Benefit Plans

(i)

(Figures in ₹)

	Changes in the Present Value of Obligation	2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Present Value of Obligation as at opening date	1,95,00,974	1,76,20,272
b.	Interest Cost	15,24,295	13,10,855
c.	Past Service Cost	-	-
d.	Current Service Cost	13,40,858	12,86,391
e.	Curtailment Cost/(Credit)	-	-
f.	Settlement Cost/(Credit)	-	-
g.	Actual Benefit Payments	(8,94,567)	(20,54,343)
h.	Actuarial (Gain)/Loss	7,75,147	13,37,799
i.	Present Value of Obligation as at closing date	2,22,46,707	1,95,00,974

(ii)

(Figures in ₹)

	Changes in the Fair Value of Plan Assets	2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Present Value of Plan Assets as at opening date	1,44,14,793	1,51,38,163
b.	Expected Return on Plan Assets	12,69,144	12,01,027
c.	Actuarial Gain/(Loss)	(4,580)	92,474
d.	Employers' Contributions	28,32,111	37,472
e.	Employees' Contributions	-	-
f.	Mortality Charges and Taxes	(2,00,595)	-
g.	Benefits Paid	(8,94,567)	(20,54,343)
h.	Fair Value of Plan Assets as at closing date	1,74,16,306	1,44,14,793

(iii)

(Figures in ₹)

	Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets	2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Present Value of Obligation as at the end of the period	2,22,46,707	1,95,00,974
b.	Fair Value of Plan Assets	1,74,16,306	1,44,14,793
c.	Funded (Asset)/ Liability recognized in the Balance Sheet	48,30,401	50,86,181
d.	Present Value of unfunded Obligation as at Mar 31, 2017		
e.	Unrecognized Past Service Cost	-	-
f.	Unrecognized Actuarial (Gains)/Losses	-	-
g.	Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv)

(Figures in ₹)

	Expenses recognized in the Statement of Profit & Loss	2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Current Service Cost	13,40,858	12,86,391
b.	Past Service Cost	-	-
c.	Interest Cost	15,24,295	13,10,855
d.	Expected Return on Plan Assets	(12,69,144)	(12,01,027)
e.	Curtailment Cost/(Credit)	-	-
f.	Settlement Cost/(Credit)	-	-
g.	Net actuarial (Gain)/Loss	7,79,727	12,45,325
h.	Employees' Contribution	-	-
i.	Total Expenses recognized in the Statement of Profit & Loss	23,75,736	26,41,544

(v)

(Figures in ₹)

	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date	2016-17	2015-16
		Gratuity Funded	Gratuity Funded
a.	Government of India Securities	-	-
b.	Corporate Bonds	-	-
c.	Special Deposits Scheme	-	-
d.	Equity Shares of Listed Companies	-	-
e.	Property	-	-
f.	Insurer Managed Funds	100%	100%
g.	Others	-	-

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

d) The Actual Return on Plan Assets is as follows (₹) 12,64,564
(12,93,501)

e)

	Following are the Principal Actuarial Assumptions used as at the balance sheet date:	2016-17	2015-16
a.	Interest Rate	7.40%	8.00%
b.	Discount Rate	7.40%	8.00%
c.	Expected Rate of Return on Plan Assets	8.25%	8.50%
d.	Salary Escalation Rate	6.00%	6.00%
e.	Expected Average Remaining Working Lives of Employees	11.47 years	11.64 years

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

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

(2.33) Related party disclosures (where transactions have taken place)

- i Key Management personnel:
Shri Madan Mohan Mohta (for Holding Company)
Shri Anirudh Mohta (for Holding Company & Significant Influence on Subsidiary)
Shri Jagdish Narasinha Joshi (for Subsidiary)
Shri Naveen Padamoor (for Subsidiary)
- ii Relatives of Key management personnel:
Smt. Urmila Devi Mohta
U. D. Fininvest Pvt Ltd
Mohta Capital Pvt Ltd
Bemco Precitech Pvt Ltd
U.D.Polyproducts Pvt Ltd
See Ramachandra Enterprises Private Limited
- iii Enterprises where key management personnel have significant influence:
Related party relationship in terms of AS-18 – Related party Disclosures have been certified by the management and relied upon by the Auditors. There are no related parties where control exists in terms of AS-18.

- iv In respect of above parties, there is no provision for doubtful debts as at year end and no amount has been written off or written back during the year in respect of debts due from / to them.
- v The following related party transactions were carried out during the year.

Nature of Transaction	Equity Shares	Preference Shares	Non-Current Investments/Long Term	Trade Receivables	Trade Payables	Expenditure				Long Term Borrowings				Short term borrowings			
						Advance at the year end	Balance at the year end	Interest	Sitting Fees	Guarantee Commission	Remuneration (incl. Perks)	Accepted	Repaid	Balance as at the year end (Cr) (incl. interest)	Accepted	Repaid	Balance as at year end (Cr) (incl. interest)
Key Management Personnel																	
Shri Madan Mohan Mohta	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-
Shri Anirudh Mohta	-	-	-	-	-	-	-	-	(6,000)	-	22,78,426	-	-	-	-	-	-
Shri Jagdish Narasinha Joshi	-	-	-	-	-	(10,000)	(29,689)	-	-	-	(21,02,006)	-	-	-	-	-	-
Shri Naveen Padamoor	(20,000)	-	-	-	-	-	-	-	-	-	(5,50,264)	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	10,33,763	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(8,80,235)	-	-	-	-	-	-
Total	-	-	-	-	-	-	(29,689)	-	5,000	-	40,21,346	-	-	-	-	-	-
	(20,000)	-	-	-	-	(10,000)	-	-	(6,000)	-	(35,32,505)	-	-	-	-	-	-
Relatives of Key Management Personnel																	
Smt. Urmila Devi Mohta	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-
	-	-	(5,000)	-	-	-	-	-	(6,000)	-	-	-	-	-	-	-	-
Enterprises where Key Management Personnel have Significant Influence																	
U.D. Fininvest Pvt Ltd	-	65,00,000	-	-	-	-	20,514	38,103	-	22,793	-	-	-	-	-	82,000	2,54,401
	-	(65,00,000)	-	-	-	-	-	(58,369)	-	-	-	-	-	-	-	(1,55,000)	(3,38,285)
Shri Ramachandra Enterprises Pvt Ltd	-	65,00,000	-	-	-	-	54,110	9,616	-	60,122	-	-	-	-	-	1,01,720	-
	-	(65,00,000)	-	-	-	-	-	(27,720)	-	-	-	-	-	-	-	(1,30,000)	(1,03,732)
Mohta Capital Pvt Ltd	-	1,90,00,000	-	-	-	-	1,03,129	41,81,285	-	1,14,588	-	1,37,80,000	37,259	1,95,39,657	2,95,45,000	2,73,60,000	4,34,72,459
	-	(1,90,00,000)	-	-	-	-	-	(41,58,111)	-	-	-	(48,75,000)	-	(50,50,531)	(1,32,00,000)	(62,00,000)	(4,14,28,493)
Bemco Precitech Pvt Ltd	-	-	-	-	-	-	-	17,347	-	-	-	-	-	-	-	-	1,45,780
	-	-	-	-	-	-	-	(17,398)	-	-	-	-	-	-	-	-	(1,45,781)
U.D.Polyproducts Pvt Ltd	-	-	-	-	-	-	-	26,150	-	-	-	-	-	-	-	-	2,15,197
	-	-	-	-	-	-	-	(25,710)	-	-	-	-	-	-	-	-	(2,15,231)
Total	-	3,20,00,000	-	-	-	-	1,77,753	42,72,701	-	1,97,503	-	1,37,80,000	37,259	1,95,39,657	2,95,45,000	2,73,60,000	4,40,87,837
	-	(3,20,00,000)	-	-	-	-	-	(42,87,398)	-	-	-	(48,75,000)	-	(50,50,531)	(1,32,00,000)	(64,85,000)	(4,22,31,522)

(Figures in bracket pertain to Previous Year)

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

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

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

PARTICULARS		As At 31-Mar-17 (₹)	As At 31-Mar-16 (₹)
1	The principal amount and the Interest due thereon remaining unpaid to any Micro/Small supplier - Principal amount - Interest thereon	NIL NIL	NIL NIL
2	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
3	The amount of Interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small And Medium Enterprises Act Development Act 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end each accounting year.	NIL	NIL
5	The amount of further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	NIL	NIL

b) The Group has written to the suppliers asking them to confirm their status under Micro, Small & Medium Enterprises Development Act 2006, however no intimation has been received from any of the suppliers. This has been relied upon by the auditors.

(2.37) Disclosures on Loans/ Advances/ Investments pursuant to Part A (2) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements), 2015 (as certified by the management)

Sr. No.	PARTICULARS	2016-2017		2015-2016	
		Out-standing Balance as at year end (₹)	Max. amount out-standing during the	Out-standing Balance as at year end (₹)	Maximum amount outstanding during the year (₹)
i	Loans and advances in the nature of loans to subsidiaries	-	-	-	-
ii	Loans and advances in the nature of loan to associates	-	-	-	-
iii	Loans and advance in the nature of loans to firms/companies in which director are interested.	-	-	-	-
iv	Investments by loanee in the shares of parent company and subsidiary companies when the company has made loan or advance in the nature of loan.	-	-	-	-

(2.38) SERVICES RENDERED

Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
Job Charges	8,45,557.00	18,66,907.50
Servicing Charges	16,13,975.00	18,52,604.00
Total	24,59,532.00	37,19,511.50

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

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

Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
<u>Deferred Payment Liabilities :</u>		
a) Payable for Technical Know-How (in Euros)	4,00,000	7,70,000
Payable for Technical Know-How (in INR)	2,81,44,000	5,83,50,600

(2.41) (a) Disclosures pursuant to Accounting Standard (AS) - 29 "Provisions, Contingent Liabilities and Contingent Assets"

(Figures in ₹)

Particulars	Balance as at the opening	Additio n during the year	Amount paid/ reversed/ used during	Balance as at year end
<u>Provisions</u>				
Provision for Warranty Claims	4,24,406	64,500	-	4,88,906

(b) Arrears of Preference Dividend 1,71,84,660
(1,29,48,072)

(c) Contingent Liability:

Particulars	Amount (₹)
(i) Entry Tax Demand disputed in Appeal* (net of amount paid)	1,04,816 (1,46,742)

* 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) Bills discounted from Bank against irrevocable Letter of Credit issued by the party -
(1,20,34,500)

(iii) An ex-employee of the holding 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 holding company.

(iv) Two workmen of the holding 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 holding company to reinstate the employee and pay the entire wages and other benefits but the Holding 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 Holding Company based on legal advice is of the view that the demand is not sustainable and thus, no provision is considered necessary

(2.42) Warranty expenses on rectification work are accounted for on natural heads as and when incurred & charged to provision on year end. Warranty expenses include ₹ 13,50,383/- (P.Y. : 20,53,700/-) on account of free supplies of materials under warranty period.

(2.43) Capital Commitments

Estimated amount of contracts remaining to be executed on capital accounts not provided for: ₹ 1,20,00,000/- (Previous Year: ₹ 2,05,520/-)

(2.44) Disclosure on Specified Bank Notes (SBNs)*:

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Figures in ₹)			
Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	21,12,500.00	4,13,634.00	25,26,134.00
(+) Permitted Receipts	-	10,60,840.00	10,60,840.00
(-) Permitted Payments	-	(10,04,401.00)	(10,04,401.00)
(-) Amount deposited in Banks	(21,12,500.00)	-	(21,12,500.00)
Closing Cash in hand as on 30.12.2016	-	4,70,073.00	4,70,073.00

*For the purposes of this clause, the term 'Specified Bank Notes' (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

(2.45) The Holding Company has entered into Lease Agreements with certain parties 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 Tangible Fixed Assets, in lieu of monthly lease rentals. Disclosures pursuant to Accounting Standard (AS) 19 : 'Leases' is given below:

(i) The future minimum lease payments (excluding service tax) under the above non-cancellable lease agreement is disclosed below:

Particulars	Amount (₹)
(a) Not later than one year	5,54,160
	(-)
(b) Later than one year and not later than five years	22,16,640
	(-)
(c) Later than five years	16,77,480
	(-)

(2.46) During the year, the subsidiary company has been converted into a Limited Liability Partnership with effect from 27.02.2016 under the name and style of Bemco Fluidtechnik LLP. Accordingly, the reviewed accounts for the period ended 26.02.2017 and the audited accounts for the period ended 31.03.2017 of the said LLP has been considered for the purpose of consolidated financial statements.

(2.47) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Particulars	Net Assets, i.e, Total assets minus total liabilities		Share in Profit and Loss	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit and loss	Amount (₹)
Parent:				
Bemco Hydraulics Ltd.	102.23%	43,45,33,787.75	121.56%	4,41,23,799.73
	103.26%	(4,37,91,392.02)	95.89%	(3,21,98,384.34)
Subsidiary:				
Bemco Fluidtechnik LLP	-2.23%	(94,85,365.00)	-21.56%	(78,26,762.81)
	-3.26%	(13,80,939.19)	4.22%	(14,15,939.19)
Minority Interest in Subsidiaries	0.00%	-	0.00%	-
	0.00%	-	-0.10%	(35,000.00)
TOTAL	100.00%	42,50,48,422.75	100.00%	3,62,97,036.92
	100.00%	(4,24,10,452.83)	100.00%	(3,35,79,323.53)

(2.48) Previous year figures have been regrouped / rearranged wherever necessary.

As Per our Report of Even Date
 For M/s A.C. BHUTERIA & CO.
 Chartered Accountants
 Firm Regn No.:303105E

for Bemco Hydraulics Limited

Ashish Choudhary
 Partner
 Membership No.:308886

Amruta Tarale
 Company Secretary
 ACS - 42288

R B Patil
 CFO
 PAN:AANPP9374M

Anirudh Mohta
 Managing Director
 DIN:00065302

M.M. Mohta
 Chairman
 DIN:00068884

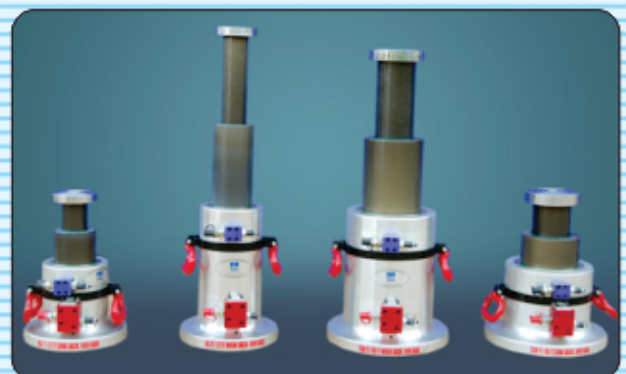
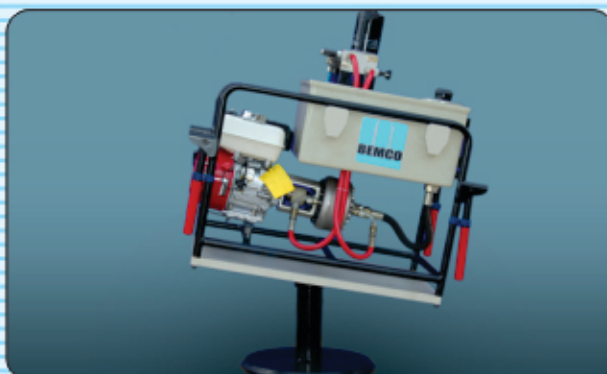
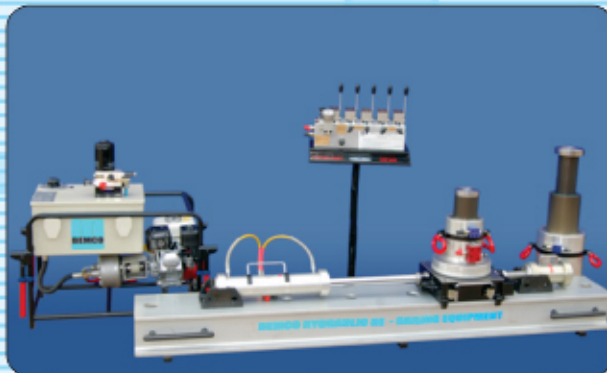
Place: Camp Belgaum
 Date: 30-05-2017

Place: Belgaum
 Date: 30-05-2017

FIVE YEARS TREND ANALYSIS

(Rs. in Lakhs)

S.NO	Particular	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
1	Total Sales	4,129.91	2,146.50	3,666.31	3,204.16	3,843.31
2	Other Income	68.92	37.84	195.16	18.89	33.88
3	Total Income	4,198.83	2,184.34	3,861.47	3,223.05	3,877.19
4	Operating Profit	522.45	83.69	608.91	(177.34)	466.51
5	Interest	268.99	266.37	329.40	393.10	304.12
6	Depreciation	122.16	124.55	131.37	120.45	61.74
7	Profit / (Loss) before Tax	131.30	(307.23)	148.13	(690.89)	100.65
8	Tax	-	-	(0.20)	-	(21.11)
9	Deferred Tax Assets	-	-	(238.86)	214.97	(15.36)
10	Fringe Benefit Tax	-	-	-	-	-
11	Income tax earlier years	(0.06)	(0.47)	2.06	(0.73)	(8.09)
12	Profit / (Loss) after Tax	131.24	(307.70)	(88.87)	(476.65)	56.09
13	Transitional Provision	-	-	-	-	10.00
14	Transferred to general Reserve	-	-	-	-	43.50
15	Dividend & Tax-Preference Shares	-	-	-	-	-
16	Transfer to Capital Redemption	-	-	-	-	-
17	Net Surplus for the year	131.24	(307.70)	(88.87)	(476.65)	2.59
18	Surplus / (Deficit) B/F	(768.70)	(461.00)	(372.13)	104.53	101.93
19	Balance Carried to Balance Sheet	(637.46)	(768.70)	(461.00)	(372.13)	104.53
20	Paid-up Equity Share Capital	219.34	219.34	219.34	179.34	144.67
21	Reserve & Surplus (inclusive of Revaluation Reserve)	3,789.92	(87.27)	220.56	146.48	458.41
22	Equity Shareholders' Net worth	4,009.26	132.07	439.90	325.81	603.08





PRINTED MATTER

59th ANNUAL REPORT 2016-2017

If undelivered, please return to :

BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

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

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

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