



BEMCO HYDRAULICS LIMITED



BEMCO

55

ANNUAL REPORT & ACCOUNTS 2012-2013

BEMCO HYDRAULICS LIMITED

*** SHRI ***

DIRECTORS :

M.M. MOHTA	- Chairman and Managing Director
ANIRUDH MOHTA	- Joint Managing Director
URMILA DEVI MOHTA	- Director
R.M. SHAH	- Director
N.K. DAGA	- Director
DILIP CHANDAK	- Director

BANKERS :

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

AUDITORS :

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

COST AUDITORS :

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

INTERNAL AUDITORS

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

COMPLIANCE OFFICER :

R.B. PATIL – General Manager Finance

REGISTERED OFFICE :

Khanapur Road, Udyambag,
BELGAUM - 590 008 (Karnataka)
Phone : 0831-4219000, 2441980
Fax : 0831-2441263

BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum – 590 008

NOTICE

Notice is hereby given that, 55th Annual General Meeting of the Company will be held on MONDAY, July 29th 2013 at the registered office of the Company at 3.30 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To declare Dividend on 11% Redeemable 3,38,000 Preference Shares, in terms of issue of shares
3. To appoint a Director in place of Shri R. M. Shah, who retires by rotation and being eligible, offers himself for re- election.
4. To appoint a Director in place of Shri Dilip Chandak, who retires by rotation and being eligible, offers himself for re- election.
5. To re-appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification, the following as a special resolution:
"RESOLVED THAT, the consent of the Company in this 55th Annual General Meeting through this special resolution be and is hereby accorded pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956 to the Board of directors of the Company to borrow money by way of loans or otherwise from time to time for purposes of the Company even though the moneys to be borrowed by them on behalf of the Company together with the moneys already borrowed will exceed the aggregate of the paid up capital of the Company and its free reserves not set apart for any specific purpose provided the amount at any time remaining un discharged or the moneys borrowed or raised by the Board of directors for the purpose of the Company shall not exceed the sum of Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only).
FURTHER RESOLVED THAT, the Company doth hereby approve, confirm and ratify all borrowings made by the board of directors of the Company up to date for the purpose of the Company".
7. **TO RE-APPOINT PRACTICING COMPANY SECRETARY**
To consider and if thought fit to pass with or without modification, the following as an ordinary resolution:
"RESOLVED that Mr. S. R. Deshpande, Practicing Company Secretary be and is hereby re-appointed to carry out certification of compliance for the financial year 2013-14."

Place: Belgaum
Date: 28.05.2013

for **BEMCO HYDRAULICS LTD**

M. M. MOHTA
Chairman and Managing Director

¹Details of the Appointees' provided in the Corporate governance report under clause No 49 of the Listing Agreement
²Details of the Appointees' provided in the Corporate governance report under clause No 49 of the Listing Agreement

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act 1956 in respect of special business is annexed hereto.
3. Proxies in order to be effective should be stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. Members are requested to intimate the Company about the change of Address, if any.
5. The Register of Members and Share Transfer Books shall remain closed from Monday, July 15, 2013 to Monday, July 29, 2013 (both the days inclusive).
6. Members interested in seeking any clarification on the annual accounts are requested to address their queries to Mr. R.B. Patil, General Manager-Finance and Compliance Officer, Bemco Hydraulics Ltd. Udyambag, Belgaum at least one week before the date of the meeting to enable the compilation of data.

AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956 IN RESPECT OF SPECIAL BUSINESS:

Refer Agenda No. 6 regarding increase in the borrowing power of the board of directors of the Company.

In view of the incremental Sales Turnover of the Company, the fund requirement has also increased and there is need to expand the existing Factory Shed. So it is necessary to increase the borrowing power of the board of directors from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) (for which the members accorded their consent in the Annual General Meeting held on 30th July 2012) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only).

The Board commends the special resolution for consideration by the members.

MEMORANDUM OF INTEREST

None of the Directors of the Company is interested in this ordinary resolution.

Refer Agenda No. 7 regarding re-appointment of Mr. S. R. Deshpande - Practicing Company Secretary

Company Secretary appointed in the last Annual General Meeting for certification of compliance pursuant to the proviso to section 383A(1) of the Companies Act, 1956 retires at the conclusion of the forthcoming Annual General Meeting. The Board has decided to re-appoint him for the financial year 2013-14. Hence, the Board commends the re-appointment.

The Re-appointment of practicing company secretary for certification of compliance not being an item of ordinary business as defined in section 173 (1)(a) of the Companies Act, 1956, the same is being transacted as a special business and this explanation is offered.

MEMORANDUM OF INTEREST

None of the Directors of the Company is interested in appointment of practicing Company Secretary.

Place: Belgaum
Date: 28.05.2013

for **BEMCO HYDRAULICS LTD**

M. M. MOHTA
Chairman and Managing Director

BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum – 590 008

DIRECTORS' REPORT

To

Dear Shareholders,

Your Directors have pleasure in presenting the 55th ANNUAL REPORT together with the Audited Accounts of the Company for the year-ended 31st March 2013.

FINANCIAL RESULTS:

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

	2012-2013	2011-2012
	Rs.	Rs.
1 Gross Profit for the year after meeting all operating expenses but before interest and depreciation amounts to:	4,66,50,616	3,64,95,496
2 Deduction there from: Interest	3,04,12,042	2,07,80,657
3 Profit before depreciation	1,62,38,574	1,57,14,839
4 Depreciation for the year	61,73,918	88,38,333
5 Profit before Taxation - (PBT)	1,00,64,656	68,76,506
6 Provision for Taxation	(21,10,750)	(41,18,400)
7 Deferred Tax	(15,36,000)	14,94,000
8 Profit after Taxation - (PAT)	64,17,906	42,52,106
9 Income tax Earlier Years	(8,08,629)	(1,88,402)
10 Net Profit	56,09,277	40,63,704
11 Surplus brought forward	1,01,92,783	1,18,33,325
12 Profit Available for Appropriation	1,58,02,060	1,58,97,029
13 Transferred to general Reserve	10,00,000	10,00,000
14 Transferred to Capital redemption Reserve	-	14,73,200
15 Provision of Dividend on Preference Shares	37,18,000	27,80,052
16 Provision for Income Tax on Dividend	6,31,874	4,50,994
17 Balance carried to Balance Sheet	1,04,52,186	1,01,92,783

DIVIDEND:**On Equity:**

Taking in to account the huge fund requirement for the large number of orders on hand, and to conserve the resources, the Directors do not recommend any dividend on equity shares.

On Preference Shares:

In terms of issue, the Company proposes to pay dividend on 3,38,000 Preference Shares @11% for the year-ending on 31st March 2013, absorbing a sum of Rs. 37,18,000.

The total cash outflow because of Dividend and Tax thereon amounts to Rs. 43.50 Lakhs.

REVIEW OF OPERATION:

Since recent past few years, the Company has seen upward trend of business and the same has been maintained during year under report.

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

- The net Revenue Income during year under review increased by 53.53%
- Gross profit during the year under review is Rs. 466.51 Lakhs as against the Gross profit of Rs. 364.95 Lakhs during the previous year which is 27.83 % higher than the previous year
- Profit after tax (PAT) increased by 50.93 % from Rs. 42.52 Lakhs in 2011-2012 to Rs. 64.18 Lakhs in 2012-2013.
- Company could discharge the liability of Dividend on Preference shares & tax thereon to the tune of Rs. 43.50 Lakhs for the year under report i.e. for the year ending on 31st March 2013.
- Also company has extended the production facilities by investing in additional factory shed and plant & machinery.

FUTURE PROSPECTS:

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

At present your Company has already executed the orders worth Rs. 305.24 Lakhs till date and the orders worth Rs. 3378.54 Lakhs are in hand to execute in the current year. In addition to this, orders worth Rs. 2580.90 Lakhs are in pipelines. Further healthy enquiries are being received regularly, and the management feels that most of them will be converted into firm orders. However, company is setting the sales target, for 2013-14, of Rs. 4500/- Lakhs on conservative basis.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures from the same.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March 2013.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared annual accounts of the Company on a 'Going Concern' basis.

SECRETARIAL COMPLIANCE REPORT:

Pursuant to Section 383A (1) of the Companies Act, 1956 secretarial compliance Certificate from a practicing Company Secretary is attached hereto.

PARTICULARS OF EMPLOYEES:

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

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

There is no Fixed Deposit liability as on 31st March 2013, further, the Board declares that during the financial year 2012-13, the Company has not accepted any public deposits or unsecured loans falling within the purview of section 58A of the Companies Act, 1956.

RETIRING DIRECTORS BY ROTATION:

Mr. R. M. Shah and Dilip Chandak, retire by rotation and are eligible for re-appointment.

AUDITOR & AUDIT REPORT:

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

The Auditors have at clause XI in annexure to their report pointed out defaults in repayment of dues to bank and financial institution, the board would like to stress the fact that on account of non recovery of timely dues from the company's customers, small delay occurred in repayment of bank dues this is temporary aberration and the account is now regular.

The Auditors Report is attached which is self explanatory.

COST AUDITOR & COST AUDIT REPORT:

The company has appointed Mr. Umesh Narasimha Kini, Cost Accountant, for conducting Cost Audit for the F. Y. 2012-13 The due date for filing of the Cost report is 27th September 2013. The report is under Preparation.

PERSONNEL:

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

HEALTH AND SAFETY OF THE EMPLOYEE:

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

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

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

B. Technology absorption:

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

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

Technology absorption, adaptation and innovation

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

C. Foreign exchange earning and outgo:

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

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

Particulars	2012-2013 Rs.	2011-2012 Rs.
i). C.I.F. Value of Imports: Raw Materials And Components	54,65,317	1,02,70,897
ii). Expenditure in Foreign Currency:(paid/payable) Traveling	4,90,066	5,71,016
Exhibition Expenses (InnoTrans Berlin Germany)	8,27,265	Nil
Technical Know How (Paid / Payble)	3,19,79,161	23,75,538
Agency Commission	Nil	23,03,320
iii). Earnings in Foreign Exchange: FOB value of Exports	Nil	1,68,08,693

CORPORATE GOVERNANCE:

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

APPOINTMENT OF COMMON AGENCY FOR SHARE REGISTRY WORK

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

DISCLOSURE AS PER LISTING AGREEMENT

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

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

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

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

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the services rendered by the employees during the year.

Your Directors also place on record their sincere appreciation for the assistance and co-operation received from Financial Institutions, Bankers and other Institutions, Government Authorities, vendors, customers and members during the year under review. Your Directors wish to place on record their appreciation for the committed services of the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Place: BELGAUM
Date: 28.05.2013

M. M. MOHTA
Chairman & Managing Director

ANIRUDH MOHTA
Joint Managing Director

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

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

After clause 49 of the listing agreement became mandatorily applicable to this company during the financial year 2011-12, the entire governance system is supervised by a proactive Board of Directors that oversees management functions to ensure their effectiveness in delivering shareholder value. In order to execute this structure efficiently, Bemco strives to maintain an effective, informed and independent Board. With the objective of continuous improvement, your Company's governance practices are continuously reviewed and benchmarked to those prevailing in the best governed companies across industries.

The Company's philosophy on corporate governance envisages striving towards the highest level of transparency, accountability and equity in all facets of its operation and its interactions with all stakeholders including shareholders, employees, clients, suppliers etc. The philosophy on corporate governance is driven by the agenda for the welfare of all the stakeholders. Bemco Hydraulics Limited believes that sound corporate governance is critical to enhance and retain stakeholders' trust. Bemco has always been committed to the principles of good Corporate Governance to promote the effective functioning of the Board and its Committees. The Board of Directors of the Company is committed in its responsibility for all constituents including investors, regulatory authorities and employees. The Company believes that the essence of Corporate Governance is transparency, accountability, investor protection, better compliance with statutory laws and regulations, value creation for shareholders/stakeholders. The Company further believes that all its operations and actions must serve the goal of enhancing overall shareholder's value over a sustained period of time and at the same time protect the interest of stakeholders. BEMCO was compliant with the provisions of Clause 49 of the Listing Agreement even when the clause was not mandatory to it.

The Company believes that the constant effort to improve operational performance, guided by our values, forms the basis for good Corporate Governance. Corporate Governance is strongly driven by the Company's values such as quality, commitment, customer orientation and integrity.

2. Board of Directors

a. Composition of the Board

As on 31st March 2013, the strength of the Board was six Directors, comprising of two Executive Directors and four Non-Executive Directors. Three out of six Directors were Independent Directors, which duly complied with the requirement of clause 49 of the Listing Agreement especially as the Chairman of the Board happens to be an executive Chairman.

Name	Designation	Status	Date of Appointment
Shri Madan Mohan Mohta	Chairman & Managing Director	Executive Chairman	23.03.1991 as Managing Director (Prior to that he was President of the Company)
Shri Anirudh Mohta	Joint Managing Director	Executive Director	18.08.1994 as Technical Director (from 01.04.1999 as a Joint Managing Director)
Smt. Urmila Devi Mohta	Director	Non Executive Director	30.05.1992
Shri R. M. Shah	Director	Independent Non Executive Director	05.01.1988
Shri N. K. Daga	Director	Independent Non Executive Director	17.04.1998
Shri Dilip Chandak	Director	Independent Non Executive Director	29.01.2004

b. Number of Board Meetings

During the financial year under review, 5(Five) Board Meetings were held on 28th May 2012, 14th August 2012, 26th October 2012, 9th November 2012 and 13th February 2013.

c. Director's attendance record and directorship held.

Attendance of each Director at Board Meetings held during the financial year 2012-13 and the Annual General meeting (AGM) held on 30th July 2012, directorship and committee positions in other public companies of which Director is a member/ Chairman and the shareholding of Non-Executive Directors is as follows:

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

Notes:

- # Including private limited companies, Firms, Trust & HUFs.
1. As on 31st March 2013, Mr. Anirudh Mohta and Smt. Urmila Devi Mohta are related to Mr. Madan Mohan Mohta as Son & Wife

d. Information supplied to the Board.

During the year 2012-13, information as mentioned in Annexure 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration, namely

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

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

3. Audit Committee:**a. Composition, Meetings and Attendance of the Committee.**

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

As on March 31, 2013, the Audit Committee comprises of two Independent Directors & one Executive Director viz Shri R.M.Shah - Chairman, Shri Dilip Chandak- Member, Shri Anirudh Mohta- Joint Managing Director. All Members of the Audit Committee possess accounting and financial management knowledge.

The Audit Committee met four times during the year on 28th May 2012, 10th August 2012, 9th November 2012 & 13th February 2013. The maximum time gap between any two consecutive meetings did not exceed four months. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid are given below:

Name of the Member	Category	Position	No of Meetings held	No of Meetings attended	Sitting Fees paid (in Rs.)
Shri R. M. Shah	Independent Director	Chairman	4	4	Nil
Shri Anirudh Mohta	Joint Managing Director	Member	4	4	Nil
Shri Dilip Chandak	Independent Director	Member	4	4	Nil

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30th July 2012 to answer shareholder queries.

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

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30th July 2012 to answer shareholder queries.

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

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
 - Recommending to the Board, the replacement or removal of the statutory auditor, internal auditor and practicing company secretary and the fixation of their fees.
 - Approval of payment to statutory auditors for any other services rendered by them.
 - Reviewing, with the Management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - a. Matters required as part of the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
 - Reviewing with the Management, quarterly and half-yearly financial statements before submission to the Board for Approval.
 - Reviewing with the Management, performance of the Statutory and internal auditors and adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with the internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post audit discussion to ascertain any areas of concern.
 - To look into the reasons for substantial defaults, if any, with regard to payment to depositors, shareholders (in case of non-payment of declared dividends) and creditors.
 - Carrying out any other functions as specified in the terms of reference, as amended from time to time.
- The powers of the Audit Committee, pursuant to its terms of reference, include the following:
- To investigate any activity within its terms of reference;
 - To seek information from any employee;
 - To obtain outside legal or other professional advice;
 - To secure attendance of outsiders with relevant expertise, if considered necessary;
- Further, the Audit Committee mandatorily reviews the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee) submitted by Management.
 - Management letters/ letters of internal control weaknesses issued by the statutory auditors.
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Internal Auditors;
 - The uses/applications of funds raised through an issue (public issue, rights issue, preferential issue etc.) by major category (Capital expenditure, Working Capital etc) as a part of the review of the quarterly financial statements;
 - If applicable, on an annual basis, statements duly certified by statutory auditors, regarding utilization of funds for purposes other than those stated in the offer documents/prospectus/notice issued for raising funds through public issue, rights issue, preferential issue etc. and shall recommend to the Board appropriate steps to be taken up in the matter;
- The Audit Committee is also appraised on information with regard to related party transactions and periodically presented with the following statements/details:
- Statement in summary form of transactions with related parties in the ordinary course of business.
 - Details of material individual transactions with related parties, which are not in the ordinary course

of business, if any.

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

4. Remuneration of Directors

a. Terms of Reference

The Board of Directors had formed a Remuneration Committee of Directors with a mandate for policy on HR matters including compensation, career management and succession planning. The Committee also looks after the compensation structure at the Board level. The Committee consists of 3 Non-Executive-Independent Directors. During the year, under review there was no appointment/increase in managerial remuneration no meetings were conducted.

- b. The following are the details of the remuneration paid to the managerial personnel during the financial year 2012-13.

Executive Directors

Amount (Rs.)

Name	Salary	Perquisites	Retirement Benefits	Total
Madan Mohan Mohta	9,90,000	52,676	1,62,000	12,04,676
Anirudh Mohta	6,60,000	50,000	1,08,000	8,18,000

Non-Executive Directors

The Company does not pay any remuneration to its Non-Executive Directors except sitting fee for attending the meeting of the board and Committee thereof. The Company pays sitting fees to its director's @ Rs.1,000/- per meeting

The details of sitting fee paid during the year 2012-13 are as follows :

S. No.	Name of Director	Board Meeting	Sitting fee per meeting	REM. COMM.	Total
1.	Smt. Urmila Devi Mohta	5	1,000	-	5,000
2.	Shri R. M. Shah	4	1,000	-	4,000
3.	Shri N. K. Daga	4	1,000	-	4,000
4.	Shri Dilip Chandak	4	1,000	-	4,000

5. Investor's Grievance Committee.

The Investor's Grievance Committee of the Company comprises two Directors viz. Shri Dilip Chandak - Chairman, Shri Madan Mohan Mohta - Chairman & Managing Director, Shri R. B. Patil who is the Compliance Officer.

The Investor's Grievance Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialized/rematerialized shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC etc.
- Monitors redressal of queries/complaints received from shareholders relating to transfers, non-receipt of Annual Report, Dividend etc
- All other matters related to shares.

During 2012-13, the Committee met eight times on 14th April 2012, 15th May 2012, 30th June 2012, 5th October 2012, 2nd November 2012, 9th November 2012, 1st March 2013 & 15th March 2013. The minutes of the Investor's Grievance Committee are reviewed and noted by the Board.

The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid are given below:

Name of the Member	Category	Position	No of Meetings held	No of Meetings attended	Sitting Fees paid (in Rs.)
Shri Dilip Chandak	Independent Director	Chairman	8	8	Nil
Shri Madan Mohan Mohta	Chairman & Managing Director	Member	8	8	Nil
Shri R. B. Patil	General Manager – Finance (Compliance Officer)	Member	8	8	Nil

With a mandate to oversee all Investors' Grievances suggest remedial action to the Board of Directors Mr. R. B. Patil, General Manager- Finance is the Compliance Officer can be contacted at:

BEMCO HYDRAULICS LIMITED

Khanapur Road, Udyambag

BELGAUM - 590 008

Tel. (0831) 4219000; Fax. (0831) 2441263

Email: finance@bemcohydraulics.net; isc@bemcohydraulics.net

With reference to clause 47(f) of the Listing Agreement, the Company has designated exclusive e-mail id for the investors as isc@bemcohydraulics.net to register their grievances, if any. This has been initiated by the company to resolve such investor's grievances immediately. The Company has also displayed the said e-mail id on its website for the use of investors.

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31st March 2013, were 2 and there were no complaints outstanding as on 31st March 2013.

6. General Body Meeting.

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

Sl.No.	AGM Date	Location	Time
1.	30.07.2012	Registered office of the Company at Khanapur Road, Udyambag, BELGAUM – 590 008	3.30 pm
2.	29.07.2011	Registered office of the Company at Khanapur Road, Udyambag, BELGAUM – 590 008	3.30 pm
3.	27.08.2010	Registered office of the Company at Khanapur Road, Udyambag, BELGAUM – 590 008	3.30 pm

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

AGM Date	As per Companies Act, 1956 U/s	Particulars of Special Resolutions
30.07.2012	293(1)(d)	Borrowing Power, by way of loans of the Board of Directors shall not exceed the sum of Rs. 15,00,00,000/- (Rupees Fifteen Crores Only)
29.07.2011	94,16,31	Increase in Authorised Share Capital of the Company from Rs.4.00 Crores to Rs.8.00 Crores.
29.07.2011	81(1A)	Allotment of 3,00,000 11% Cumulative Redeemable Non-Convertible Preference Shares of Rs.100/- each on private placement basis.
27.08.2010		No Special Resolution passed as there were no such items.

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

7. DISCLOSURES:

a. Related party Transactions

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

b. Disclosure of accounting treatment.

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

c. Risk Management.

Business Risk Evaluation and Management is as ongoing process within the Company. Company has realized this 10-12 years back (i.e. during the heavy recession in Indian Industries, particularly in Automobile Sector), as the company was 80% dependant on the Automobile sector then. So the management has under taken the process of change over of product mix, for which there won't be any threat from others, at least for next decade.

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

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

Management perceives the market conditions as the prime risk factor.

d. Management Discussion and Analysis Report.

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

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

A brief resume and name of the Companies in which Director, who are being appointed/re-appointed, hold Directorship/Committee Membership are given in the notice of the 55th Annual General Meeting of the Company under heading " Information about Directors seeking appointment/ re-appointment as required under the Corporate Governance Clause of the Listing Agreement."

Name of the retiring Director	Date of Birth	Qualification	Experience	Name of Other Companies in which she/he are Director	Share Holding in this Company
Shri R.M.Shah	05.04.1944	Diploma in Automobile Engineering	48 years experience as an automobile dealer. Director since 5 th January 1988.	Manickbag Automobiles Pvt Ltd	5680 of Equity Shares (i.e. 0.39% of Total Equity Capital)
Shri Dilip Chandak	15.07.1962	B. Com.	28 years experience in automobile spares business. Director since 29 th April 2004.	- Vega Auto Accessories Pvt Ltd - Vega Fun mobiles Pvt Ltd - Vega Composites Ltd - Vega Aviation Products Pvt Ltd - LSBS Developers LLP	Nil

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

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

g. Details of Compliance with mandatory requirements.

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

h. Subsidiary Companies

The company does not have any subsidiary.

i. CEO/CFO Certificate

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

j. Details of adoption of non-mandatory requirements.

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

1. Remuneration Committee.

Remuneration Committee is already in place and complying with related non-mandatory requirements.

2. Shareholder's Rights.

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

3. Whistle Blower Policy

The company has not yet formed any whistle Blower Policy, but inter alia, provides a mechanism for the employees of the Company and other persons dealing with the Company to report to the Executive Directors; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of Conduct. It also provides for adequate safeguard against victimization of such employees. Further, the existence of the mechanism has been appropriately communicated within the Organization. After enactment of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has formed internal committee consisting of 1. Mrs. Urmila Devi Mohta 2. Mr. R. B. Patil & 3. Miss. Kirti, which acts as a forum for redressal of grievances from female employees. Till the date of this report there were no complaints from any female employee.

8. Means of Communication

The Company has been disclosing financial performance i.e. quarterly, half-yearly and annual audited financial results well within the stipulated period to the Stock Exchange after being approved by the Board. The results are normally published in the main editions of one national and vernacular daily such as Indian Express and Kannada Prabha. Very recently, the Company has established its own website as www.bemcohydraulics.net and started displaying these results on Company web site.

9. General Shareholders Information.**i. Annual General Meeting:**

Venue : Registered Office at Khanapur Road, Udyambag, BELGAUM-590 008
Time : 3.30 PM
Day & Date : Monday 29th July 2013

ii. Financial Year

1st April 2012 to 31st March 2013
During the year the financial results were announced as under:
First Quarter : 14th August 2012
Second Quarter : 9th November 2012
Third Quarter : 12th February 2013
Annual : 28th May 2013

iii. Date of Book Closure:

Monday, July15, 2013 to Monday, July 29, 2013 (both the days inclusive).

iv. Listing on Stock Exchange:

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

v. Market Price Data

Details of Monthly high/Low during the year 2012-13 on the BSE

Stock Exchange	Bombay Stock Exchange (SCRIP Code – 522650)	
	High (Rs.)	Low (Rs.)
Month		
Apr-12	63.50	41.70
May-12	56.50	41.55
Jun-12	-	-
Jul-12	58.60	47.95
Aug-12	-	-
Sep-12	49.20	49.20
Oct-12	-	-
Nov-12	-	-
Dec-12	46.75	44.45
Jan-13	44.15	38.15
Feb-13	49.60	41.85
Mar-13	49.45	42.80

vi. Distribution of Shareholding:

The distribution of shareholding as on March 31, 2013

Sr. No.	No. Of Equity Shares held	No. Of Share holders	Percentage Of total Share-holders	No of Shares held	Percentage Of total Shares
1.	Up to – 100	1752	82.49	172003	11.89
2.	101-500	307	14.45	78581	5.43
3.	501-1000	35	1.65	26318	1.82
4.	1001-2000	14	0.66	19336	1.34
5.	2001-3000	1	0.05	2500	0.17
6.	3001-4000	2	0.09	7466	0.52
7.	4001-5000	-	0.00	0	0
8.	5001-10000	1	0.05	5680	0.39
9.	10001-20000	2	0.09	35456	2.45
10.	20001-50000	2	0.09	56846	3.93
11.	50001 & Above	8	0.038	1042514	72.06
	Total	2124	100.00	1446700	100.00

vii. Shareholding Pattern as on 31st March 2013. (Equity listed Capital)

S.No.	Category	No of Shares held	(%) Shareholding
1	Promoters/ persons acting in concert	10,78,270	74.53
2	Financial Institutions, Banks and Mutual Funds	93	0.01
3	NRIs, Foreign Nationals, OCBs and FIIs	1,000	0.07
4	Private Corporate Bodies	2,437	0.17
5	Indian Public	3,64,900	25.22
	Total	14,46,700	100.00

viii. Shareholding Pattern as on 31st March 2013. (Redeemable Non Convertible Preference Non Listed Capital)

S. No.	Category	No of Shares held	(%) Shareholding
1	Promoters/ persons acting in concert	3,38,000	100

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

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

M/s. Adroit Corporate Services Pvt. Ltd

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

Share Transfer System.

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

Dematerialization of shares and liquidity.

As on 31st March 2012, 12,27,870 equity shares out of 14,46,700 of the total equity share capital being 84.87 % of the Company, were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification (ISIN) allotted to the Company's equity shares is INE142E01014

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

Not applicable

xi. Plant Location & Address for Correspondence:

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

BEMCO HYDRAULICS LTD

Khanapur Road, Udyambag
Belgaum - 590 008
Tel: 0831-4219000, 2441980, 2440173, 2440270,
Fax: 0831-2441263
Email: isc@bemcohydraulics.net
finance@bemcohydraulics.net

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT AS PROVIDED IN CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.

The company has formed Code of Conduct for Sr. employees.

The ethical standards set/established by the Company over the last fifty years, provides an ideal standard to be emulated by employees and staff.

Mechanism for the employees of the Company and other persons dealing with the Company to report to the Executive Directors; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of Conduct. It also provides for adequate safeguard against victimization of such employees. Further, the existence of the mechanism has been appropriately communicated within the Organization.

For BEMCO HYDRAULICS LIMITED

Place: Belgaum
Date: 28th May 2013

M. M. Mohta
Chairman & Managing Director

CERTIFICATE IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT

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

- a. The financial statements and the cash flow statement for the year have been reviewed and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of the internal control systems of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Belgaum
Date: 28.05.2013

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

CERTIFICATE OF CORPORATE GOVERNANCE

TO

THE MEMBERS**BEMCO HYDRAULICS LIMITED
KHANAPUR ROAD, UDYAMBGA,
BELGAUM - 590 008**

I have examined all relevant records of BEMCO HYDRAULICS LIMITED, for the purpose of certifying compliance of the conditions of corporate governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange for the financial year ended 31st March 2013. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

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

On the basis of my examination of the records produced, explanations and information furnished, in my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that subject to the observations that 1. Company has not appointed whole time company secretary, as it is not bound to appoint one in terms of section 383A read with applicable Rules, as a result, the Company Secretary could not act as the Secretary to the Audit Committee, and 2. Minor aberrations in last annual report on constitution of audit committee and Management Discussion and Analyses, the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

Place: Belgaum
Date: 28.05.2012**S. R. DESHPANDE**
Company Secretary
C.P. No. 1865

MANAGEMENT DISCUSSION AND ANALYSIS

Bemco Hydraulics Limited ('BEMCO' or 'the Company'), originally an Engineering Craftsman's shop in the late thirties of last century has risen to be a premier producer of Hydraulics Press and custom built systems. Bemco has lived up-to the expectations of earlier collaborators namely, M/s Towler Brothers of UK - form manufacture of high pressure pumps, M/s. Vogel of Germany - for C frame presses and M/s. Cesare Galdabini of Italy - for servo presses.

Economy

The fact that the Indian economy is slowing down is self evident. Advances estimates from the Central Statistical Organization (CSO), Government of India (GOI) suggest that real GDP growth reduced further from 6.2% in 2011-12 to 5% in 2012-13. What is even more worrisome is the fact that over the last 9 quarters the situation has progressively worsened. These levels of growth are far below the 8%-9% annual growth rates envisaged originally in the GOI's long term planning programmes.

The structure of economic growth is also not very encouraging for the immediate future. Incremental Gross Fixed Capital Formation, which gives an indication of creation of growth prompting assets in an economy, has also reduced from high levels of 14% in 2010-11 to 4.4% in 2011-12 and further down to a mere 2.5% in 2012-13. In light of this economic slowdown, it is natural to witness a reduction in Automobile & Engineering Industry.

While the Index of Industrial Production (IIP) suggests a bottoming out of manufacturing growth, the pace of expansion remains uneven across the sub-sectors of manufacturing. Moreover, the pickup in H2FY13 partly benefited from a turnaround in growth of merchandise exports, even as the momentum of domestic consumption and investment activity remained weak. Additionally, the pace of growth of electricity generation declined while the de-growth of the mining & quarrying sector worsened in Q4FY13 relative to Q3FY13.

OVERVIEW, STRUCTURE & DEVELOPMENT

Bemco has a proven track record of customization of hydraulic systems to many critical applications. During the year 2000, Bemco developed light weight Hydraulics Re-railing Equipment (Jacking System). This equipment is primarily designed to re-rail all types of de-railed rail vehicles. However it is also used for various applications like lifting and shifting of heavy structures, girders, machineries etc. With all critical inputs imported from the reputed overseas manufactures, Bemco's Re-railing equipment is comparable with any global brands.

Bemco's Re-railing system operates hydraulically. Motorized pump generates the required oil pressure and precision control valves control the extension and retraction movements of various hydraulics actuators. Not only the heaviest rail vehicles, any heavy structural parts can also be lifted and traversed with the hydraulic jacks of various capacities. Bemco's Re-railing Equipment is continuously upgraded & modernized based on the latest technology accepted & adopted globally.

Performance Highlights

Since recent past few years, the Company has seen upward trend of business and the same has been maintained during year under report.

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

- The net Revenue Income during year under review increased by 53.53%
- Gross profit during the year under review is Rs. 466.51 Lakhs as against the Gross profit of Rs. 364.95 Lakhs during the previous year which is 27.83 % higher than the previous year
- Profit after tax (PAT) increased by 50.93 % from Rs. 42.52 Lakhs in 2011-2012 to Rs. 64.18 Lakhs in 2012-2013.

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

At present your Company has already executed the orders worth Rs. 305.24 Lakhs till date and the orders worth Rs. 3378.54 Lakhs are in hand to execute in the current year. In addition to this, orders worth Rs. 2580.90 Lakhs are in pipelines. Further healthy enquiries are being received regularly, and the management feels that most of them will be converted into firm orders. However, company is setting the sales target, for 2013-14, of Rs. 4500/- Lakhs on conservative basis.

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

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

Internal Controls and their adequacy

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

Human Resources

During 2012-13, 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 2012-13. On the operations side of business, management changes were undertaken to create more focus and greater accountability.

S. R. DESHPANDE
 COMPANY SECRETARY

150, BUDHWAR PETH
 TILAKWADI, BELGAUM
 Phone: 0831- 2467378
 Cell : +91 9845058386
 deshpandec@gmail.com

CIN: L51101KA1957PLC001283
 Authorised Capital: Rs.8 00,00,000/-

To
 The Members,
BEMCO HYDRAULICS LIMITED
 Regd. Office: Udyambag, Khanapur Road,
BELGAUM 590008

COMPLIANCE CERTIFICATE

I have examined the registers, records, books and papers of BEMCO HYDRAULICS LIMITED, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers, I certify that in respect of the aforesaid financial year:

1. Subject to the notes in the Annexure A, the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries there in have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Karnataka, Bangalore through the portal www.mca.gov.in provided by the Ministry of Corporate Affairs, New Delhi within the time prescribed under the Act and the Rules made there under.
 However, the Company was not required to file any form or return with the Central Government, Company Law Board, Regional Director or other authorities under the Act.
3. The Company being public company, the restrictive conditions in section 3(1)(iii) of the Act are not relevant.
4. The Board of Directors duly met 5(five) times respectively on 28th May 2012, 14th August 2012, 26th October 2012, 9th November 2012 and 13th February 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the minutes book maintained for the purpose.
5. The Company had closed its register of members from 16th July 2012 to 30th July 2012 (both the days inclusive) and necessary compliance of section 154 has been made.
6. The annual general meeting for the financial year ended on 31.03.2012 was held on 30th July 2012 after giving³ due notice to the members of the Company and others concerned and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or firms or companies referred to under section 295 of the Act during the financial year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act in respect of arrangements with companies under the same management and Directors for acceptance of unsecured loans and payment of interest to them.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i) (a) There was no allotment of shares and other securities during the financial year.
 - (b) On the aspect of delivery of share certificates upon lodgment for transfer/ transmission, attention is invited to the fact that pursuant to the SEBI directive on appointment of common agency for shares in demats and physical mode, the Company has appointed M/s Adroit Corporate Services Pvt. Ltd. Mumbai (RTA) as its common Agents for both modes of shares. Relevant records in this regard are not available with the Company at its registered office. Nonetheless, the company has obtained certificates under clause 47C of the listing agreement on half yearly basis from Company Secretaries, Mumbai to the effect that it has delivered all certificates duly endorsed as per the listing

³Pursuant to the MCA circulars on Green initiatives, the Company had sought for the e mail addresses of the members and as the response was not encouraging, the Company has posted printed annual report containing notice through regular post.

- agreement.
- ii) The Company has not deposited the amount of dividend on preference shares in a separate Bank Account within five days from the date of declaration in Annual General Meeting held on 30th July 2012,
 - iii) However, the Company paid dividend to its preference share holders immediately after conclusion of its last Annual General Meeting held on 30th July, 2012 and there are no unclaimed dividend accounts,
 - iv) The Company was not required to transfer any amount to Investor Education and Protection Fund as the company has no accounts in respect of unclaimed dividends, share application money due for refund, matured deposits, matured debentures and interest accrued thereon.
 - v) The Company has duly complied with provisions of section 217 of the Act.
14. The Board of Directors is duly constituted. There was no appointment of additional Director, alternate Directors and Directors to fill casual vacancy during the financial year.
 15. There was no appointment of Managing Director/Whole time Director during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
 18. The Directors have disclosed their interest in other Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares and other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not redeemed any redeemable preference shares or debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance the right to dividend, right shares and bonus shares, pending registration of transfer of shares.
 23. The Company has not invited /accepted any public deposits or unsecured loans falling within the purview of section 58A of the Act during the financial year.
 24. The amount borrowed by the company from directors, members, financial institution, banks and others during the financial year ending 31st March 2012 is within the borrowing limits of the Company u/s 293(1)(d) of the Act namely Rs.15 crores as specified by the resolution passed in the 54th Annual General Meeting held on 30th July, 2012.
 25. The Company has not made loans and advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries are made during the year in the register to be kept for the purpose.
 26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the memorandum with respect to the object of the company during the year under scrutiny.
 28. The Company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the company or fines or penalties imposed on the company during the financial year for the offences under the Act.
 32. The Company has not received any money as security from its employees during the year.
 33. The Company has not constituted a separate provident fund trust for its employees or class of employees as contemplated under section 418 of the Act.

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

Place: Belgaum
Date: 28th May 2013

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

ANNEXURE - A

REGISTERS AS MAINTAINED BY BEMCO HYDRAULICS LIMITED

STATUTORY REGISTERS

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

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

The Company is 55 years old with large number of shareholders and therefore, verification of changes during the year is made and not all entries therein.

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

OTHER REGISTERS

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

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

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

Place: Belgaum
Date: 28th May 2013

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

ANNEXURE B

Forms and Returns as filed by BEMCO HYDRAULICS LIMITED with the Registrar of Companies, Karnataka, Bangalore during the financial year ended 31.03.2012

No.	Form/ Return	Filed U/S	For	Date of Filing with service request number (SRN)	Whether Filed Within Prescrib ed Time Yes/No	If delay in Filing, Whether requisite Additional fee paid, Yes/No	Track transactio n status on web site
1	Form 5	95(e)	Redemption of 14,732 Preference Shares of Rs.100/-each along with Premium of Rs.60/- each on 31.03.2012	28 th April 2012, B37909033	Yes	Not Applicable	Approved
2	Form 8	125	Creation of HDFC Bank Ltd charge of Rs. 4,36,000/- on 23 rd June 2012	21 st July 2012 B43775477	Yes	Not Applicable	Approved
3	Form 8	125	Creation of HDFC Bank charge of Rs. 5,74,000/- on 22 nd June 2012	21 st July 2012 B43775675	Yes	Not Applicable	Approved
4	Form 66	383A	Compliance Certificate for the financial year ended 31 st March 2012	16 th August 2012 P88430947	Yes	Not Applicable	Approved
5	Form 23	192 (4)(a)	Special resolution raising the borrow limit u/s 293(1)(d) to Rs.15 crores in AGM held on 30 th July 2012.	10 th September 2012 B57204182	No	Yes	Approved
6	Form 20B	159	Annual Return up to AGM held on 30 th July 2012	24 th September 2012 P89032858	Yes	Not Applicable	Approved
7	Form 8	125	Creation of State Bank of India charge of Rs. 5 Lakhs on 10 th September 2012	28 th September 2012 B58477464	Yes	Not Applicable	Approved
8	Form 17	138	Satisfaction of HDFC BANK charge on 2 nd November 2012	26 th November 2012 B62425251	Yes	Not Applicable	Approved
9	Form 8	125	Creation of Bank of Maharashtra charge of Rs. 2 Crores on 30 th October 2012	6 th December 2012 B63261762	No	Yes	Approved
10	A-XBRL	209(1) (d)	Filing of cost compliance report of a cost accountant in XBRL mode.	27 th December 2012, S19598648	Yes	Not applicable	Approved
11	Form 23ACXBRL & Form 23ACAXBRL	220	Balance Sheet and Statement on Profit & Loss for the year ended 31st March 2012.	11 th January 2013 Q05752688	Yes	Not Applicable	Approved

Place: Belgaum
Date: 28th May 2013

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

A. C. BHUTERIA & CO.

CHARTERED ACCOUNTANTS

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

We have audited the accompanying financial statements of Bemco Hydraulics Limited ('the Company') which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013

AND

(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date

AND

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **A.C.BHUTERIA & CO.**

Chartered Accountants

Firm Registration No. 303105E

(MOHIT BHUTERIA)

Partner

Membership no. 56832

Place: Kolkata

Dated: 28.05.2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF BEMCO HYDRAULICS LIMITED REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. The fixed assets are physically verified by the management in a phased manner, over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification. There was no substantial disposal of fixed assets during the year.
- 2) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification as compared to book records, which were not material, have been properly dealt with in the books of accounts.
- 3)
 - a) As informed, the company has not granted any loan, secured or unsecured, to companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) The Company has taken unsecured loan from five companies and one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 6,94,26,748/- and year - end balance of such loan taken was Rs. 6,49,40,796/- (including interest)
 - c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from companies and parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - d) The Company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.
- 4) In our opinion and according to the information & explanation given to us, there is an adequate internal control system commensurate with the size of the Company & nature of its business, for the purchases of inventory and fixed assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5)
 - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in cases where comparison could not be made in the absence of similar transactions with other parties..
- 6) In our opinion & according to the information & explanations given to us, the Company has not accepted

any deposit from public during the year.

- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Sec. 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of Income tax, Wealth tax, Sales tax, Service Tax, Custom duty, Excise duty and Cess were in arrears as at 31.03.2013 for a period of more than six months from the date they became payable.
- (c) According to the information & explanation given to us, there are no dues of Income tax, Wealth tax, Sales tax, Service Tax, Custom duty, Excise duty or Cess which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Disputed Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
<i>Karnataka Value Added Tax Act, 2003</i>	<i>Sales Tax</i>	<i>Rs.70,832/-</i>	<i>2003 - 04</i>	<i>The Honorable High Court of Karnataka</i>
<i>Karnataka Value Added Tax Act, 2003</i>	<i>Sales Tax</i>	<i>Rs. 75,062/-</i>	<i>2004 - 05</i>	<i>The Honorable High Court of Karnataka</i>

- 10) The Company does not have any accumulated losses. It has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) Based on our audit procedures and as per the information & explanation given by the management, the Company has not defaulted in repayment of dues to financial Institution or Banks except for the following:

Lender's Name	Description of loan	Period of Default	Amount involved
<i>State Bank of India</i>	<i>Cash Credit</i>	<i>Unpaid / Less than 30 days as at 31.03.2013</i>	<i>Rs. 85,58,098/-</i>
<i>Bank of Maharashtra</i>	<i>Cash Credit</i>	<i>Less than 30 days</i>	<i>Rs. 1,00,943/-</i>
<i>Bank of Maharashtra</i>	<i>Cash Credit</i>	<i>More than 30 days but less than 90 days</i>	<i>Rs. 1,38,85,988/-</i>
<i>Bank of Maharashtra</i>	<i>Cash Credit</i>	<i>Unpaid / Less than 30 days as at 31.03.2013</i>	<i>Rs. 23,84,470/-</i>
<i>Bank of Maharashtra</i>	<i>Cash Credit</i>	<i>Unpaid / more than 30 days but less than 90 days as at 31.03.2013</i>	<i>Rs. 59,60,211/-</i>

- 12) As informed and explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies.
- 14) Since the Company is not dealing or trading in shares, securities, debentures and other investment, clause (xiv) of the Order is not applicable.
- 15) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were raised.

- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used to finance long term investments.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19) During the period covered by our audit report, the Company has not issued any debentures.
- 20) The Company has not raised any money from public issue during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

Place : 2, India Exchange Place
Kolkata - 700 001

Place: Kolkata
Dated: 28.05.2013

For **A.C.BHUTERIA & CO.**
Chartered Accountants
Firm Registration No. 303105E

(MOHIT BHUTERIA)
Partner
Membership no. 56832

BALANCE SHEET AS ON 31ST MARCH 2013

	Note Ref.	31-Mar-13 Rs	31-Mar-12 Rs
I EQUITY AND LIABILITIES			
(a) Shareholders Funds			
Share Capital	2.1	4,83,33,500.00	4,83,33,500.00
Reserves & Surplus	2.2	4,58,41,176.34	4,51,15,227.52
		9,41,74,676.34	9,34,48,727.52
(b) Non-Current Liabilities			
Long Term Borrowings	2.3	7,76,84,720.87	3,28,34,744.89
Other Long Term Liabilities	2.4	15,40,853.00	20,61,083.00
		7,92,25,573.87	3,48,95,827.89
(c) Current Liabilities			
Short Term Borrowings	2.5	17,71,06,940.12	12,89,30,693.56
Trade Payables	2.6	8,49,20,872.78	8,76,52,782.05
Other Current Liabilities	2.7	6,40,58,551.34	10,56,43,768.75
Short Term provisions	2.8	81,61,506.56	63,01,564.28
		33,42,47,870.80	32,85,28,808.64
TOTAL		50,76,48,121.01	45,68,73,364.05
II ASSETS			
(a) Non-Current Assets			
Fixed Assets	2.9		
(i) Tangible Assets		6,44,78,448.00	4,49,63,043.00
(ii) Intangible Assets		3,31,51,233.00	-
(iii) Capital Work-in-progress		20,60,905.00	-
		9,96,90,586.00	4,49,63,043.00
Non-Current Investments	2.10	41,760.00	51,760.00
Deferred Tax Assets	2.11	23,89,000.00	39,25,000.00
Long term Loans and advances	2.12	67,25,360.00	5,94,824.00
Other Non-Current Assets	2.13	97,75,717.00	1,13,44,131.00
		11,86,22,423.00	6,08,78,758.00
(b) Current Assets			
Inventories	2.14	23,92,84,022.00	25,53,52,991.00
Trade receivables	2.15	12,21,14,992.61	11,38,07,374.02
Cash and bank balances			
(i) Cash and Cash Equivalents	2.16	47,58,288.18	21,73,316.62
(ii) Other Bank Balances	2.17	52,23,228.00	1,09,31,446.00
Short Term Loans and Advances	2.18	1,76,08,339.22	1,37,29,478.41
Other Current Assets	2.19	36,828.00	-
		38,90,25,698.01	39,59,94,606.05
TOTAL		50,76,48,121.01	45,68,73,364.05
Significant accounting policies and notes to financial statements	1 & 2	-	-

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

For and on behalf of the Board

Mohit Bhuteria
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 28-05-2013

Place: Belgaum
Date : 28-05-2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON

	Note Ref.	31-Mar-13 Rs	31-Mar-12 Rs
I REVENUE FROM OPERATIONS (Gross)	2.20	42,35,36,483.87	26,90,66,775.96
Less:Excise duty		3,92,05,858.37	1,98,88,979.90
REVENUE FROM OPERATIONS (Net)		38,43,30,625.50	24,91,77,796.06
II OTHER INCOME	2.21	33,87,951.23	33,58,749.11
III TOTAL REVENUE (I + II)		38,77,18,576.73	25,25,36,545.17
IV EXPENSES			
Cost of Material Consumed	2.22	19,83,70,795.04	17,74,52,828.44
Changes in inventories of finished goods and work-in-progress	2.23	1,65,77,209.00	(6,15,02,893.00)
Employee benefits expense)			
Finance Cost	2.25	3,04,12,042.39	2,07,80,657.42
Depreciation and amortization expense	2.26	61,73,918.00	88,38,333.00
Other expenses	2.27	7,11,03,380.69	5,00,12,590.20
TOTAL EXPENSES		37,76,53,920.91	24,56,60,039.45
V PROFIT BEFORE TAX (III-IV)		1,00,64,655.82	68,76,505.72
VI TAX EXPENSES			
Current Tax		(21,10,750.00)	(41,18,400.00)
Deferred Tax		(15,36,000.00)	14,94,000.00
Income tax earlier years		(8,08,629.00)	(1,88,402.00)
		(44,55,379.00)	(28,12,802.00)
VII PROFIT (LOSS) FOR THE PERIOD (V-VI)		56,09,276.82	40,63,703.72
VIII EARNINGS PER EQUITY SHARE:	2.28		
Basic		0.87	0.58
Diluted		0.87	0.58
Significant accounting policies and notes to financial statements	1 & 2		

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

For and on behalf of the Board

Mohit Bhuteria
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 28-05-2013

Place: Belgaum
Date : 28-05-2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS
a) Accounting Convention

The financial statements have been prepared in accordance with the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and under historical cost convention on accrual basis except for certain fixed assets which are carried at revalued amounts.

b) Use of Estimates

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

c) Tangible Fixed Assets
(i) Recognition

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

(ii) Depreciation

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

d) Intangible Fixed Assets
(i) Recognition

Intangible fixed assets acquired separately are measured on initial recognition at cost.

(ii) Amortization

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

e) Non-Current/Long Term Investment

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

f) Inventories

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

g) Employee Benefits
1 Short term employee benefits :

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

2 Post- employment Benefits
a. Defined Contribution Plans

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

contributions to Defined Contribution plans are charged to the Profit and Loss Account 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 Profit and Loss Account.

h) Research and Development:

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

i) Revenue Recognition

Sale of goods

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

Rendering of services

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

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

Other income

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

j) Borrowing Cost.

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

k) Foreign Currency Transactions.

Initial recognition

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at Balance Sheet date

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

Exchange difference

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

l) Earnings Per Share:

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

m) Taxation:

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

n) Provisions and Contingent Liabilities:

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

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

o) Impairment of Assets:

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

p) Segment Reporting

Identification of a segment

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

Segment Accounting

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

q) Leases

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

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

(a) Authorized Share Capital	As at 31-Mar-13		As at 31-Mar-12	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Preference Shares of Rs. 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000
	44,00,000	8,00,00,000	44,00,000	8,00,00,000

(b) Issued Share Capital	As at 31-Mar-13		As at 31-Mar-12	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each	14,82,750	1,48,27,500	14,82,750	1,48,27,500
Preference Shares of Rs. 100/- each	3,45,268	3,45,26,800	3,45,268	3,45,26,800
	18,28,018	4,93,54,300	18,28,018	4,93,54,300

(c) Subscribed Share Capital	As at 31-Mar-13		As at 31-Mar-12	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each	14,60,000	1,46,00,000	14,60,000	1,46,00,000
Preference Shares of Rs. 100/- each	3,38,000	3,38,00,000	3,38,000	3,38,00,000
	17,98,000	4,84,00,000	17,98,000	4,84,00,000

(d) Paid-up Share Capital	As at 31-Mar-13		As at 31-Mar-12	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Equity Shares of Rs. 10/- each fully paid	14,46,700	1,44,67,000	14,46,700	1,44,67,000
Shares Forfeited	-	66,500	-	66,500
	14,46,700	1,45,33,500	14,46,700	1,45,33,500
Preference Shares of Rs. 100/- each fully paid	3,38,000	3,38,00,000	3,38,000	3,38,00,000
	17,84,700	4,83,33,500	17,84,700	4,83,33,500

(e) Reconciliation of Equity shares of Rs. 10/- each outstanding at the beginning and at the end of the reporting period.	As at 31-Mar-13		As at 31-Mar-12	
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
Balance as at the beginning of the period	14,46,700	1,44,67,000	14,46,700	1,44,67,000
Add/(Less): Movement during the year	-	-	-	-
Balance as at the end of the period	14,46,700	1,44,67,000	14,46,700	1,44,67,000

(f) Reconciliation of Preference shares of Rs. 100/- each outstanding at the beginning and at the end of the reporting period.	As at 31-Mar-13		As at 31-Mar-12	
	Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
Balance as at the beginning of the period	3,38,000	3,38,00,000	52,732	52,73,200
Add: Allotment during the year	-	-	3,00,000	3,00,00,000
Less: Redemption during the year	-	-	(14,732)	(14,73,200)
Balance as at the end of the period	3,38,000	3,38,00,000	3,38,000	3,38,00,000

(g) Shareholders holding more than 5% of Equity Share Capital.	As at 31-Mar-13		As at 31-Mar-12	
	(Nos.)	(%)	(Nos.)	(%)
1 Mohta Capital Pvt Ltd	3,80,606	26.31	3,80,606	26.31
2 Sri Ramchandra Enterprises Pvt Ltd	1,99,697	13.80	1,99,697	13.80
3 U D Finnvest Pvt Ltd	1,33,400	9.22	1,33,400	9.22
4 Urmila Devi Mohta	1,93,668	13.39	1,93,668	13.39

(h) Shareholders holding more than 5% of Preference Share Capital.	As at (Nos.)	31-Mar-13 %	As at (Nos.)	31-Mar-12 %
1 Mohta Capital Pvt Ltd	3,15,000	93.20	3,15,000	93.20

The Company has Equity Shares having par value of Rs. 10/- per share. Each holder of Equity

(i) Terms/rights attached to Equity Shares

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

(j) Terms/rights attached to Preference Shares

(1) Rights/preferences attached to Preference Shares

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

(2) Terms of redemption of preference shares.

Particulars	As at Quantity (Nos.)	31-Mar-13 Amount (Rs.)	As at Quantity (Nos.)	31-Mar-12 Amount (Rs.)
(i) 11% Cumulative Redeemable	3,00,000	3,00,00,000	3,00,000	3,00,00,000
(ii) 11% Cumulative Redeemable Preference shares of Rs. 100/- each redeemable at par on 31/03/2020.	20,000	20,00,000	20,000	20,00,000
(iii) 11% Cumulative Redeemable Preference shares of Rs. 100/- each redeemable at par on 31/03/2014.	18,000	18,00,000	18,000	18,00,000

(2.2) RESERVES AND SURPLUS

Particulars	As at 31 Mar 13 Rs.	As at 31 Mar 12 Rs.
Capital Reserve		
Opening Balance	6,44,876.00	6,44,876.00
(A) Capital Redemption Reserve		
Opening Balance	6,44,876.00	6,44,876.00
Add: Created during the year upon redemption of Preference Shares	14,73,200.00	-
(B)	-	14,73,200.00
Securities Premium		
Opening Balance	14,73,200.00	14,73,200.00
Add: Addition during the year	38,31,700.00	47,15,620.00
	-	-
Less: Premium paid on redemption of Preference Shares	38,31,700.00	47,15,620.00
(C)	-	8,83,920.00
Revaluation Reserve:		
Opening Balance	38,31,700.00	38,31,700.00
Less: Deductions /adjustments made during the year	2,34,72,669.00	2,40,10,387.00
	5,33,454.00	5,37,718.00
(D)	2,29,39,215.00	2,34,72,669.00
General Reserve		
Opening Balance	55,00,000.00	45,00,000.00
Add: Additions during the year	10,00,000.00	10,00,000.00
(E)	65,00,000.00	55,00,000.00

Surplus/(deficit) in Profit & Loss Statement		
Opening Balance	1,01,92,782.52	1,18,33,324.80
Add: Surplus/(deficit) for the period	56,09,276.82	40,63,703.72
	1,58,02,059.34	1,58,97,028.52
Less: Appropriation		
Transfer to General Reserve	(10,00,000.00)	(10,00,000.00)
Transfer to Capital Redemption Reserve	-	(14,73,200.00)
Proposed Dividend on Preference Shares	(37,18,000.00)	(27,80,052.00)
Tax on Proposed Dividend	(6,31,874.00)	(4,50,994.00)
Balance carried forward	1,04,52,185.34	1,01,92,782.52
Total (A to F)	4,58,41,176.34	4,51,15,227.52

(2.3) LONG TERM BORROWINGS

Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Secured		
Term Loans		
- From Banks [see note (i) & (ii) below]	1,43,97,800.00	-
- Motor Car loan from Banks [see note (iii) below]	33,42,509.87	48,69,494.89
Unsecured		
Deferred Payment Liabilities	5,99,44,411.00	2,79,65,250.00
	7,76,84,721	3,28,34,745

Note:

- (i) Term loan from Bank of Maharashtra is secured by equitable mortgage of Land & Building and 1st charge on the Fixed Assets of the company on pari-passu basis with State Bank of India and personal guarantee of three directors of the company. Interest payable thereon is at base rate + 4.75% repayable in 54 monthly installments of Rs. 1.86 lacs each after a moratorium period of 6 months. Interest shall be serviced as and when applied.
- (ii) Term loan from State Bank of India is secured by equitable mortgage of Land & Building and 1st charge on the Fixed Assets of the company pari-passu basis with Bank of Maharashtra and personal guarantee of three directors of the company. Interest payable thereon is at base rate + 4.60% repayable in 40 monthly installments after a moratorium period of 8 month. Of the 40 installments, first 20 installments would be of Rs 2 lacs each and the balance 20 installments would be of Rs. 3 lacs each.
- (iii) Motor Car Loans from banks are secured by hypothecation of motor car, repayable in equated monthly installments carrying interest on reducing balance method varying between 10% per annum to 12.5% per annum. As on 31-03-2013 542 installments (Previous Year 488 installments) are due for repayment amounting to Rs 60,37,599/- excluding interest (Previous Year Rs 71,75,431/-)

(2.4) OTHER LONG TERM LIABILITIES

Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Other Payables- Deposits	15,40,853.00	20,61,083.00
	15,40,853.00	20,61,083.00

(2.5) SHORT TERM BORROWINGS

Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Secured		
Loans repayable on demand		
- Cash credit from Banks [see note (i) below]	7,69,02,778.90	7,13,88,092.56
Raw Material Assistance Scheme from NSIC [see note (ii) below]	98,54,545.22	95,55,094.00
Unsecured		
Loans repayable on demand		
- Loans from other parties	2,73,28,232.00	2,33,63,116.00
- Loans from Related Parties (Refer Note 2.30)	6,30,21,384.00	2,46,24,391.00
	17,71,06,940.12	12,89,30,693.56

Note

- (i) Cash credit availed from banks is secured by hypothecation of inventory and receivables upto 120 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company as collateral security. Interest on cash credit is payable at floating rate being base rate of respective bank plus spread varying between 4% to 4.50% at monthly rests.
- (ii) Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to Rs 10,000,000/-. Interest is payable @ 11% per annum on amount outstanding. Additional interest at the rate of 2% percent per annum is payable if payment is not made within stipulated time limit.
- (iii) As on 31-03-2013, default in repayment of Cash Credit ("CC") limit maintained with Bank of Maharashtra ("BOM") amounts to Rs 83,44,681/-
- (iv) As on 31-03-2013, default in repayment of Cash Credit ("CC") limit maintained with State Bank of India ("SBI") amounts to Rs 85,58,098/-.

(2.6) TRADE PAYABLES

Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Trade Payables		
- Due to Micro Enterprises & Small Enterprises	-	-
- Due to Other than Micro Enterprises & Small Enterprises	6,75,14,598.78	5,43,99,353.05
- Acceptances	1,74,06,274.00	3,32,53,429.00
	8,49,20,872.78	8,76,52,782.05

(2.7) OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Current maturities of long term debts		
- Term Loan from Banks	38,46,000.00	-
- Motor Car loan from Banks	26,95,089.38	23,05,935.99
Interest accrued but not due on borrowings	47,601.00	57,448.00
Interest accrued and due on borrowings	31,88,237.00	11,67,136.00
Other Payables		
- Advance from Customers	2,99,59,439.25	8,18,41,199
- Deposits from Employees	9,49,661.00	-
- Bill Discounted	-	55,26,858
- Liabilities for Statutory Dues	1,79,23,167.30	79,25,089
- Liabilities for Expenses	54,49,356.41	68,20,102
	6,40,58,551.34	10,56,43,769

(2.8) SHORT TERM PROVISIONS

Particulars	As at 31-Mar-13 Rs.	As at 31-Mar-12 Rs.
Provision for employee benefit		
- Provision for Leave Encashment	30,07,069.00	21,55,738.00
Provision - Others		
- Provision for Income Tax (Net)	(96,584.44)	4,93,795.28
- Provision for Dividend	37,18,000.00	27,80,052.00
- Provision for Dividend Tax	6,31,874.00	4,50,994.00
- Provision for Product Warranty	9,01,148.00	4,20,985.00
	81,61,506.56	63,01,564.28

FIXED ASSETS												
NOTE NO. - 2.9												
SL NO	PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K		
		AS AT 01.04.2012 Year	Additions	Deductions/ Adjustments	AS AT 31.03.2013	AS AT 01.04.2012	For the Year	Deductions	TOTAL As at 31.03.2013	As on 31.03.2013	As on 31.03.2012	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
A	TANGIBLE ASSETS											
1	LEASEHOLD LAND	1,33,10,040	-	-	1,33,10,040	-	-	-	-	1,33,10,040	1,33,10,040	
2	OWNED BUILDINGS	1,83,67,602	1,89,12,976	-	3,72,80,578	79,87,529	6,20,578	-	86,08,107	2,86,72,471	1,03,80,073	
3	NEW FACTORY SHED	-	-	-	-	-	-	-	-	-	-	
3	BOREWELL	1,57,861	-	-	1,57,861	6,422	2,573	-	8,995	1,48,866	1,51,439	
4	PLANT AND MACHINERY	4,67,71,130	15,36,181	-	4,83,07,311	3,93,92,133	11,54,110	-	4,05,46,243	77,61,068	73,78,997	
5	OFFICE EQUIPMENTS	9,80,824	2,50,062	-	12,30,886	3,94,715	48,230	-	4,42,945	7,87,941	5,86,109	
6	VEHICLES	1,52,41,125	19,65,470	6,11,618	1,65,94,977	34,36,579	15,53,653	1,89,904	48,00,328	1,17,94,649	1,18,04,546	
7	ELECTRICAL INSTALLATIONS	33,45,367	-	-	33,45,367	31,36,402	46,709	-	31,83,111	1,62,256	2,08,965	
8	FURNITURE AND FIXTURES	19,55,139	34,556	25,043	19,64,652	16,00,685	67,810	20,616	16,47,879	3,16,773	3,54,454	
9	COMPUTERS	28,35,850	4,87,651	-	33,23,501	20,47,430	2,37,713	-	22,85,143	10,38,358	7,88,420	
10	COMPUTER SOFTWARE	-	4,93,255	-	4,93,255	-	7,229	-	7,229	4,86,026	-	
	INTANGIBLE ASSETS											
9	TECHNICAL KNOW - HOW	3,92,28,488	3,61,20,000	-	7,53,48,488	3,92,28,488	29,68,767	-	4,21,97,255	3,31,51,233	-	
	Total	14,21,93,426	5,98,00,151	6,36,661	201,356,916	9,72,30,383	67,07,372	2,10,520	10,37,27,235	9,76,29,681	4,49,63,043	
	Previous Year	14,15,16,689	16,70,588	9,93,851	142,193,426	8,82,73,805	93,76,051	4,19,473	97,230,383	4,49,63,043	5,32,42,884	

(2.10) NON-CURRENT INVESTMENTS					
Particulars	Face value (Rs.)	31-Mar-13		31-Mar-12	
		Nos	(Rs.)	Nos.	(Rs.)
(Long Term Non-Trade at cost fully paid up unless otherwise stated)					
Unquoted Equity Shares					
Belgaum Coal and coke Consumer Co-op Ass. Ltd	1,000	4	4,000	4	4,000
Belgaum Manufacturers Co-op Industrial Estate Ltd	25	40	1,000	40	1,000
WG Forge and Allied Industrial Limited	10	50	402	50	402
Sarswat Co-op Bank Ltd	10	783	7,830	783	7,830
Quoted Equity Shares					
Alfa Laval Limited	10	-	-	-	-
Alfred Herbert (India) Limited	6	5	40	5	40
American Refrigerator Company Limited	10	100	400	100	400
Andhra Sinter Limited	10	1,000	10,000	1,000	10,000
Best and Crompton Engineering Limited	10	105	1,782	105	1,782
BF Investment Ltd (Bonus)	5	26	-	26	-
BF Utilites Ltd (Bonus)	5	26	-	26	-
Bharat Forge Company Limited	2	130	1,300	130	1,300
Bosch Rexroth India Ltd	10	6	65	6	65
Dynamic Technologies Limited	10	40	272	40	272
E.C.E. Industries Limited	10	30	300	30	300
Eaton Fluid Power Ltd (Vickers Systems International Limited)	10	24	672	24	672
Eicher Motors Ltd (Bonus)	10	1	-	1	-
Eicher Tractors Limited	10	4	875	4	875
Elecon Engineering Co. Limited (Including Bonus)	2	360	707	360	707
Guest Keen Williams Limited	10	1	24	1	24
Jyoti Limited	10	50	722	50	722
Kulkarni Power Tools Limited (F.V Change)	5	200	602	200	602
Larsen and Tubro Limited	2	256	3,156	256	3,156
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 (New Standard Engineering Company Limited)	10	40	113	40	113
Scooters India Limited	10	50	230	50	230
SLM Maneklal Industries Limited	100	1	204	1	204
Tata Construction & Projects Ltd	10	50	500	50	500
Tata Motors Ltd	2	115	924	23	924
Texmaco Ltd	10	10	240	10	240
U. T. Limited	10	100	607	100	607
Ultratech Cement (Bonus)	10	51	-	51	-
Voltas Limited	1	150	165	150	165
Quoted Debentures					
Tata Enginerring & Locomotive Company Limited (NC)	150	3	300	3	300
TATA SSL Limited (NC)	50	45	2,250	45	2,250
Bharat Forge Limited (NC)	50	2	100	2	100
Un-Quoted Debentures					
Eicher Tractors Limited	100	1	100	1	100
Krishna Bhagya Jala Nigam Limited	5,000	-	-	2	10,000
			41.760		51.760

1 Book Value cost of Un-Quoted Investments

13,332 23,332

2 Book Value cost of Quoted Investments

28,428 28,428

3 Market Value Quoted Investments

6,89,718 6,69,043

4 Quoted Investments whose market value was not available are considered at cost to arrive at market value.

(2.11) DEFERRED TAX ASSETS

a) Particulars	Opening	Ch./Cr. To P/L A/C.	Closing
Expenses charged/credited to P/L account but	7,33,000	1,96,000	9,29,000
Provision for Product Warranty	1,43,000	1,35,000	2,78,000
Provision for doubtful debts / advances	12,23,000	42,000	12,65,000
Tax impact of difference between carrying amount of	18,26,000	(16,59,000)	1,67,000
Tax impact of Reversal of Gratuity Provision	-	(2,50,000)	(2,50,000)
	39,25,000	(15,36,000)	23,89,000

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

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

(2.12) LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-2013 Rs.	As at 31-Mar-2012 Rs.
Unsecured, Considered Good		
Capital Advances	60,66,600.00	
Deposit with Govt., Public Bodies and Others	6,58,760.00	5,94,824.00
	67,25,360.00	5,94,824.00

(2.13) OTHER NON-CURRENT ASSETS

Particulars	As at 31-Mar-2013 Rs.	As at 31-Mar-2012 Rs.
Other Bank Balances		
- Non-Current portion of fixed deposits with original maturity	76,64,332.00	89,93,543.00
Advances recoverable in cash or in kind or for value to be		
Considered good		
- Advances to staff	21,11,385.00	23,50,588.00
	97,75,717.00	1,13,44,131.00

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

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

Particulars	As at 31-Mar-2013 Rs.	As at 31-Mar-2012 Rs.
(As valued and certified by a Director)		
Raw Materials	3,72,71,142.00	2,40,01,083.00
Intermediate and Components	-	1,10,21,510.00
Stores and Spares Parts	19,03,153.00	13,38,805.00
Work-in-Progress	16,58,86,000.00	16,79,66,000.00
Work-in-Progress - Export	32,16,500.00	-
Finished Goods	3,09,89,654.00	5,10,09,514.00
Scrap (At estimated realisable value)	17,573.00	16,079.00
	23,92,84,022.00	25,53,52,991.00

(2.15) TRADE RECEIVABLES

Particulars	As at 31-Mar-2013 Rs.	As at 31-Mar-2012 Rs.
Unsecured Considered Good		
Outstanding for a period of not more than six months from	7,62,41,384.53	6,40,30,015.29
Other Debts	4,58,73,608.08	4,97,77,358.73
	12,21,14,992.61	11,38,07,374.02
Unsecured Considered Doubtful Provided for		
Outstanding for a period exceeding six months from due date	36,94,227.00	31,99,126.00
Less: Provision for Doubtful Debts	(36,94,227.00)	(31,99,126.00)
	-	-
	12,21,14,992.61	11,38,07,374.02

(2.16) CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-2013 Rs.	As at 31-Mar-2012 Rs.
Balance with Scheduled Banks in current account(s)	40,20,160.91	18,84,048.35
Cash-on-hand (As certified by a director)	7,38,127.27	2,89,268.27
	47,58,288.18	21,73,316.62

(2.17) OTHER BANK BALANCES

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	Rs.	Rs.
Current portion of fixed deposits with original maturity of	52,23,228.00	1,09,31,446.00
	52,23,228.00	1,09,31,446.00

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

(2.18) SHORT TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	Rs.	Rs.
Advances recoverable in cash or in kind or for value to be Considered good		
- Advances to staff	21,34,106.75	16,25,955.88
- Advances to Others	87,22,318.70	1,01,49,339.10
Prepaid Expenses	15,73,193.00	11,45,644.00
Balance with Excise authorities	51,78,720.77	8,08,539.43
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)
	1,76,08,339.22	1,37,29,478.41

(2.19) OTHER CURRENT ASSETS

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
	Rs.	Rs.
Sale of services	-	-
Interest Receivable	36,828.00	-
	36,828.00	-

(2.20) REVENUE FROM OPERATIONS

Particulars	Current Year Rs.	Previous Year Rs.
Sale of goods manufactured	41,59,45,956.94	26,07,51,953.63
Sale of services	36,12,662.10	48,65,491.50
Other operating revenues	39,77,864.83	34,49,330.83
	42,35,36,483.87	26,90,66,775.96

(2.21) Other Income

Particulars	Current Year Rs.	Previous Year Rs.
Interest Income		
i Interest from Banks	13,65,994.00	14,04,617.00
ii Interest from Others	46,000.00	-
ii Interest On Income Tax Refund	-	-
iii Interest on Security Deposit with Hubli Electricity	41,535.00	-
	14,53,529.00	14,04,617.00
Dividend from Non-Current/Long Term Investments	10,088.00	10,293.50
Miscellaneous Receipts	87,485.29	32,259.64
Prior Period Adjustments	11,29,886.00	3,50,000.00
Fluctuation in Foreign Currency	1,27,518.00	-
Profit on disposal of tangible Fixed Assets	1,422.00	18,769.00
Liability no longer required written back	5,78,022.94	2,68,410.97
Profit on disposal of Non-Current/Long Term Investments	-	15,900.00
Entry tax refund	-	12,58,499.00
	33,87,951.23	33,58,749.11

(2.22) COST OF MATERIAL CONSUMED

Particulars	Current Year Rs.	Previous Year Rs.
Raw Materials		
Opening Stock	2,40,01,083.00	2,20,48,806.00
Add: Purchases	11,53,28,521.23	10,68,20,108.10
Less: Closing Stock	(3,72,71,142.00)	(2,40,01,083.00)
	10,20,58,462.23	10,48,67,831.10
Intermediates and Components		
Opening Stock	1,10,21,510.00	1,27,55,060.00
Add: Purchases	7,92,11,285.75	6,10,68,596.94
Less: Closing Stock	-	(1,10,21,510.00)
	9,02,32,795.75	6,28,02,146.94

Packing material		
Opening Stock	-	-
Add: Purchases	18,77,950.00	11,37,266.00
Less: Closing Stock	-	-
	18,77,950.00	11,37,266.00
Stores and Spares		
Opening Stock	13,38,805.00	22,10,527.00
Add: Purchases	82,50,484.06	78,45,147.40
Less: Closing Stock	(19,03,153.00)	(13,38,805.00)
	76,86,136.06	87,16,869.40
Total (A+B+C+D)	20,18,55,344.04	17,75,24,113.44
Less: Materials consumed on account of warranties	(34,84,549.00)	(71,285.00)
Total	19,83,70,795.04	17,74,52,828.44

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

Particulars	Current Year Rs.	Previous Year Rs.
Opening Stock		
Work-in progress	16,79,66,000.00	8,19,32,000.00
Finished Goods	5,10,09,514.00	7,70,80,670.00
Scrap	16,079.00	1,55,975.00
Total of Opening Stock	21,89,91,593.00	15,91,68,645.00
Less: Excise Duty	58,74,326.00	75,54,271.00
Opening Stock	21,31,17,267.00	15,16,14,374.00
Closing Stock		
Work-in progress	16,58,86,000.00	16,79,66,000.00
Work-in progress-Export	32,16,500.00	-
Finished Goods	3,09,89,654.00	5,10,09,514.00
Scrap	17,573.00	16,079.00
Total of Closing Stock	20,01,09,727.00	21,89,91,593.00
Less: Excise Duty	35,69,669.00	58,74,326.00
Opening Stock	19,65,40,058.00	21,31,17,267.00
Net changes in inventories of finished goods, work-in-progress and	1,65,77,209.00	(6,15,02,893.00)

(2.24) Employee benefits expense

Particulars	Current Year Rs.	Previous Year Rs.
Salaries, Wages, Bonus, etc.	4,78,47,288.89	4,08,78,443.88
Contribution to Provident fund & other funds	41,84,377.00	37,23,918.00
Gratuity	3,21,014.00	28,17,027.00
Staff welfare expense	26,63,895.90	26,59,134.51
	5,50,16,575.79	5,00,78,523.39

(2.25) Finance Cost

Particulars	Current Year Rs.	Previous Year Rs.
Interest Expense	2,46,27,316.39	1,48,74,237.17
Other Borrowing cost	57,84,726.00	59,06,420.25
	3,04,12,042.39	2,07,80,657.42

(2.26) Depreciation

Particulars	Current Year Rs.	Previous Year Rs.
Depreciation on Tangible Assets	32,05,151.00	29,12,149.00
Depreciation on Intangible Assets	29,68,767.00	59,26,184.00
	61,73,918.00	88,38,333.00

(2.27) Other expenses

Particulars	Current Year Rs.	Previous Year Rs.
Power & fuel	29,96,917.00	25,12,854.00
Manufacturing Expenses	2,18,30,460.80	1,38,47,106.18
Freight & Transportation	93,61,202.00	85,04,240.00
Product Warranty Expenses	39,64,712.00	1,12,412.00
Repairs		
Buildings	4,08,964.00	2,56,569.00
Machinery	12,31,052.00	12,43,957.00
Computers	2,23,792.00	2,45,345.00
Others	2,75,403.00	2,62,717.00

Insurance	2,97,043.00	3,55,342.00
Rent	4,23,101.00	3,70,440.00
Rates & Taxes	1,71,378.00	1,68,719.00
Printing and Stationery	10,03,047.00	9,03,245.00
Postage, Telephone & Telegram	13,23,027.71	10,96,128.00
Travelling & Conveyance Expenses	1,23,73,110.97	90,57,888.50
Bad Debts / Advances Written Off	23,84,980.75	6,07,682.27
Sundry Creditor's Debit Balances Written off	-	1,43,246.00
Provision for Doubtful Debts and Advances	4,95,101.00	8,65,460.00
Brokerage, Commission & Discount	6,71,410.00	23,03,320.00
Miscellaneous Expenses	52,37,072.06	38,40,728.25
Payment to Auditors for:		
Audit Fees	2,00,000.00	1,20,000.00
Limited Review Certification charges	37,500.00	-
Other Certification	1,02,100.00	-
Auditor's Other Services	2,00,000.00	1,65,509.00
Reimbursement of Expenses (including service tax)	1,02,016.00	72,883.00
Company Law Matters	31,000.00	-
Directors' Sitting Fees	17,000.00	18,000.00
Loss on Sale of Assets	66,947.00	1,30,918.00
Loss in Foreign Currency Fluctuation (net)	-	12,05,962.00
Liquidated Damages	56,27,464.40	15,45,159.00
Prior Period Adjustments	47,579.00	56,760.00
	7,11,03,380.69	5,00,12,590.20

(2.28) Earnings per Share

PARTICULARS	Year Ended 31-Mar-13	Year Ended 31-Mar-12
Profit After tax (Rs.)	56,09,276.82	40,63,703.72
Less: Dividend (including tax thereon) on Cumulative Preference Share	(43,49,874.00)	(32,31,046.00)
Adjusted Net Profit attributable to Equity Share holders (Rs.)	12,59,402.82	8,32,657.72
Weighted average number of equity shares in issue	14,46,700	14,46,700
Basic Earnings per share of Rs.10/- each (in Rs.)	0.87	0.58

(2.29) EMPLOYEE BENEFITS

- a) Post Retirement Benefits :
 Defined Contribution Plans

(Figures in Rs.)

Particulars	2012-13	2011-12
1 Contribution to Employees' Provident Fund	19,86,723	16,85,008
2 Contribution to Employees' Family Pension Fund	13,20,445	12,27,978
3 Contribution to Employees' Superannuation Fund	8,77,209	8,10,931
	41,84,377	37,23,917

- b) Defined Benefit Plans

- (i)

(Figures in Rs.)

Changes in the Present Value of Obligation	2012-13	2011-12
a. Present Value of Obligation as at opening date	1,60,33,869	1,38,94,126
b. Interest Cost	13,09,810	10,84,960
c. Past Service Cost	-	-
d. Current Service Cost	9,80,147	10,09,686
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Benefits Paid	(18,20,877)	(6,77,284)
h. Actuarial (Gain)/Loss	(5,91,974)	7,22,381
i. Present Value of Obligation as at closing date	1,59,10,975	1,60,33,869

- (ii)

(Figures in Rs.)

Changes in the Fair Value of Plan Assets	2012-13	2011-12
a. Present Value of Plan Assets as at opening date	1,26,61,543	1,12,06,354
b. Expected Return on Plan Assets	12,57,600	10,72,645
c. Actuarial Gain/(Loss)	1,19,369	(10,72,644)
d. Employers' Contributions	45,02,213	21,32,472
e. Employees' Contributions	-	-
f. Benefits Paid	(18,20,877)	(6,77,284)
g. Fair Value of Plan Assets as at closing date	1,67,19,848	1,26,61,543

(iii)

(Figures in Rs.)

	Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets	2012-13	2011-12
a.	Present Value of Obligation as at Mar 31, 2013	1,59,10,975	1,60,33,869
b.	Fair Value of Plan Assets as at Mar 31, 2013	1,67,19,848	1,26,61,543
c.	Funded (Asset)/ Liability recognized in the Balance Sheet	-	-
d.	Present Value of unfunded Obligation as at Mar 31, 2013	(8,08,873)	33,72,326
e.	Unrecognized Past Service Cost	-	-
f.	Unrecognized Actuarial (Gains)/Losses.	-	-
g.	Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv)

(Figures in Rs.)

	Expenses recognized in the Profit & Loss Account	2012-13	2011-12
a.	Current Service Cost	9,80,147	10,09,686
b.	Past Service Cost	-	-
c.	Interest Cost	13,09,810	10,84,960
d.	Expected Return on Plan Assets	(12,57,600)	(10,72,645)
e.	Curtailment Cost/(Credit)	-	-
f.	Settlement Cost/(Credit)	-	-
g.	Net actuarial (Gain)/Loss	(7,11,343)	17,95,025
h.	Empolyees' Contribution	-	-
i.	Total Expenses recognized in the Profit & Loss Account	3,21,014	28,17,026

(V)

	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date	2012-13	2011-12
a.	Government of India Securities	-	-
b.	Corporate Bonds	-	-
c.	Special Deposits Scheme	-	-
d.	Equity Shares of Listed Companies	-	-
e.	Property	-	-
f.	Insurer Managed Funds	100%	100%
g.	Others	-	-

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

d) The Actual Return on Plan Assets is as follows (Rs.) 13,76,969 (10,72,645)

e)

	Following are the Principal Actuarial Assumptions used as at the balance sheet date:	2012-13	2011-12
a.	Interest Rate	8.20%	8.65%
b.	Discount Rate	8.20%	8.65%
c.	Expected Rate of Return on Plan Assets	9.00%	9.00%
d.	Salary Escalation Rate	6.00%	6.00%

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

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

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

- i Key Management personnel:
Shri Madan Mohan Mohta
Shri Anirudh Mohta
- ii Relatives of Key management personnel:
Smt. Urmila Devi Mohta
- iii Enterprises where key management personnel have significant influence:
U. D. Finnvest Pvt Ltd
Mohta Capital Pvt Ltd
Bemco Precitech Pvt Ltd
U.D.Polyproducts Pvt Ltd

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.

(Figures in Rs.)

Nature of Transaction	Liability Preference Shares	Interest	Expenditure		Remuneration	Short term borrowings		Balance as at year end (Cr)
			Sitting Fees			Accepted	Repaid	
Key Management Personnel								
Shri Madan Mohan Mohta	-	-	-	-	12,04,676	-	-	-
Shri Anirudh Mohta	(-)	-	-	-	(12,56,516)	-	-	-
	-	-	-	-	8,18,000	28,00,000	21,00,000	7,96,158
	(-)	-	-	-	(7,97,738)	-	-	-
Total					20,22,676	28,00,000	21,00,000	7,96,158
Relatives of Key Management Personnel					(20,54,254)			
Smt. Urmila Devi Mohta	-	-	5,000	-	-	-	-	-
	(-)	-	(5,000)	-	-	-	-	-
Enterprises where Key Management Personnel have Significant Influence								
U.D. Finnvest Pvt Ltd	-	9,21,337	-	-	-	1,03,83,179	19,35,000	1,21,82,597
	(-)	(4,40,338)	-	-	-	(1,50,000)	(13,25,000)	(29,05,214)
Sri Ramachandra Enterprises Pvt Ltd	-	3,43,744	-	-	-	6,73,120	11,90,000	17,81,763
	(-)	(4,25,077)	-	-	-	(28,80,000)	(42,00,000)	(19,89,274)
Mohta Capital Pvt Ltd	-	43,35,623	-	-	-	3,09,35,031	45,10,000	4,97,29,363
	(3,00,00,000)	(18,32,168)	-	-	-	(2,13,20,000)	(3,59,40,000)	(1,94,02,272)
Bemco Precitech Pvt Ltd	-	22,693	-	-	-	4,693	6,000	1,58,561
	(-)	(17,168)	-	-	-	-	-	(1,39,445)
U.D.Polyproducts Pvt Ltd	-	30,568	-	-	-	6,334	6,000	2,16,031
	(-)	(23,169)	-	-	-	-	-	(1,88,186)
Total	(3,00,00,000)	56,53,965	(27,37,920)			4,20,02,357	76,47,000	6,40,68,315
						(2,43,50,000)	(4,14,65,000)	(2,46,24,391)

(Figures in bracket pertain to Previous Year)

- (2.31) a) Land, Building, Plant and Machinery, Office equipment and major portion of other fixed assets acquired before 4th October 1999 were revalued on the basis of the valuation of these assets carried out by a firm of registered valuer. According to the Valuer's Report these fixed assets were valued on the following basis:
 Land : Market value basis
 Building : Present day cost less depreciation
 Machinery : Market value basis, present cost less depreciation
 The surplus arising thereon as compared to net book value amounting to Rs.468.73 lacs was credited to Revaluation Reserve.
- b) Total depreciation for the year is Rs. 67,07,372/- (Previous year Rs. 93,76,051/-), out of this the extent of depreciation charged on the write up on account of revaluation amounting to Rs. 5,33,454/- (Previous year Rs. 5,37,118/-) has been recouped from Revaluation Reserve and the balance of Rs. 61,73,918 /- (Previous year Rs. 88,38,333/-) is charged to the Statement of Profit and Loss .
- (2.32) The Company is engaged in the manufacturing and sale of hydraulic press machine and related equipments, which as per the Accounting Standard AS-17 is considered the only reportable business segment. The geographical segment is not relevant as exports are insignificant.
- (2.33) In accordance with the provisions of Accounting Standard on Impairment of Assets (AS 28), the management has made an assessment of assets in use and considering the business prospects related thereto, no provision is considered necessary on account of impairment of Assets.
- (2.34) a) Disclosure of the amount due to the Micro, Small & Medium Enterprises (on the basis of the information and records available with the management)

PARTICULARS		As At 31-Mar-13	As At 31-Mar-12
1	The principal amount and the Interest due thereon remaining unpaid to any Micro/Small supplier		
	- Principal amount	NIL	NIL
	- Interest thereon	NIL	NIL
2	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
3	The amount of Interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small And Medium Enterprises Act Development Act 2006.	NIL	NIL
4	The amount of interest accrued and remaining un paid at the end each accounting year.	NIL	NIL
5	The amount of further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	25,962	25,962

- b) Company has written to the suppliers asking them to confirm their status under Micro, Small & Medium Enterprises Development Act 2006, however no intimation has been received from any of the suppliers.
- (2.35) Disclosure of loans / advances and investments in its own shares by the listed companies, their subsidiaries, associates etc (as certified by the management)

Sr. No.	PARTICULARS	Outstanding Balance As On 31-Mar-2013	Outstanding Balance As On 31-Mar-2012
i	Loans and advances in the nature of loans to subsidiaries	-	-
ii	Loans and advances in the nature of loan to associates	-	-
iii	Loans and advance in the nature of loan where there is	-	-
	a) No repayment schedule or repayments beyond seven years	-	-
	b) No interest or interest below Section 372 A of the Companies Act 1956 - Staff Advances.	35,33,071.00	34,39,499.00
iv	Loans and advance in the nature of loans to firms/companies in which director are interested.	-	-
v	Investments by loanee in the shares of parent company and subsidiary companies when the company has made loan or advance in the nature of loan.	-	-

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

	PARTICULARS	2012-13	2011-12
1	C.I.F. Value of Imports: Raw Materials And Components	54,65,317.00	1,02,70,897
2	Expenditure in Foreign Currency:(paid/payable)		
	- Traveling	4,90,066	5,71,016
	- Technical Know How (including exchange fluctuation)	3,19,79,161	23,75,538
	- Agency Commission	-	23,03,320
	- Exhibition Expenses - InnoTrans, Berlin	8,27,265	-
3	Earnings in Foreign Exchange: FOB value of Exports	-	1,68,08,693

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

PRODUCTS	Opening Stock Amount	Closing Stock Amount	Turnover Amount
Hydraulic Presses	4,28,77,513 (6,92,37,383)	2,76,05,477 (4,28,77,513)	30,46,97,562 (20,72,91,036)
Axial Piston Pumps	-	-	34,73,295 (39,75,599)
Hydraulic Equipments	80,40,745 (75,58,924)	23,37,203 (80,40,745)	5,11,95,350 (1,43,57,926)
Others	91,256 (2,84,363)	10,46,974 (91,256)	1,73,73,892 (1,52,81,215)
Scrap	16,079 (1,55,975)	17,573 (16,079)	1,66,770 (3,50,410)
Total	5,10,25,593 (7,72,36,645)	3,10,07,227 (5,10,25,593)	37,69,06,869 (24,12,56,186)

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

(2.38) RAW MATERIALS AND COMPONENTS CONSUMED:

Particulars	2012-13 Amount	2011-12 Amount
MS rounds, Squares, Flats, Plates and Angles	10,20,95,681	8,62,11,365
Rough Castings	1,25,21,686	1,51,92,972
Hydraulic Pumps and Valves	20,40,206	1,47,19,382
Steel Pipes	1,49,22,388	27,43,847
Packing Material	18,77,950	11,37,266
Other	6,07,11,296	4,88,02,412
Total	19,41,69,207	16,88,07,244

IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED:

	2012-13 Value Rs.	%	2011-12 Value Rs.	%
Imported	59,92,649	3.09%	1,03,83,259	6.15%
Indigenous	18,81,76,558	96.91%	15,84,23,985	93.85%
Total	19,41,69,207	100.00%	16,88,07,244	100.00%

(2.39) WORK IN PROGRESS

Particulars	2012-13 Amount	2011-12 Amount
500T WHEEL FORCING PRESS	2,22,57,000	2,11,10,000
1000T CLOSED FRAME PRESS	2,16,40,000	-
Others	12,52,05,500	14,68,56,000
Total	16,91,02,500	16,79,66,000

(2.40) SERVICES RENDERED

Particulars	2012-13 Amount	2011-12 Amount
Job Charges	19,52,404	36,17,503
Servicing charges	16,60,258	12,47,989
Total	36,12,662.10	48,65,491.50

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

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

Particulars	2012-13 Amount	2011-12 Amount
Deferred payment Liabilities :		
a) Payable for Technical Know-How (in Euros)	8,48,350	4,05,000
Payable for Technical Know-How (in INR)	5,99,44,411	2,79,65,250
b) Payable on account of commission (in Euros)	-	8,900
Payable on account of commission (in INR)	-	6,14,545

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

(2.44) Warranty expenses on rectification work are accounted for on natural heads as and when incurred & charged to provision on year end. Warranty expenses include Rs. 34,84,549/- (P.Y. Rs. 71,285/-) on account of free supplies of materials under warranty period.

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

(Figures in Rs.)

Particulars	Balance as at 01/04/2012	Additions during the year	Amount paid/ reversed/ used during the year	Balance as at 31/03/2013
Provision for Liquidated Damages	-	56,27,464	56,27,464	-
Provision for Warranty Claims	4,20,985	39,64,712	-	9,01,148

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

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

For and on behalf of the Board

Mohit Bhuteria

Partner

Place : Kolkata

Date : 28-05-2013

M. M. Mohta

Chairman & Managing Director

Anirudh Mohta

Joint Managing Director

Place: Belgaum

Date : 28-05-2013

FIVE YEARS TREND ANALYSIS

S.NO	Particular	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
1	Total Sales	3,843.31	2,491.78	2,436.43	1,763.74	2,250.48
2	Other Income	33.88	33.59	22.49	123.23	92.37
3	Total Income	3,877.19	2,525.37	2,458.92	1,886.97	2,342.85
4	Operating Profit	466.51	364.95	351.42	284.72	260.24
5	Interest	304.12	207.81	172.84	118.29	108.52
6	Depreciation	61.74	88.38	100.28	95.03	90.24
7	Profit / (Loss) before Tax	100.65	68.77	78.30	71.40	61.48
8	Tax	(21.11)	(41.18)	(40.12)	(28.36)	(27.10)
9	Deferred Tax Assets	(15.36)	14.94	9.29	15.64	0.90
10	Fringe Benefit Tax	-	-	-	-	(7.30)
11	Income tax earlier years	(8.09)	(1.88)	(5.54)	(0.26)	5.23
12	Profit / (Loss) after Tax	56.09	40.64	41.93	58.42	33.22
13	Transitional Provision	-	-	-	-	-
14	Transferred to general Reserve	(10.00)	10.00	10.00	10.00	10.00
15	Dividend & Tax-Preference Shares	(43.50)	32.31	6.74	6.76	6.79
16	Net Surplus for the year	109.59	(1.67)	25.19	41.66	16.44
17	Surplus / (Deficit) B/F	116.66	118.34	93.15	51.49	35.05
18	Balance Carried to Balance Sheet	226.26	116.66	118.34	93.15	51.49
19	Paid-up Equity Share Capital	144.67	144.67	144.67	144.67	144.67
20	Reserve & Surplus (inclusive of	458.41	451.15	457.04	427.23	380.86
21	Equity Shareholders' Net worth	603.08	595.82	601.71	571.90	525.53

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

Particulars	31-Mar-13 (Rs. In lacs)	31-Mar-12 (Rs. In lacs)
A Cash Flow from Operating Activities:		
Net Profit Before Tax and Extraordinary Items	1,00,64,656.00	68,76,506.00
Adjustments for:		
Loss on Sale of Fixed Assets	66,947.00	1,30,918.00
Provision for doubtful debts and advances	4,95,101.00	8,65,460.00
Bad Debt and advances written off	23,84,981.00	6,07,682.27
Depreciation	61,73,918.00	88,38,333.00
Profit on Disposal of Non-Current Investments	-	(15,900.00)
Finance Cost	3,04,12,042.00	1,47,87,189.00
Liability no longer required written back	(17,07,909.00)	6,18,410.97
Profit on Disposal of Fixed Assets	(1,422.00)	(18,769.00)
Unrealised Foreign Exchange Gain/ Loss	(62,039.00)	21,85,188.00
Dividend from Non-Current Investments	(10,088.00)	(10,294.00)
Interest Income	(14,53,529.00)	(14,04,617.00)
Operating Profit before Working Capital Changes	4,63,62,658.00	3,34,60,107.24
Movements in Working Capital		
Decrease/ (Increase) in Inventories	1,60,68,969.00	(5,91,69,953.00)
Decrease/ (Increase) in Trade and Other Receivables	(1,47,95,460.40)	(4,94,24,435.27)
Increase/ (Decrease) in Trade and Other Payables	(4,80,44,361.07)	4,20,20,739.03
Cash Generated from Operations	(4,08,194.47)	(3,31,13,542.00)
Direct Taxes paid	(36,05,592.72)	(72,39,618.00)
Net Cash from/used in Operating Activities (A)	(40,13,787.19)	(4,03,53,160.00)
B Cash Flow from Investing Activities:		
Purchase of Tangible/Intangible Fixed Assets (incl Cap WIP)	(3,58,86,456.00)	(40,46,126.00)
Sale of Fixed Assets	3,60,616.00	4,62,229.00
Sale of Investments	10,000.00	16,000.00
Proceeds from the Maturity of Fixed Deposits	70,37,429.00	(21,58,030.00)
Dividend Received	10,088.00	10,294.00
Interest Received	14,16,701.00	14,04,617.00
Net Cash Used in Investing Activities (B)	(2,70,51,622.00)	(43,11,016.00)
C Cash Flow from Financing Activities:		
Proceeds of Long term Borrowings	1,94,11,904.36	3,44,985.00
Repayment of Long Term Borrowings	(23,05,935.99)	(28,07,376.00)
Proceeds/ (Repayment) of Short term Borrowings	4,81,76,246.56	6,51,67,295.00
Redemption of Preference Shares	-	(23,57,120.00)
Dividend Paid	(27,80,052.00)	(5,80,052.00)
Tax on Dividend paid	(4,50,994.00)	(94,099.00)
Interest Paid	(2,84,00,788.00)	(1,47,14,512.00)
Net Cash from/used in Financing Activities (C)	3,36,50,380.93	4,49,59,121.00
Net Increase in Cash & Cash Equivalents (A+B+C)	25,84,971.74	2,94,945.00
Cash & Cash Equivalents at the beginning of the Year	21,73,316.77	18,78,371.77
Cash & Cash Equivalents at the End of the Year	47,58,288.51	21,73,316.77

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

For and on behalf of the Board

Mohit Bhuteria

Partner

Place : Kolkata

Date : 28-05-2013

M. M. Mohta

Chairman & Managing Director

Anirudh Mohta

Joint Managing Director

Place: Belgaum

Date : 28-05-2013



BEMCO HYDRAULICS LIMITED

Registered Office: Udyambag, Khanapur Road, BELGAUM 590 008.

PROXY FORM

Reg. Folio No

I/We.....

of

Being a member of the above named Company hereby appoint

.....of

or failing him.....of

as my /our proxy to vote for me/us on my/our behalf at the FIFTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on Monday, 29th July 2013 at 3.30 P.M. and at any adjournment thereof.

Signed this..... day of2013.

Signature

Affix a
1Rs.
Revenue
stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting

PRINTED MATTER

BOOK - POST



55th ANNUAL REPORT 2012-2013

To

PRINTED MATTER

55th ANNUAL REPORT 2012-2013

If undelivered, please return to :

BEMCO HYDRAULICS LIMITED
KHANAPUR ROAD, UDYAMBAG,
BELGAUM - 590 008 (Karnataka)

