



BEMCO HYDRAULICS LIMITED



53



ANNUAL REPORT & ACCOUNTS 2010-2011

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

REGISTERED OFFICE :

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

COMPLIANCE OFFICER :

R.B. PATIL – General Manager Finance

BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum – 590 008

NOTICE

Notice is hereby given that, 53rd Annual General Meeting of the Company will be held on **FRIDAY, July 29, 2011** 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 2011, the Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. DECLARATION OF DIVIDEND ON PREFERENCE SHARES
To consider and if thought fit to pass with or without modification, the following as an ordinary resolution:
"RESOLVED THAT, the Members of the Company, as recommended by the Board of Directors of the Company, hereby declare dividend on 52,732 preference shares of Rs. 100 each @ 11 per cent amounting to Rs.5,80,052/- (Rupees Five Lakhs Eighty Thousand Fifty Two Only) due for the year ended on 31st March 2011, in accordance with the terms of the allotment
RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to distribute such dividend to the Preference Share Holders and to remit the taxes thereon."
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:
 - a) Pursuant to section 94, 16 and 31 and other applicable provisions, if any of the Companies Act, 1956 the consent of the Company in this 53rd Annual General Meeting vide this special resolution be and is hereby accorded to increase in authorized capital from Rs. 4,00,00,000/- (Rupees Four Crores only) divided into 34,00,000 (Thirty Four Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 60,000 (Sixty Thousand) preference shares of Rs. 100/- (Rupees Hundred) each to Rs. 8,00,00,000/- (Rupees Eight Crores only) divided into 40,00,000 (Forty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten) each and 4,00,000 (Four Lakhs Only) preference shares of Rs. 100/- (Rupees Hundred) by creating 6,00,000 (Six Lakhs) of equity Shares of Rs. 10/- each and 3,40,000 (Three Lakhs Forty Thousand Only) Preference Shares of Rs. 100/- each.
 - b) Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows:
The Authorized share capital of the Company is Rs. 8,00,00,000/- (Rupees eight Crores only) divided into 40,00,000 (Forty Lakhs only) equity shares of Rs. 10/- (Rupees Ten) each and 4,00,000 (Four Lakhs Only) preference shares of Rs. 100 (Rupees Hundred) each.
 - c) The Board of directors be and is hereby authorized to do and perform all such other acts, deeds and things as may be necessary or desirable to give effect to this special resolution.
7. To consider and if thought fit to pass with or without modification, the following as a special resolution:
"RESOLVED that pursuant to the provisions of section 81(1A) of the Companies Act, 1956 and other applicable provisions if any, of the said Act and in accordance with the Memorandum and Articles of Association of the Company and also subject to such terms and conditions as may be determined by the Board of Directors of the Company or any committee thereof and also further subject to such approvals, consents, permissions or sanctions of appropriate authorities and also of the financial institutions, Banks with whom the company has borrowing arrangements and under which such approvals, consents, permissions, sanctions may be necessary, the consent of the company through this special resolution passed in this 53rd Annual General Meeting be and is hereby accorded to the Board of Directors offering, issuing and allotting on private placement basis from out of the authorised capital of the company, an appropriate number of Cumulative Redeemable Non-Convertible Preference shares of an aggregate face value not exceeding Rs. 3,00,00,000/- (Rupees Three crores Only) consisting of 3,00,000/- (Three lakhs Only) Cumulative Redeemable Non-Convertible Preference Shares of Rs. 100/- each for cash at par exclusively to promoters or such other person(s)/ companies as the Board of Directors may deem it fit on the following terms and conditions:
 1. The said shares rank for dividend in priority to the equity shares for the time being of the Company,
 2. The said shares are not convertible in to equity,

3. The said shares rank *pari passu* with the existing 11% 14,732, 11% 18,000 and 11% 20,000 Cumulative Redeemable Preference Shares of Rs. 100 each issued in March 2003, September 2004 and October 2005, respectively, except premium i.e. at face value of Rs. 100/- each,
4. The said shares shall in winding up be entitled to rank as regards repayment of capital and arrears of dividend whether declared or not up to the commencement of the winding up, in priority to equity shares but shall not be entitled to any further participation in profit or current assets.
5. The voting rights of the persons holding the said shares shall be in accordance with the provisions of section 87 of the Companies Act, 1956."

"RESOLVED FURTHER that the Board of Directors or a Committee thereof be and is hereby authorised to approve, agree and accept such modification to the terms and conditions of the Cumulative Redeemable Preference shares proposed to be issued as may be suggested by the financial Institutions, banks and to do all such acts, deeds, matters and things and to take all such steps as may be necessary and expedient and to settle any matter that may arise in connection therewith."

"RESOLVED FURTHER that the Company shall not create and or issue in future preference shares ranking in priority to the said shares and in the event of the company creating and or issuing cumulative redeemable preference shares in future ranking *pari passu* with the existing cumulative preference shares, it would do so only with the consent in writing of the holders of not less than three fourth of the said shares then outstanding or with the sanction of the special resolution passed at a separate meeting of the holders of the said shares then outstanding."

8. 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 2011-12."

Place: Belgaum

for **BEMCO HYDRAULICS LTD**

Date: 27.05.2011

M. M. MOHTA

Chairman and Managing Director

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 **Saturday, July 16, 2011 to Friday, July 29, 2011 (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 authorised share capital.

The company intends to enhance its various limits currently having with Bank of Maharashtra.

Also the Company intends to augment its long term capital base, as required by the present bankers, so as to enable them to extend the increased Financial Assistance, on account of upward trend of business.

And, also the company intends to build and expand its work Shop as well as existing Office premises on available open land, for which it needs to invest in forthcoming years.

The Board has, therefore decided to increase the Authorised Share Capital to ' 800/- Lakhs , which requires the consent of the members of the company.

None of the Directors, except Mr. M. M. Mohta, Mrs. Urmila Devi Mohta, Mr. Anirudh Mohta and Mr. R. M. Shah to the extent of their shareholding, are concerned or interested in the resolution.

The Board of Directors of the Company recommend the above resolution to pass as a special resolution.

Refer Agenda No. 7 regarding issue of 11% 3,00,000 Redeemable Preference Shares

For the reasons mentioned above, Company intends to raise the Capital, by issuing 3,00,000 Redeemable Preference Shares of ' 100/- each, exclusively to promoters or such other person(s)/ companies.

Bankers of the Company also asked to increase the Capital immediately in the last Consortium Meeting held, on 22nd March 2011, so as to extend their facilities, those are estimated on account of increasing business.

As required under Section 81/81(1A) of the Companies Act, 1956, the approval of members is required for issue of further share capital, because the issue of Preference Shares is being made on a Preferential Basis to the Promoters and Promoter Group Companies.

The Board feels that, in the present scenario, going for the rights issue is not advisable for a Company of our size and nature, as it requires appointment of a merchant Banker, who are reluctant to handle any issue below ' 100/- Crores. Further the cost of such issue is the privative.

None of the Directors, except Mr. M. M. Mohta, Mrs. Urmila Devi Mohta, Mr. Anirudh Mohta and Mr. R. M. Shah to the extent of their shareholding, are concerned or interested in the resolution.

The Board of Directors of the Company recommends the above resolution to pass as a special resolution.

Refer Agenda No. 8 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 2011-12. 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: 27.05.2011

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 **53rd ANNUAL REPORT** together with the Audited Accounts of the Company for the year-ended 31st MARCH 2011.

FINANCIAL RESULTS:

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

	2010-2011	2009-2010
	Rs.	Rs.
1 Gross Profit for the year after meeting all operating expenses but before interest and depreciation amounts to:	31,303,404	28,472,316
2 Deduction there from: Interest	13,445,219	11,829,469
3 Profit before depreciation	17,858,186	16,642,847
4 Depreciation for the year	10,028,070	9,503,299
5 Profit before Taxation - (PBT)	7,830,116	7,139,548
6 Provision for Taxation	(4,012,000)	(2,835,500)
7 Deferred Tax	929,000	1,564,000
8 Profit after Taxation - (PAT)	4,747,116	5,868,048
9 Income tax Earlier Years	(554,294)	(25,514)
10 Net Profit	4,192,822	5,842,534
11 Surplus brought forward	9,314,654	5,148,512
12 Profit Available for Appropriation	13,507,476	10,991,046
13 Transferred to general Reserve	1,000,000	1,000,000
14 Provision of Dividend on Preference Shares	580,052	580,052
15 Provision for Income Tax on Dividend	94,099	96,340
16 Balance carried to Balance Sheet	11,833,325	9,314,654

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:

Company proposes to pay dividend on Preference Shares @11% for the year-ending on 31st March 2011.

The total cash outflow because of Dividend and Tax thereon amounts to Rs. 6.74 Lakhs.

REVIEW OF OPERATION:

Since recent past few years, the Company is on 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 19.43%
- Gross profit during the year under review is **Rs. 313.03 Lakhs** as against the Gross profit of **Rs. 284.72 Lakhs** during the previous year which is 9.94% higher than the previous year
- Profit after tax (PAT) decreased by **19.10 %** from **Rs. 58.68 Lakhs** in 2009-2010 to **Rs. 47.47 Lakhs** in 2010-2011.
- Company could discharge the liability of Dividend on Preference shares & tax thereon to the tune of **Rs. 6.74 Lakhs** for the year under report i.e. for the year ending on 31st March 2011.
- During the year under report your Company has got **ISO 9001:2008** Certificate from International Certification Services Pvt. Ltd. Mumbai.

FUTURE PROSPECTS:

The year under report 2010-11, was good year for your company as compared with 2009-10. Further 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. The Company has withstood the financial meltdown in the economy.

At present your Company has already executed orders worth **Rs.150.07 Lakhs** till date and the orders worth **Rs. 3346.84 Lakhs** are in hand to execute in the current year. In addition to this, orders worth **Rs. 1273.47 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.

To sum up, the outlook for the next couple of years looks bright.

ALTERATION IN CAPITAL STRUCTURE:

During the year under Report, there is no change in Authorised, Issued & Subscribed and paid Capital Structure of the Company.

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 judgements 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 2011.
- (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 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 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 2011, further, the Board declares that during the financial year 2009-10, 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:

Shri R. M. Shah and Shri 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 Company has received letters from them to the effect that their reappointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

The Auditors Report is attached which is self explanatory.

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
----	--	---------------------------

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	2010-2011 Rs.	2009-2010 Rs.
i). C.I.F. Value of Imports: Raw Materials And Components	13,57,472	Nil
ii). Expenditure in Foreign Currency: (paid/payable) Traveling Exhibition Expenses (InnoTrans Berlin Germany)	3,17,948 4,24,444	28,653 NIL
iii). Earnings in Foreign Exchange: FOB value of Exports	56,02,500	NIL

CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

The company believes in good corporate practices to enable the Board to direct and control the affairs of the company in an efficient manner and to achieve its ultimate goal of maximizing shareholder value. Realizing this, the company has adopted many practices over the last few years, even when there are no mandatory requirements in this regard. As a result, a number of provisions regarding Corporate Governances prescribed by the Listing Agreements have already been complied with and steps are being taken to comply with the balance provisions. A separate note on Corporate Governance is enclosed herewith.

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 2011-2012. During the year there was no suspension in trading of the securities of the Company.

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

M. M. MOHTA

ANIRUDH MOHTA

Date : 27.05.2011

Chairman & Managing Director

Joint Managing Director

REPORT ON CORPORATE GOVERNANCE

OVERVIEW

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 is compliant with the provisions of Clause 49 of the Listing Agreement as amended from time to time. Company's goal is to maintain the shareholder's trust, faith and has been trying to enhance the value of their investments.

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 Companies' values such as quality, commitment, customer orientation and integrity.

Green Initiative in Corporate Governance: Save paper

As you are aware, you are entitled to receive, a copy of the Balance Sheet of the company and all other documents required under the Companies Act, 1956 (the "Act") to be attached thereto at the time of Annual General Meeting as well as upon receipt of a specific requisition from you, any time, as a member of the Company.

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars (No. 17/2011 dated 21.4.2011 and No.18/2011 dated 29.4.2011) stating that the service of document by a company can be made through electronic mode.

We trust that you would wholeheartedly support this initiative of the MCA in the conservation of paper and promoting a greener environment. By registering yourself with the Company for e-communication, you will be able to receive Annual Report promptly by electronic mode and without loss in postal transit.

In furtherance of the above mentioned initiative of the MCA, we propose to send the Annual Report containing the documents like the Notice convening the Annual General Meeting, audited financial statements, Directors' report, Auditors' report etc., henceforth in electronic form, to the e-mail address provided by you and made available to us by the Depositories.

In case you desire to receive the Annual Report in electronic form, please inform us by sending us an e-mail on finance@bemcohydraulics.net/isc@bemcohydraulics.net mentioning your **DP ID Client ID**. Your mail will be considered as an affirmation and accordingly the Annual Report will be sent to you in electronic form.

In case we do not receive any mail from you within the aforementioned date, then the Company will send you physical copy of the Annual Report.

The Annual Report will also be displayed on our Company's Website : www.bemcohydraulics.net in due course of time.

Please note that you will be entitled to be furnished, free of cost, with a copy of the Annual Report upon receipt of a requisition from you, any time, as a member of the Company.

Looking forward to your co-operation in the protection of our environment.

1. Board of Directors and Composition of Board

The Company is managed and controlled through a professional Board of Directors comprising of a combination of requisite executive and non-executive independent directors. The composition of the Board of Director of the Company is in conformity with the provisions of clause 49 of the listing agreement with the stock exchange. The present strength of the Board is six (6) members out of which three (3) members are non-executive independent directors, which constitutes 50 percent of the total strength of the Board. The Company's Board consists of eminent persons with considerable professional expertise and experience. The independent directors do not have any other material pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries, which may effect the independence or judgment of the directors.

Board Composition

The composition of Board along with the numbers of directorship and chairmanship/membership of committees held by them is given here-under:

Name	Designation	Category	No of Directorships held in all companies #
Shri Madan Mohan Mohta (DIN : 00068884)	Chairman & Managing Director	Promoter & Executive	10
Shri Anirudh Mohta (DIN : 00065302)	Joint Managing Director	Promoter & Executive	6
Smt. Urmila Devi Mohta (DIN: 00068906)	Director	Promoter & Non-Executive	6
Shri R. M. Shah (DIN: 00068653)	Director	Independent , Non Executive Director	7
Shri N. K. Daga (DIN: 00142170)	Director	Independent , Non Executive Director	1
Shri Dilip Chandak (DIN: 00644673)	Director	Independent , Non Executive Director	4

including Bemco Hydraulics Ltd, private limited companies, Firms, Trust & HUFs.

2. Board Meetings, Attendance & Sitting Fees paid

During the year under review, 4(Four) Board Meetings were held on 25th May 2010, 30th July 2010, 11th November 2010 and 2nd February 2011. The composition of the Board of Directors, attendances of the directors of the Board Meeting are as follows:

Name of the Director	No of Meetings Held	No of Meetings Attended	Last AGM attended Yes/No	Sitting Fees paid
Shri Madan Mohan Mohta	4	3	Yes	Nil
Shri Anirudh Mohta	4	4	Yes	Nil
Smt. Urmila Devi Mohta	4	2	Yes	Rs. 2,000
Shri R. M. Shah	4	3	Yes	Rs. 3,000
Shri N. K. Daga	4	2	Yes	Rs. 2,000
Shri Dilip Chandak	4	3	Yes	Rs. 3,000

3. Remuneration Committee Meetings, Attendance & Sitting Fees paid

Remuneration Committee consisting of all the Three Independent Directors was formed on 23rd March 2004. During the year under report the Remuneration Committee meeting did not take place.

Name of the Director	No of Meetings Held	No of Meetings Attended	Sitting Fees paid
Shri R. M. Shah	-	-	-
Shri N. K. Daga	-	-	-
Shri Dilip Chandak	-	-	-

4. Details of remuneration paid to directors for the year 2009-2010

Executive Directors

Name	Salary	Perquisites	Retirement Benefits	Total
Madan Mohan Mohta	9,90,000	1,27,342	2,28,608	12,79,342
Anirudh Mohta	6,60,000	80,785	1,52,407	8,48,785

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/-

The details of sitting fee paid during the year 2009-10 are as follows:

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

5. 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.

6. SHARE PRICE – HIGH AND LOW ON THE STOCK EXCHANGE, MUMBAI DURING THE YEAR UNDER REPORT

Market Information

Stock Exchange	Bombay Stock Exchange (SCRIP Code – 522650)	
	High (Rs.)	Low (Rs.)
Month		
Apr-10	44.70	38.80
May-10	52.45	44.50
Jun-10	51.90	47.55
Jul-10	58.70	47.55
Aug-10	65.40	51.00
Sep-10	64.90	53.05
Oct-10	75.80	62.00
Nov-10	62.80	54.20
Dec-10	64.05	60.85
Jan-11	64.35	61.00
Feb-11	63.00	56.00
Mar-11	64.05	57.90

General Shareholders Information:

i. 53rd Annual General Meeting:

Venue : Registered Office at Khanapur Road, Udyambag, BELGAUM-590 008
Time : 3.30 PM
Day & Date : Friday 29th July 2011

ii. Book Closure:

The register of members and share transfer books of the Company shall remain closed from **Saturday, July 16, 2011 to Friday, July 29, 2011 (both the days inclusive)**.

iii. ISIN Numbers:

- 01. CDSL: INE142E01014
- 02. NSDL: INE142E01014

iv. Listing on Stock Exchange:

The names and addresses of the stock exchanges at which, the equity shares of the Company are listed.

S.No.	Name of the Stock Exchange	Present Status
1.	The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, 25 th Floor Dalal Street, Mumbai – 400 001	Listing Continued and Listing Fees for the year 2011-12 are paid

v. Registrar and Transfer Agent for Physical Shares and Electronic Connectivity:

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

vi. 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

iii. Distribution of Shareholding:

The distribution of shareholding as on March 31, 2010 was as follows:

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	1763	82.96	174633	12.07
2.	101-500	295	13.88	76465	5.29
3.	501-1000	37	1.74	28768	1.99
4.	1001-2000	13	0.61	18486	1.28
5.	2001-3000	1	0.05	2500	0.17
6.	3001-4000	3	0.14	10866	0.75
7.	4001-5000	-	-	-	-
8.	5001-10000	1	0.05	5680	0.39
9.	10001-20000	2	0.09	35356	2.44
10.	20001-50000	2	0.09	51432	3.56
11.	50001 & Above	8	0.39	1042514	72.06
	Total	2229	100.00	1446700	100.00

Details of Shareholding as on March 31, 2011 was as under

S.No.	Category	No of Shares held	(%) Shareholding
1	Promoters/ persons acting in concert	10,84,800	74.98
2	Financial Institutions, Banks and Mutual Funds	93	0.01
3	NRIs, Foreign Nationals, OCBs and FIIs	600	0.04
4	Private Corporate Bodies	55,932	3.87
5	Indian Public	3,05,275	21.10
	Total	14,46,700	100.00

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

For and on behalf of the Board

Arihant Kumar Baid
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 27-May-2011

Place : Belgaum
Date : 27-May-2011

S. R. DESHPANDE
COMPANY SECRETARY

150, BUDHWAR PETH
TILAKWADI, BELGAUM
PHONE: 0831- 2467378
CELL: +91 9845058386
deshpandecs@gmail.com

CIN: L51101KA1957PLC001283
Authorised Capital: 4, 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, 2011. 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 4(four) times respectively on **25th May 2010, 30th July 2010, 11th November 2010 and 2nd February 2011** 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 **14th August 2010 to 27th August 2010** (both the days inclusive) and necessary compliance of section 154 has been made.
6. The annual general meeting for the financial year ended on 31.03.2010 was held on **27th August 2010** after giving due notice to the members of the Company and others concerned and the resolutions passed thereat were duly recorded in Minutes book maintained for the purpose.
7. 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 in to any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act in respect of arrangements with companies under the same management and Directors for acceptance of unsecured loans and payment of interest to them.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from Board of Directors, members or Central Government.
12. The Board of Directors has approved the issue of duplicate share certificates.
13.
 - i) (a) There was no allotment during the 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 albeit with marginal delay as per the listing agreement.
 - ii) The Company *has not* deposited the amount of dividend on preference shares in a separate Bank Account within five days from the date of declaration in Annual General Meeting held on 27th August 2010,
 - iii) However, the Company paid dividend to its **preference share** holders immediately after conclusion of its last Annual General Meeting held on **27th August 2010** 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 has obtained following orders from the Hon'ble **Company Law Board**, Southern Region Bench, Chennai

Sr. No.	Particulars of the order	Petition No (C P No)	Date of the order	Outcome of the order
1.	Delay in filing form 8 to report <i>Maruti Alto</i> car loan of Rs. 2.81 lakhs raised on 23 rd September 2010 from HDFC Bank Ltd.	No.121/141/CB/2011	23/02/2011	Delay of 31 days condoned
2.	Delay in filing form 8 to report <i>Maruti swift</i> car loan of Rs.4.55 lakhs raised on 23 rd September 2010 from HDFC Bank Ltd.	No.122/141/CB/2011	23/02/2011	Delay of 31 days condoned
3.	15 days delay in filing form 17 to report full satisfaction of car loan of Rs. 3.27 lakhs of ICICI BANK LTD.	No.529/141/CB/2011	25/04/2011	Delay of 15 days condoned

Subject to the foregoing, the Company was not required to obtain any approvals of the Central Government, 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 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 2011 is within the borrowing limits of the Company u/s 293(1)(d) of the Act namely Rs. 800 lakhs as specified by the resolution passed in the 47th Annual General Meeting held on 30th September 2005.
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 : 27th May 2011

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 Exchanges. 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

¹ Though the order is passed after the end of the financial year, the same is included here as it relates to events during the year.

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 52 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 Loan u/s 370 (up to 31.3.1997)
6. Register of Investments (sic)
7. Register of Charges u/s 143
8. Register of interest of Directors (sic)
9. Register of contracts u/s 301
10. Minutes Book of proceedings of the meetings of Board of directors.
11. Minutes Book of the proceedings of the general meetings.
12. Register of Renewed and duplicate share certificates under Rule 7 of Companies (Issue of Share Certificates) Rules, 1960
13. 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 : 27th May 2011

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 31.03.2011.

Sl. No.	Form no. return	Filed U/S	For	Date of filing with service request number	Whether filed within prescribed time	If delay in filing, whether requisite additional Fee paid	Track transaction Status on Website
01.	Form No.8	135	Reduction in charge to Rs.20.50 Cr upon satisfaction of WCL loan of Rs.40 Lacs each of State Bank of India & Bank of Maharashtra on 16.06.2010	12/08/2010 A91222018	No	Yes Under CLSS, 2010	² Invalid not taken on record
02.	Form No.66	383A	Compliance Certificate for the year ended 31 st March 2010	30/08/2010 P51039592	Yes	N.A	Approved
03.	Form No.8	125	Short Term Loan of Rs.200 lacs from Bank of Maharashtra on 13.08.2010	14/09/2010 A93956977	No	Yes	Approved
04.	Form No.23AC& 23ACA	220	Balance sheet and Profit & Loss Account for the year ended 31 st March 2010	16/09/2010 P52403177	Yes	N.A	Approved
05.	Form No.20B	159	Annual Return for the financial year ended 31 st March 2010	21/09/2010 P52603727	Yes	N.A	Approved
06.	Form No.17	138	Satisfaction on 11/10/2010 of Short Term Loan of Rs.200 lacs from Bank of Maharashtra	03/11/2010 A97387658	YES	NA	Approved
07.	Form No.8	125	Maruti Swift Car Loan from HDFC Bank Ltd on 23.09.2010	23/11/2010 A98787690	No	Ref Para No.17 of CC	Approved
08.	Form No.8	125	Maruti Alto Car loan from HDFC Bank Ltd on 23.09.2010	23/11/2010 A98787583	No	Ref Para no.17 of CC	Approved
09.	Form No.8	125	Short Term Loan Packing Credit of Rs.41.40 Lacs from Bank of Maharashtra on 10.11.2010	03/12/2010 A99688202	Yes	NA	Approved
10.	Form No.17	138	Satisfaction on 26.10.2010 of ICICI Car loan of Rs.3.27 Lacs	09/12/2010 B00210740	No	Ref Para No.17 of CC	Pending for form 21
11.	Form No.8	125	Car Loan on 25.10.2010 for Rs.3.76 lacs from HDFC Bank Ltd	11/12/2010 B00384933	Yes	N.A	Approved

12.	Form No.61	Regulation 14 of CLB Regulation 1991	Copy of Petition u/s 141 to the ROC Maruti Alto Car	13/12/2010 B00457556	No time limitation	No fee Prescribed	Approved
13.	Form No.61	Regulation 14 of CLB Regulation 1991	Copy of Petition u/s 141 to the ROC Maruti Swift Car	13/12/2010 B00456988	No time limitation	No fee Prescribed	Approved
14.	Form No.8	125	Car loan on 29.11.2010 for Rs.3.80 lacs from Kotak Mahindra Bank Ltd	27/12/2010 B01596113	Yes	N.A	Approved
15.	Form No.8	125	Car loan on 29/11/2010 for Rs.2.62 lacs from Kotak Mahindra Bank Ltd	27/12/2010 B01596063	Yes	N.A	Approved
16.	Form No.8	125	Car Loan on 18/01/2011 for Rs.3.30 lacs from Kotak Mahindra Bank Ltd	04/02/2011 B04774824	Yes	N.A	Approved
17.	Form No.8	125	Short Term Loan Packing Credit/post Shipment Facility of Rs. 1 Crore from Bank of Maharashtra	15/02/2011 B05597497	Yes	N.A	Approved
18.	Form 21	141	CLB Order dated in CP no.122/CB/2011	01/03/2011 B06711386	Yes	N.A	Approved
19.	Form No.21	141	CLB Order dated in CP no.121/CB/2011	01/03/2011 B06711188	Yes	N.A	Approved
20.	Form 8	125	Car loan on 07/03/2011 for Rs.30 lacs from ICICI Bank Ltd	28/04/2011 B11044781	No.	Yes	Approved
21.	Form 21	141	CLB Order dated in CP No.529/141/CB/2011	29/04/2011 B11152188	Yes	N.A	Approved

Place: Belgaum
 Date : 27th May 2011

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

² The Company explains that based on the letters issued by its the Bankers, form 8 was filed to report modification of charge involving part satisfaction of the loans from State Bank of India and Bank of Maharashtra. The form was put up for re-submission for want of copy of the instrument modifying the charge. As the basic charge continues and no document was executed, the bankers and the Company allowed the form to expire.

A.C.BHUTERIA & CO.**CHARTERED ACCOUNTANTS****AUDITORS' REPORT TO THE MEMBERS OF
BEMCO HYDRAULICS LTD**

1. We have audited the attached Balance Sheet of BEMCO HYDRAULICS LTD as at 31st March, 2011 and also the annexed Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of books and records we considered necessary and according to the information and explanations given to us, we give below our comments on the matters specified in paragraph 4 & 5 of the said Order as far as applicable:
 - i. The Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets. The Fixed Assets have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. Discrepancies were noticed on such verification as compared to book records, which were not material, have been adequately dealt with in the books of accounts. There was no substantial disposal of fixed assets during the year.
 - ii.
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b) 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.
 - c) The Company is maintaining proper records of inventory. Discrepancies between book balance and physical records, which were not material, have been adequately dealt with in the books of accounts.
 - iii.
 - 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 three parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.452.99 Lacs and year - end balance of such loan taken was Rs 387.10 Lacs.
 - 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.
 - iv. 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.
 - v.
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of 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 such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
 - vi. In our opinion & according to the information & explanations given to us, the Company has not accepted any deposit from public during the year.
 - vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - viii. We are informed that maintenance of cost records has not been prescribed by the Central Government under Sec 209(1)(d) of the Companies Act, 1956.
 - ix.
 - a) The Company is regular in depositing undisputed statutory dues with appropriate authorities. There were no undisputed statutory dues as at the last day of the financial year outstanding for a period of more than six months from the date they became payable.

- b) As informed, there are no disputed dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty or cess as at the year-end except the dues as given below:

Nature of Statute	Nature of dues	Amount (Rs)	Period	Forum where dispute is pending
Karnataka Value Added Tax Act, 2003	Sales Tax	17,17,545/- (incl. interest & enalty)	2007-08	Joint Commissioner of Commercial Taxes, Belgaum Division, Belgaum
Karnataka Value Added Tax Act, 2003	Sales Tax	70,832/-	2003-04	High Court, Karnataka
Karnataka Value Added Tax Act, 2003	Sales Tax	75,062/-	2004-05	High Court, Karnataka

- x. The Company does not have accumulated losses at the end of the financial year. It has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xii. As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, banks or to debenture holders.
- xiii. 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.
- xiv. 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.
- xv. In respect of Investment in Shares, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares are held in the name of the company or in demat form.
- xvi. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvii. In our opinion, the Term Loan were applied for the purpose for which they were raised.
- xviii. 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.
- xix. The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xx. During the period covered by our audit report, the Company has not issued any debentures.
- xxi. The Company has not raised any money from public issue during the year.
- xxii. 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 such case by the management.

Further to above-

4. 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.
5. In our opinion, proper books of accounts as required by law have, been kept by the Company so far as appears from our examination of the books.
6. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
7. In our opinion, the Profit and Loss Account, Balance Sheet and Cash Flow Statement, comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
8. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
9. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b. In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

AND

- c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

(Arihant Kumar Baid)
Partner
Membership no. 65014

Place: Kolkata
Dated: 27.05.2011

BALANCE SHEET AS ON 31st MARCH 2011

SCH.	31.03.2011		31.03.2010	
	Rs.	Ps.	Rs.	Ps.
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	A	19,806,700.00		19,806,700.00
Reserves & Surplus	B	45,704,207.80		42,722,655.18
			65,510,907.80	62,529,355.18
Loan Funds				
Secured Loans	C	60,638,174.32		61,904,277.88
Unsecured Loans	D	43,867,992.00		34,334,149.00
			104,506,166.32	96,238,426.88
TOTAL			170,017,074.12	158,767,782.06
APPLICATIONS OF FUNDS				
Fixed Assets				
Gross Block	E	141,516,689.00		129,911,760.00
Less: Depreciation		88,273,805.00		78,254,967.00
			53,242,884.00	51,656,793.00
Investments	F		51,860.00	51,860.00
Deferred Tax Asset			2,431,000.00	1,502,000.00
Current Assets, Loans, & Advances				
Inventories	G	196,183,038.00		167,378,152.00
Sundry Debtors		73,834,740.76		30,507,099.09
Cash & Bank Balances		19,645,330.77		13,632,956.16
Loans & Advances		8,696,230.58		12,266,918.68
		<u>298,359,340.11</u>		<u>223,785,125.93</u>
Less: Current Liabilities & Provisions				
Liabilities	H	175,251,285.99		112,520,388.89
Provisions		8,816,724.00		5,707,607.98
		<u>184,068,009.99</u>		<u>118,227,996.87</u>
Net Current Assets			114,291,330.12	105,557,129.06
TOTAL			170,017,074.12	158,767,782.06
Significant Accounting Policies & Notes to the Accounts				
O				

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

For and on behalf of the Board

Arihant Kumar Baid
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 27-May-2011

Place : Belgaum
Date : 27-May-2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2011

	SCH.	31.03.2011		31.03.2010	
		Rs.	Ps.	Rs.	Ps.
A INCOME					
Sales		253,676,185.78		189,973,079.74	
Less: Excise Duty		18,789,300.19		13,599,085.24	
		234,886,885.59		176,373,994.50	
Other Income	I	11,005,641.06		12,322,534.98	
Increase/(decrease) in WIP & F/G		23,357,487.00		36,755,268.00	
		269,250,013.65		225,451,797.48	
B EXPENDITURE					
Material Consumed	K	146,173,085.00		118,867,691.04	
Employee Emoluments & Benefits	L	43,155,691.73		35,150,113.08	
Manufacturing & Other Expenses	M	48,617,832.78		42,961,676.88	
Interest	N	13,445,218.52		11,829,469.35	
Depreciation	E	10,028,070.00		9,503,299.00	
(Refer to Note No. 2(b) of Schedule 'O')					
		261,419,898.03		218,312,249.35	
Profit before Taxation		7,830,115.62		7,139,548.13	
Provision for Taxation					
Current Tax		(4,012,000.00)		(2,835,500.00)	
Deferred Tax		929,000.00		1,564,000.00	
Fringe Benefit Tax		-		-	
Income Tax earlier years		(554,294.00)		(25,514.00)	
Profit after Tax		4,192,821.62		5,842,534.13	
Surplus / Deficit Brought Forward		9,314,654.18		5,148,512.05	
		13,507,475.80		10,991,046.18	
APPROPRIATION					
Transfer to General Reserve		1,000,000.00		1,000,000.00	
Proposed Dividend on Preference Shares		580,052.00		580,052.00	
Tax on Proposed Dividend		94,099.00		96,340.00	
Balance Carried forward		11,833,324.80		9,314,654.18	
Basic / Diluted Earnings Per Share		2.43		3.57	
(Refer Note No. 6 In Schedule 'O')					
Significant Accounting Policies & Notes to the Accounts	O				

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

For and on behalf of the Board

Arihant Kumar Baid
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 27-May-2011

Place : Belgaum
Date : 27-May-2011

SCHEDULES 'A' TO 'H' ANNEXED TO & FORMING PART OF BALANCE SHEET AS AT

	As at 31-Mar-11		As at 31-Mar-10	
	Rs.	Ps.	Rs.	Ps.
A SHARE CAPITAL				
Authorised:				
34,00,000 Equity Shares of Rs. 10/- each (34,00,000 Equity Shares of Rs. 10/- each as on 31.03.2010)	34,000,000.00		34,000,000.00	
60,000 Preference Shares of Rs.100/- each (60,000 Preference Shares of Rs. 100/- each as on 31.03.2010)	6,000,000.00		6,000,000.00	
	40,000,000.00		40,000,000.00	
Issued:				
14,82,750 (31.03.2010 - 14,82,750) Equity Shares of Rs. 10/- each	14,827,500.00		14,827,500.00	
60,000 (31.03.2010 - 60,000) 11% Cumulative Redeemable Preference Shares of Rs.100/-each	6,000,000.00		6,000,000.00	
	20,827,500.00		20,827,500.00	
Subscribed & Paid-up:				
14,46,700 (31.03.2010 - 14,67,700) Equity Shares of Rs. 10/- Each fully paid up	14,467,000.00		14,467,000.00	
14,732 (31.03.2010 - 14,732) 11% Cumulative Redeemable Preference Shares of Rs.100/- each fully paidup in cash - Due On 31.03.2012	1,473,200.00		1,473,200.00	
18,000 (31.03.2010 - 18,000) 11% Cumulative Redeemable Preference Shares of Rs.100/- each fully paidup in cash - Due On 31.03.2014	1,800,000.00		1,800,000.00	
20,000 (31.03.2010, 20000) 11% Cumulative Redeemable Preference Shares of Rs.100/- each fully paidup in cash - Due On 31.03.2020	2,000,000.00		2,000,000.00	
Add : Shares forfeited (Amount originally paid-up)	66,500.00		66,500.00	
	19,806,700.00		19,806,700.00	
Notes:				
1. Out of the above 90,000 Equity Shares of Rs.10/- each were allotted as fully paid- up by way of Bonus Shares by Capitalisation of General Reserve.				
B RESERVES AND SURPLUS				
Revaluation Reserve:				
As per last Balance Sheet	24,547,505.00		25,077,477.00	
Less : Deductions /adjustments made during the year Refer Note No. 2(b) in Schedule 'O'	<u>537,118.00</u>		<u>529,972.00</u>	
	24,010,387.00		24,547,505.00	
Capital Reserve				
As per last Balance Sheet	644,876.00		644,876.00	
Securities Premium				
As per last Balance Sheet	4,715,620.00		4,715,620.00	
Add: Addition during the year	-		-	
	4,715,620.00		4,715,620.00	
General Reserve				
As per last Balance Sheet	3,500,000.00		2,500,000.00	
Add: Additions during the year	<u>1,000,000.00</u>		<u>1,000,000.00</u>	
	4,500,000.00		3,500,000.00	
Balance In profit & Loss Account	11,833,324.80		9,314,654.18	
	45,704,207.80		42,722,655.18	
C SECURED LOANS				
TERM LOAN				
TERM LOAN FOR TECHNICAL KNOW HOW				
Bank of Maharashtra	695,000.00		1,955,000.00	
State Bank of India (Above loans are secured by Hypothecation of Stock of Raw-Materials,Components, Stores and Spares, Work-in Progress, Goods-in-Transit, Finished Goods and Recivables, Book Debts & Bills in the course of collection ranking pari-passu charge and first charge on all Fixed assets and guaranteed by three Directors of the Company.)	57,626.00		1,557,626.00	
INTEREST ACCRUED & DUE ON TERM LOAN				
ICICI Bank Ltd. - Car Loan Secured by Hypothecation of Cars			45,585.00	
State Bank of India - Car Loan Secured by Hypothecation of Cars	3,048,543.64		198,492.02	
Axis Bank Limited - Car Loan Secured by Hypothecation of Cars	27,758.00		107,504.00	
H D FC BANK - Car Loan Secured by Hypothecation of Cars	2,641,616.00		3,328,422.00	
Kotak Mahindra Prime Limited Secured by Hypothecation of Cars	2,240,687.62		1,444,188.72	
	926,591.00		-	

SCHEDULES 'A' TO 'H' ANNEXED TO & FORMING PART OF BALANCE SHEET AS AT

	As at		As at	
	31-Mar-11		31-Mar-10	
	Rs.	Ps.	Rs.	Ps.
CASH CREDIT				
Bank of Maharashtra	17,299,592.92		20,071,422.44	
State Bank of India	18,553,688.14		19,899,368.70	
(Above loans are secured by Hypothecation of Stock of Raw-Materials, Components, Stores and Spares, Work-in Progress, Goods-in-Transit, Finished Goods and Recivables, Book Debts & Bills in the course of collection ranking pari-passu charge and first charge on all Fixed assets and guaranteed by three Directors of the Company.)				
TERM LOAN FOR WCTL				
Bank of Maharashtra		-	1,418,478.00	
State Bank of India		-	2,092,017.00	
(Above loans are secured by Hypothecation of Stock of Raw-Materials, Components, Stores and Spares, Work-in Progress, Goods-in-Transit, Finished Goods and Recivables, Book Debts & Bills in the course of collection ranking pari-passu charge and first charge on all Fixed assets and guaranteed by three Directors of the Company.)				
NSIC - RAW MATERIAL ASSISTANCE SCHEME	3,507,071.00		9,786,174.00	
(Secured by Bank Guarantee)				
Bank of Maharashtra (Packing Credit)	4,140,000.00			-
(Above loans are secured by Hypothecation of Stock of Raw-Materials, Components, Stores and Spares, Work-in Progress, Goods-in-Transit, Finished Goods and Recivables, Book Debts & Bills in the course of collection ranking pari-passu charge and first charge on all Fixed assets and guaranteed by three Directors of the Company.)				
Bank of Maharashtra (Packing Credit)	7,500,000.00			-
(Above loans are secured by Hypothecation of Stock of Raw-Materials, Components, Stores and Spares, Work-in Progress, Goods-in-Transit, Finished Goods and Recivables, Book Debts & Bills in the course of collection ranking pari-passu charge and first charge on all Fixed assets and guaranteed by three Directors of the Company.)				
	60,638,174.32		61,904,277.88	
D UNSECURED LOANS				
From Directors		-	1,580,756.00	
From Body Corporates	42,763,047.00		32,101,512.00	
Interest Payble on Unsecured loans	1,104,945.00		651,881.00	
	43,867,992.00		34,334,149.00	

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31.03.2011

E FIXED ASSETS

SL NO	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		AS AT 1-Apr-10 Year Rs.	Additions Rs.	Deductions/ Adjustments Rs.	AS AT 31-Mar-11 Rs.	UPTO 1-Apr-10 Rs.	For the Year Rs.	Deductions Rs.	TOTAL As at 31-Mar-11 Rs.	As on 31-Mar-10 Rs.	As on 31-Mar-11 Rs.
A	FIXED ASSETS										
1	LEASEHOLD LAND	13,310,040.00	-	-	13,310,040.00	-	-	-	-	13,310,040.00	13,310,040.00
2	BUILDINGS	18,367,602.00	-	-	18,367,602.00	6,946,529.00	520,500.00	-	7,467,029.00	10,900,573.00	11,421,073.00
3	BOREWELL	157,861.00	-	-	157,861.00	1,276.00	2,573.00	-	3,849.00	154,012.00	156,585.00
4	PLANT AND MACHINERY	40,837,228.00	5,713,724.00	-	46,550,952.00	37,363,083.00	915,102.00	-	38,278,185.00	8,272,767.00	3,474,145.00
5	OFFICE EQUIPMENTS	723,613.00	14,151.00	-	737,764.00	328,501.00	34,723.00	-	363,224.00	374,540.00	395,112.00
6	VEHICLES	9,876,954.00	6,653,745.00	1,012,552.00	15,518,147.00	1,921,630.00	946,922.00	485,569.00	2,382,983.00	13,135,164.00	7,955,324.00
7	ELECTRICAL INSTALLATIONS	3,345,367.00	-	-	3,345,367.00	3,053,701.00	41,359.00	-	3,095,060.00	250,307.00	291,666.00
8	FURNITURE AND FIXTURES	1,800,207.00	37,059.00	-	1,837,266.00	1,461,683.00	70,762.00	-	1,532,445.00	304,821.00	338,524.00
9	COMPUTERS	2,264,400.00	259,583.00	60,781.00	2,463,202.00	1,721,958.00	187,549.00	60,781.00	1,848,726.00	614,476.00	542,442.00
B	INTANGIBLE ASSETS										
10	TECHNICAL KNOW - HOW	39,228,488.00	-	-	39,228,488.00	25,456,606.00	7,845,698.00	-	33,302,304.00	5,926,184.00	13,771,882.00
	Total	129,911,760.00	12,678,262.00	1,073,333.00	141,516,689.00	78,254,967.00	10,565,188.00	546,350.00	88,273,805.00	53,242,884.00	51,656,793.00
	Previous Year	129,350,627.00	4,726,127.00	4,164,994.00	129,911,760.00	71,697,946.00	10,033,272.00	3,476,251.00	78,254,967.00	51,656,793.00	-

SCHEDULES 'F' ANNEXED TO & FORMING PART OF BALANCE SHEET AS AT 31.03.2011
SCHEDULES FORMING PART OF ACCOUNTS
INVESTMENT (Non-Trade, LongTerm, Fullypaid-up unless otherwise specified) - AT COST

Sr.No.	Particulars	Face value Rs.	31.03.2011		31.03.2010	
			Nos	Value (Rs.)	Nos.	Value (Rs.)
I	Unquoted 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
II	Quoted Equity Shares					
	Alfa Laval Limited	10	5	100	5	100
	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	20	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	10	23	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
III	Quoted Debentures					
	Tata Engineering & 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
IV	Un-Quoted Debentures					
	Eicher Tractors Limited	100	1	100	1	100
	Krishna Bhagya Jala Nigam Limited	5,000	2	10,000	2	10,000
	Total			51,860		51,860

NOTE:

- | | | | |
|---|---|---------|---------|
| 1 | Book Value cost of Un-Quoted Investments | 23,332 | 23,332 |
| 2 | Book Value cost of Quoted Investments | 28,528 | 28,528 |
| 3 | Market Value Quoted Investments | 804,347 | 760,848 |
| 4 | Quoted Investments whose Market Value was not available are Considered at Cost for to arrive at Market Value. | | |

SCHEDULE 'A' TO 'H' ANNEXED TO & FORMING PART OF BALANCE SHEET AS AT 31-Mar-11

	As at 31-Mar-11	As at 31-Mar-10
G CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
(As valued and certified by the Managing Director)		
Stores and Spares Parts	2,210,527.00	2,474,558.00
Raw Materials	34,803,866.00	29,781,650.00
Work-in-Progress	81,932,000.00	39,841,900.00
Finished Goods	77,080,670.00	94,999,816.00
Scrap	155,975.00	280,228.00
	196,183,038.00	167,378,152.00
Sundry Debtors - (Un-Secured)		
Outstanding for a period exceeding six months		
Considered Good	33,106,525.35	14,310,907.09
Considered Doubtful provided for	2,333,666.00	3,145,059.00
Other Debts		
Considered Good	40,728,215.41	16,196,192.00
	76,168,406.76	33,652,158.09
Less: Provision for Doubtful Debts	2,333,666.00	3,145,059.00
	73,834,740.76	30,507,099.09
Cash & Bank Balances		
Cash in Hand	572,717.27	30,735.77
Balance with Scheduled Banks:		
Current Accounts	1,305,654.50	2,883,885.39
Fixed deposits (Receipts lodged with Bank)	17,373,446.00	10,096,205.00
Interest Accrued on Fixed Deposits	393,513.00	622,130.00
	19,645,330.77	13,632,956.16
Loans & Advances - (Un-Secured)		
Considered good:		
Advances recoverable in cash or in kind or for value to be received	7,913,001.58	11,485,189.68
Deposit with Govt., Public Bodies and Others	783,229.00	781,729.00
Considered doubtful:		
Advances recoverable in cash or in kind or for value to be received	545,000.00	9,241,230.58
	9,241,230.58	12,811,918.68
Less: Provision for Doubtful Advances	545,000.00	545,000.00
	8,696,230.58	12,266,918.68
H CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Acceptances (Against Letter of Credit)	24,429,481.00	21,357,112.00
Sundry Creditors		
Due to Micro Enterprises & Small Enterprises	-	116,194.00
Due to Other than Micro Enterprises & Small Enterprises including Creditors		
Secured By Bank Guarantees Rs.46,14,286/- Previous year Rs.NIL	55,202,328.98	40,255,392.93
Technical Know How Payable	28,155,600.00	26,976,400.00
Advance from Customers	55,780,588.30	14,337,770.76
Other liabilities	11,636,326.71	9,435,472.20
Interest accrued but not due	46,961.00	42,047.00
	175,251,285.99	112,520,388.89
Provisions:		
Provision for Income Tax (Net)	3,464,291.00	1,971,820.98
Provision for Fringe Benefit Tax (Net)	(37,680.00)	(156,320.00)
Provision for Dividend	580,052.00	580,052.00
Provision for Dividend Tax	94,099.00	96,340.00
Provision for Product Warranty	379,858.00	263,646.00
For Gratuity	2,687,772.00	1,000,843.00
For Leave Encashment	1,648,332.00	1,951,226.00
	8,816,724.00	5,707,607.98

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

For and on behalf of the Board

Arihant Kumar Baid
 Partner

M. M. Mohta
 Chairman & Managing Director

Anirudh Mohta
 Joint Managing Director

 Place : Kolkata
 Date : 27-May-2011

 Place : Belgaum
 Date : 27-May-2011

**SCHEDULES ' I ' TO ' N ' ANNEXED TO & FORMING PART OF PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED ON 31-Mar-11**

	Year Ended 31-Mar-11		Year Ended 31-Mar-10	
I a) OTHER OPERATING INCOME	Rs.	Ps.	Rs.	Ps.
Job Charges (Gross TDS Rs. 650/- Prev. year Rs.Nil/)	455,439.00		579,091.00	
Job Charges -Rep. & Maint (Gross TDS Rs. 4,761/- Prev. year Rs. 8,515/-)	1,501,650.00		557,737.26	
Servicing charges received (Gross TDS Rs. 7,237 /- Prev. year Rs. 6,065/-)	1,420,420.00		1,173,455.00	
Packing Charges Collected	1,393,921.04		1,533,394.30	
Annual Maint Charges (Gross TDS Rs.9,048/- Prev. year Rs. 4,044/-)	518,000.00		169,968.00	
Installation & Comm Charges (Gross TDS Rs. 14,120/- Prev. year Rs. 6,180 /-)	1,215,000.00		1,890,000.00	
Freight Collected (Gross TDS Rs. 639/- Prev. year Rs. Nil/-)	2,252,154.00		1,320,750.00	
Duty Draw Back	-		181,236.00	
	8,756,584.04		7,405,631.56	
b) OTHER NON OPERATING INCOME				
Interest from Banks - (Gross TDS Rs. 98,280/- Prev. Year Rs. 1,26,828/-)	955,922.00		846,966.00	
Interest from Others - (Gross TDS Rs. -/- Prev. Year Rs. 8,041/-)	-		48,795.53	
Interest On I Tax Refund	92,904.00		345,940.00	
Miscellaneous Receipts	225,916.02		162,761.24	
Dividend from Non- Trade Investments	8,728.00		8,106.36	
Provision for Doubtful Debts /Advances written back	811,393.00		-	
Sundry Creditors Balnces Written off	133,933.00		10,234.29	
Fluctuation in Foreign Currency	-		3,115,200.00	
Profit on Sale of Fixed Assets	7,619.00		127,500.00	
Liability No Longer required written back	12,642.00		251,400.00	
	2,249,057.02		4,916,903.42	
	11,005,641.06		12,322,534.98	
J INCREASE / DECREASE IN WIP & F/G				
Closing Stock				
Work-in progress	81,932,000.00		39,841,900.00	
Finished Goods	77,080,670.00		94,999,816.00	
Scrap	155,975.00		280,228.00	
	159,168,645.00		135,121,944.00	
Less: Excise Duty	7,554,271.00		6,865,057.00	
	151,614,374.00		128,256,887.00	
Opening Stock				
Work-in progress	39,841,900.00		57,259,277.00	
Finished Goods	94,999,816.00		37,134,594.00	
Scrap	280,228.00		77,511.00	
	135,121,944.00		94,471,382.00	
Less: Excise Duty	6,865,057.00		2,969,763.00	
	128,256,887.00		91,501,619.00	
Net Increase / (Decrease) in WIP & FG	23,357,487.00		36,755,268.00	
K MATERIAL CONSUMED				
Raw Material and Components				
Opening Stock	29,781,650.00		27,372,164.00	
Add: Purchases	144,592,213.00		116,541,394.86	
	174,373,863.00		143,913,558.86	
Less: Closing Stock	34,803,866.00		29,781,650.00	
	139,569,997.00		114,131,908.86	
Stores & Spares				
Opening Stock	2,474,558.00		1,377,461.00	
Add: Purchases	6,339,057.00		5,832,879.18	
	8,813,615.00		7,210,340.18	
Less: Closing Stock	2,210,527.00		2,474,558.00	
	6,603,088.00		4,735,782.18	
	146,173,085.00		118,867,691.04	

**SCHEDULES 'I' TO 'N' ANNEXED TO & FORMING PART OF PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED ON 31-Mar-11**

	Year Ended 31-Mar-11		Year Ended 31-Mar-10	
	Rs.	Ps.	Rs.	Ps.
L EMPLOYEES EMOLUMENTS & BENEFITS				
Salaries, Wages, Bonus, etc.	34,761,059.88		29,546,467.39	
Contribution to PF & other Funds	3,534,040.00		3,030,057.00	
Gratuity	2,710,129.00		1,043,664.00	
Welfare Expenses & Contribution to ESI	2,150,462.85		1,529,924.69	
	43,155,691.73		35,150,113.08	
M MANUFACTURING AND OTHER EXPENSES				
Power & fuel	2,714,257.00		2,277,787.00	
Manufacturing Expenses	13,205,825.80		7,461,182.98	
Freight & Transportation	7,422,927.67		5,298,700.20	
Provision for Product Warranty exp.	116,212.00		263,646.00	
Repairs				
Buildings	291,472.00		1,614,508.50	
Machinery	687,727.00		948,910.00	
Others	206,739.50		762,815.00	
Computers	99,892.00	1,285,830.50	70,977.00	
Insurance		151,926.00	209,497.50	
Rent		336,654.00	317,952.00	
Rates & Taxes		493,209.00	776,464.00	
Printing and Stationery		1,029,570.00	864,690.00	
Postage, Telephone & Telegram		1,137,851.80	1,300,105.54	
Travelling & Conveyance Expenses		7,911,376.31	7,641,262.02	
Bad Debts / Advances Written Off		325,110.89	279,066.14	
Sundry Creditor's Debit Balances Written off		-	362,066.48	
Provision for Doubtful Debts and Advances		-	1,839,570.00	
Brokerage, Commission & Discount		521,826.00	15,805.00	
Miscellaneous Expenses		4,460,431.81	2,979,057.52	
Payment to Auditors for:				
Audit Fees	120,000.00		120,000.00	
Auditor's Other Services (including certification)	18,000.00		35,500.00	
Reimbursement of Expenses (including service tax)	92,481.00	230,481.00	84,876.00	
Directors' Sitting Fees		10,000.00	13,000.00	
Bank Charges		4,439,846.00	3,895,328.00	
Lease Rentals		4,331.00	4,332.00	
Loss on Sale of Assets		91,211.00	237,781.00	
Loss in Foreign Currency Fluctuation		1,179,200.00	-	
Liquidated Damages		1,524,433.00	3,286,797.00	
Prior Period Adjustments		25,322.00	-	
		48,617,832.78	42,961,676.88	
N INTEREST				
On Fixed Loan		1,334,951.52	1,770,813.35	
On Cash Credit		6,512,248.00	6,025,719.00	
To Body Corporates		4,536,144.00	2,721,437.00	
On NSIC Raw Material Assistance		995,130.00	1,176,500.00	
Others		66,745.00	135,000.00	
		13,445,218.52	11,829,469.35	

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

For and on behalf of the Board

Arihant Kumar Baid
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 27-May-2011

Place : Belgaum
Date : 27-May-2011

SCHEDULE – O

(Annexed to and forming Part of Balance Sheet as at 31st March 2011 & Profit & Loss Account for the year ended on that date)

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. Significant Accounting Policies:

a) Accounting Convention:

The Financial Statements have been prepared in accordance with the applicable Accounting Standards in India and in accordance with Historical Cost Convention except at revalued amounts for certain fixed assets.

b) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction (net of Cenvat credits) except, in case of certain fixed assets, which have been revalued, 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.

c) Intangible Asset:

Cost relating to acquisition of Technical Know – How is capitalized and amortized on a straight line basis, over a period of five years from the year in which it is acquired and is ready for use.

d) Depreciation

Depreciation on 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.

e) Investment

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 a 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:

Capital expenditure on research and development is treated in the same way as expenditure on fixed assets. The revenue expenditure on research and development is charged to Profit & Loss Account.

i) Sales & Services:

Sales includes excise duty but excludes VAT/sales tax collected.

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 put to use. Other borrowing costs are charged to the Profit & Loss Account in the year in which they are incurred.

k) Foreign Currency Transactions.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Foreign Currency Assets and Liabilities are stated at the exchange rates prevailing at the date of Balance Sheet and at forward contract rates wherever so covered. Exchange difference relating to Fixed Assets & any other exchange difference is dealt in the Profit & Loss Account.

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.

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 realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

n) Provisions and Contingent Liabilities:
 Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

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.

2. a) The 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 Etc. : Market value basis, present cost less depreciation

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

b) Total depreciation for the year is Rs. 1,05,65,188/- (Previous year Rs. 1,00,33,272/-), out of this the extent of depreciation charged on the write up on account of revaluation amounting to Rs. 5,37,118/- (Previous year Rs. 5,29,972/-) has been recouped from Revaluation Reserve and the balance of Rs. 1,00,28,070/- (Previous year Rs. 95,03,299/-) is shown in the Profit and Loss account.

3. 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.

4. EMPLOYEE BENEFITS

a. Post Retirement Benefits :
 Defined Contribution Plans

The Company has recognised the following amounts in the Profit and Loss Account for the year:

		2010-11 Rs.	2009-10 Rs.
1	Contribution to Employees' Provident Fund	14,56,694	12,16,659
2	Contribution to Employees' Family Pension Fund	11,58,055	10,72,145
3	Contribution to Employees' Superannuation Fund	5,99,791	4,72,322
	Total	32,14,540	27,61,126

b. Defined Benefit Plans

		2010-2011 Gratuity Rs.	2009-2010 Gratuity Rs.
i.	Changes in the Present Value of Obligation		
a.	Present Value of Obligation as at opening date	1,15,06,463	1,00,12,561
b.	Interest Cost	9,20,517	8,01,005
c.	Past Service Cost	-	-
d.	Current Service Cost	8,37,684	7,93,712
e.	Curtailment Cost/(Credit)	-	-
f.	Settlement Cost/(Credit)	-	-
g.	Benefits Paid	(12,72,822)	(4,28,827)
h.	Actuarial (Gain)/Loss	19,02,284	3,28,012
l.	Present Value of Obligation as at Mar 31, 2011	1,38,94,126	1,15,06,463
ii.	Changes in the Fair Value of Plan Assets		
a.	Present Value of Plan Assets as at opening date	1,05,05,620	94,81,776
b.	Expected Return on Plan Assets	9,34,273	8,59,875

c.	Actuarial Gain/(Loss)	16,083	19,190
d.	Employers' Contributions	10,23,200	5,73,606
e.	Employees' Contributions	-	-
f.	Benefits Paid	(12,72,822)	(4,28,827)
g.	Fair Value of Plan Assets as at March 31, 2011	1,12,06,354	1,05,05,620
iii.	Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets		
a.	Present Value of Obligation as at Mar 31, 2011	1,38,94,126	1,15,06,463
b.	Fair Value of Plan Assets as at Mar 31, 2011	1,12,06,354	1,05,05,620
c.	Funded (Asset)/ Liability recognized in the Balance Sheet	-	-
d.	Present Value of unfunded Obligation as at Mar 31, 2011	(26,87,772)	(10,00,843)
e.	Unrecognized Past Service Cost	-	-
f.	Unrecognized Actuarial (Gains)/Losses.	-	-
g.	Unfunded Net Liability recognized in the Balance Sheet	-	-
iv.	Expenses recognized in the Profit & Loss Account		
a.	Current Service Cost	8,37,684	7,93,712
b.	Past Service Cost	-	-
c.	Interest Cost	9,20,517	8,01,005
d.	Expected Return on Plan Assets	(9,34,273)	(8,59,875)
e.	Curtailement Cost/(Credit)	-	-
f.	Settlement Cost/(Credit)	-	-
g.	Net actuarial (Gain)/Loss	18,86,201	3,08,822
h.	Employees' Contribution	-	-
i.	Total Expenses recognized in the Profit & Loss Account	27,10,129	10,43,664
v.	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at Mar 31, 2011		
a.	Government of India Securities	-	N.A
b.	Corporate Bonds	-	N.A
c.	Special Deposits Scheme	-	N.A
d.	Equity Shares of Listed Companies	-	N.A
e.	Property	-	N.A
f.	Insurer Managed Funds	100%	100%
g.	Others	-	N.A

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.)

Actual return on plan assets Rs. 9,34,273/-

e. Following are the Principal Actuarial Assumptions used as at the balance sheet date:

	Particulars	2010-11	2009-10
a.	Interest Rate	8.00%	9.25%
b.	Discount Rate	8.00%	8.00%
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.

g. The liability for gratuity has increased by Rs. 11.35 Lacs during the year due to increase in the statutory maximum limit of gratuity payable to an employee from Rs.3.50 lacs to Rs.10.00 lacs vide Payment of Gratuity (Amendment) Act, 2010 w.e.f 24.05.2010.

5. 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
Sri Ramachandra Enterprises 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 on 31st March 2011 (as on 31st March 2010 NIL/-) and no amount has been written off or written back during the year (previous year 'NIL/-) in respect of debts due from / to them.
- v. The following related party transactions were carried out during the year.

(Figures in bracket pertain to Previous Year)

Nature of Transaction	Expenditure			Unsecured Loan		Balance as at year end (Cr)
	Interest	Sitting Fees	Remneration	Accepted	Repaid	
Key Management Personnel						
Shri Madan Mohan Mohta	27,816 (24,151)	-	1,279,342 (1,257,344)	35,375 (661,388)	269,239 (501,998)	- (233,864)
Shri Anirudh Mohta	145,797 (51,305)	-	848,785 (758,043)	1,374,715 (4,437,674)	2,641,947 (3,202,870)	- (1,267,232)
Total	173,613 (75,456)	-	2,128,127 (2,015,387)	1,410,090 (5,099,062)	2,911,186 (3,704,868)	- (1,501,096)
Relatives of Key Management Personnel						
Smt. Urmila Devi Mohta	9,424 (19,026)	2,000 (2,000)	-	11,549 (14,040)	91,209 (104,568)	- (79,660)
Enterprises where Key Management Personnel have Significant Influence						
U.D. Finvest Pvt Ltd	460,710 (469,806)	-	-	782,011 (970,818)	1,735,000 (86,890)	3,686,201 (4,639,190)
Sri Ramachandra Enterprises Pvt Ltd	517,846 (910,537)	-	-	750,726 (613,209)	3,525,000 (2,680,080)	2,941,578 (5,715,852)
Mohta Capital Pvt Ltd	2,947,271 (531,095)	-	-	19,929,498 (13,655,107)	3,562,000 (2,496,160)	31,787,826 (15,420,328)
Bemco Precitech Pvt Ltd	18,417 (101,216)	-	-	22,660 (74,880)	190,000 (74,880)	125,350 (74,880)
U.D. Polyproducts Pvt Ltd	28,237 (77,211)	-	-	38,452 (47,626)	482,500 (47,626)	169,164 (47,626)
Total	3,972,481 (2,089,865)	-	-	21,523,347 (15,361,640)	9,494,500 (5,385,636)	38,710,119 (25,897,876)

6. Deferred Tax Assets / Liability is recognized as per Accounting Standard – 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

a. The break up of deferred tax assets and liabilities and reconciliation of current year charge/credit is as under

(Rs. In Lacs)

Particulars	Opening	(Charged)/credit ed the P/L A/C.	Closing
Deferred Tax Assets:			
Expenses charged/credited to P/L account but allowed on I.T on pay basis (U/S 43B)	6.34	(0.74)	5.60
Provision for Product Warranty	0.81	0.48	1.29
Provision for doubtful debts / advances	11.40	(1.62)	9.78
(a)	18.55	(1.88)	16.67
Deferred Tax Liability:			
Tax impact of difference between carrying amount of fixed assets as per books of account and as per Income Tax	3.53	(11.17)	(7.64)
(b)	3.53	(11.17)	(7.64)
(a) – (b)	15.02	9.29	24.31

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

7. Earnings per Share

	Year Ended 31 st March 2011	Year Ended 31 st March 2010
Profit After tax (Rs.)	41,92,822	58,42,534
Less: Dividend (Including tax thereon) on Cumulative Preference Share (Excluding arrears)	6,74,151	6,76,392
Adjusted Net Profit Attributable to Share holders (Rs.)	35,18,671	51,66,142
Weighted average number of equity shares in issue	14,46,700	14,46,700
Basic Earnings per share of Rs.10/- each (in Rs.)	2.43	3.57

The Company does not have any outstanding diluted potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

8. Excise duty deducted from sales is the total excise duty collected during the year on sales. Excise duty on opening and closing stock of inventory has been deducted from respective stock values
9. In accordance with the provisions of Accounting Standard on Impairment of Assets (AS 28), the management has assessed assets in use and considering the business prospects related thereto, no provision is considered necessary on account of impairment of Assets.
10. (a) Disclosure of the amount due to the Micro, Small & Medium Enterprises (on the basis of the information and records available with the management)

Sr. No.	Particulars	As at 31 st March 2011	As at 31 st March 2010
1	The principal amount and the Interest due thereon remaining unpaid to any Micro/Small supplier - Principal amount - 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		
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.

11. Amount due within one year in respect of term loan and vehicle loan (including overdue amounts as at 31st March 2011) is Rs. 29.20 lacs (as on 31st March 2010 Rs. 66.67 Lacs).
- 12.
- a. 11% 14,732 Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 14,73,200/- are redeemable at the premium of Rs. 60/- each on 31st March 2012.
- b. 11% 18,000 Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 18,00,000/- are redeemable at par on 31st March 2014.
- c. 11% 20,000 Cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs. 20,00,000/- are redeemable at par on 31st March 2020.
13. Disclosure of loans / advances and investments in its own shares by the listed companies, their subsidiaries, associates etc (as certified by the management)

(Rs. in lacs)

S. No.	Particulars	Outstanding Balance As On 31 st March, 2011	Outstanding Balance As On 31 st March, 2010
i.	Loans and advances in the nature of loans to subsidiaries	NIL	NIL
ii.	Loans and advances in the nature of loan to associates	NIL	NIL
iii.	Loans and advance on 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.	NIL	NIL
		33.63	29.83
iv.	Loans and advance in the nature of loans to firms/companies in which director are interested.	NIL	NIL
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.	NIL	NIL

14. Balances in Sundry Debtors, Advance from Customers, Sundry Creditors, Loans and Advances are subject to confirmation from respective parties. In the opinion of the management, this shall not have any material impact on the financial statements.
15. In the opinion of the Board, Current Assets, Loans & Advances (other than those considered doubtful) have a value on realisation equal to the amounts at which they are stated in the Balance Sheet in the ordinary course of business.
16. Contingent Liabilities not provided for:
- a) Unexpired Bank Guarantees Rs. 864.17 Lacs (As on 31.03.2010 Rs. 500.15 Lacs)
17. C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY:

Particulars	2010-2011 Rs.	2009-2010 Rs.
i). C.I.F. Value of Imports: Raw Materials And Components	13,57,472	Nil
ii). Expenditure in Foreign Currency: (paid/payable) Traveling Exhibition Expenses (InnoTrans Berlin Germany)	3,17,948 4,24,444	28,653 NIL
iii). Earnings in Foreign Exchange: FOB value of Exports	56,02,500	NIL

18. REMUNERATION TO THE CHAIRMAN AND MANAGING DIRECTOR AND JOINT-MANAGING DIRECTOR

Particulars	Chairman and Managing Director		Jt. Managing Director	
	2010-2011	2009-2010	2010-2011	2009-2010
Salary & HRA	9,90,000	8,53,387	6,60,000	5,68,924
P.F., Leave Encashment & Super Annuation	1,62,000	2,28,608	1,08,000	1,52,407
Monetary value of Perks	1,27,342	1,75,349	80,785	36,712
Total	12,79,342	12,57,344	8,48,785	7,58,043

The above does not include the provision on account of Gratuity and Leave Encashment Benefits as the provision for these are determined for the company as a whole and separate amounts for the Chairman & Managing director and Joint Managing Director are not included

19. QUANTITATIVE & OTHER INFORMATION PURSUANT TO REQUIREMENTS OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

- a. CAPACITY AND PRODUCTION:

PRODUCT	UNIT	INSTALLED CAPACITY	PRODUCTION
Hydraulic presses	Nos.	1000 (1000)	93 (59)
Axial Piston Pumps	Nos.	300 (300)	120 (86)
Hydraulic Equipments	Nos.	800 (800)	516 (604)
Hydraulic Jacks	Nos.	100 (100)	NIL (Nil)

NOTE:

- i. It is not practicable to indicate precisely the installed capacity of each item manufactured by the Company mentioned above, as the Company's plant has the capacity of producing various items, which is over-lapping for each product. The installed capacities, as indicated above are estimates as certified by the Management. Due to changes in prices, inflation, product-mix etc., the installed capacity has been enhanced suitably, wherever necessary.
- ii. Figures in respect of actual production of Axial Piston Pumps include 57 nos. (42 nos.) used for captive consumption.
- iii. No license is required for manufacture of any of the products of the Company.
- iv. Installed capacity has been certified by the management & relied upon by the Auditors, being a technical matter.

- b. OPENING STOCK, CLOSING STOCK AND TURNOVER OF FINISHED GOODS:

Products	Opening Stock		Closing Stock		Turnover	
	Qty Nos.	Value Rs.	Qty Nos.	Value Rs.	Qty Nos.	Value Rs.
Hydraulic Presses	9 (12)	5,76,84,131 (1,81,56,716)	15 (9)	6,92,37,383 (5,76,84,131)	88 (62)	16,20,46,773 (12,76,96,540)
Axial Piston Pumps	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	63 (44)	33,94,015 (22,01,804)
Hydraulic Equipments	197 (45)	1,20,22,827 (1,88,77,518)	44 (197)	75,58,924 (1,20,22,827)	670 (452)	5,91,39,397 (3,81,81,250)
Others	Nil (Nil)	2,52,92,858 (1,00,360)	Nil (Nil)	2,84,363 (2,52,92,858)	- (-)	99,65,096 (82,85,779)
Scrap	Nil (Nil)	2,74,994 (77,511)	Nil (Nil)	1,55,975 (2,74,994)	- (-)	3,41,605 (8,622)
Total		9,52,80,044 (3,72,12,105)		7,72,36,645 (9,52,80,044)	-	23,48,86,886 (17,63,73,995)

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

C. RAW MATERIALS AND COMPONENTS CONSUMED:

PARTICULARS	UNIT	2010-2011 QTY	2010-2011 VALUE (Rs)	2009-2010 QTY	2009-2010 VALUE (Rs)
MS rounds, Squares, Flats, Plates and Angles	MT	2902.224	8,46,30,674	13,99.144	6,51,22,853
Rough Castings	MT	20.821	33,18,711	52.948	46,84,976
Hydraulic Pumps and Valves		-	84,26,584	-	74,81,122
Steel Pipes	Mtrs.	6,333	12,55,454	5,846	19,82,661
Packing Material			10,88,735		8,87,298
Other			4,08,49,839		3,39,72,999
Total			13,95,69,997		11,41,31,909

IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED:

PARTICULARS	2010-2011 VALUE (Rs)	2010-2011 %	2009-2010 VALUE (Rs)	2009-2010 %
Imported	15,64,342	1.12	16,64,887	1.46
Indigenous	13,80,05,655	98.88	11,24,67,022	98.54
Total	13,95,69,997	100.00	11,41,31,909	100.00

d. Stores consumed in the current year and previous year is 100% indigenous.

20. Figures for the previous year have been regrouped, re-arranged wherever necessary.

21. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE IV TO THE COMPANIES ACT 1956.

Balance Sheet Abstract and Company's General Business Profile		
I	REGISTRATION DETAILS: Registration No. State Code Balance Sheet Date	1283 08 31-Mar-11
II	CAPITAL RAISED DURING THE YEAR Public Issue Rights Issue Private Placement (Preference Shares)	Nil Nil -
III	POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS:(Rs in thousands) Total Liabilities Total Assets Sources of Funds: Paid-up Capital Reserves and Surplus Secured Loans Unsecured Loans Deferred tax Liability Application of Funds: Net Fixed Assets Investments Deferred tax Assets Net Current Assets Profit & Loss Debit Balance	354,085 354,085 19,807 45,704 60,638 43,868 - 53,243 52 2,431 114,291 -
IV	PERFORMANCE OF COMPANY Turnover Total Expenditure Profit before Tax Profit after Tax Earning Per Share (Rs.) Equity Share Dividend Rate	264,682 256,852 7,830 4,193 2.43 Nil
V	GENERIC NAME OF PRINCIPAL PRODUCTS/SERVICES OF: a Item Code (ITC Code) Hydraulics Press b Item Code (ITC Code) Hydraulics Pumps c Item Code (ITC Code) Valves	84.62 84.13 84.81.80

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

For and on behalf of the Board

Arihant Kumar Baid
 Partner

M. M. Mohta
 Chairman & Managing Director

Anirudh Mohta
 Joint Managing Director

 Place : Kolkata
 Date : 27-May-2011

 Place : Belgaum
 Date : 27-May-2011

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET

	Particulars	31-Mar-11		31-Mar-10	
		(Rs. In lacs)		(Rs. In lacs)	
A	Cash Flow from Operating Activities:				
	Net Profit Before Tax and Extraordinary Items		78.30		71.40
	Adjustments for:				
	Depreciation	100.28		95.03	
	Foreign Exchange	11.79		(31.15)	
	Loss on Sale of Fixed Assets	0.91		2.38	
	Profit & Loss on Fixed Assets	(0.08)		(1.28)	
	Interest Received	(10.49)		(12.42)	
	Dividend Received	(0.09)		(0.08)	
	Interest Paid	134.45	236.77	118.29	170.77
	Operating Profit before Working Capital Changes		315.07		242.17
	Adjustments for:				
	Trade and Other Receivables	(397.57)		224.54	
	Inventories	(288.05)		(441.57)	
	Trade Payables	630.47	(55.15)	(38.09)	(248.61)
	Cash Generated from Operations		259.92		(6.44)
	Direct Taxes paid		(28.62)		(36.01)
	Cashflow Before Prior period & Extraordinary Items		231.30		(42.45)
	Foreign Exchange Gain		-		-
	Net Cash from Operating Activities (A)		231.30		(42.45)
B	Cash Flow from Investing Activities:				
	Purchase of Fixed Assets	(126.78)		(47.26)	
	Paymnet towards Technical Know How	-		-	
	Sale of Fixed Assets	4.43		5.78	
	Interest Received	9.56		12.42	
	Dividend Received	0.09		0.08	
	Net Cash Used in Investing Activities (B)		(112.70)		(28.98)
C	Cash Flow from Financing Activites:				
	Dividend & Tax Payment	(6.76)		(6.79)	
	Proceeds / (Repayment) of S/Loan Long Term	10.47		(12.89)	
	Proceeds / (Repayment) of S/Loan Short Term	(23.13)		60.30	
	Proceeds / (Repayment) of unsecured Loan	90.81		122.34	
	Interest paid	(129.87)		(117.87)	
	Net Cash used in Financing Activites (C)		(58.48)		45.09
	Net Increase in Cash & Cash Equivalents (A+B+C)		60.12		(32.85)
	Cash & Cash Equivalents at the beginning of the Year		136.33		169.18
	Cash & Cash Equivalents at the End of the Year		196.45		136.33
	(includes Fixed Deposits of Rs 177.67 Lacs (Previous year 107.18) Lacs) of which receipts are lodged with Banks for guarantees/credit facilities)				

The Cash Flow Statement has been prepared under the indirect method in accordance with the Accounting Standard -3 as notified Under Section 211(3c) of the Companies Act, 1956

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

For and on behalf of the Board

Arihant Kumar Baid
Partner

M. M. Mohta
Chairman & Managing Director

Anirudh Mohta
Joint Managing Director

Place : Kolkata
Date : 27-May-2011

Place : Belgaum
Date : 27-May-2011

FIVE YEARS TREND ANALYSIS

S.NO	Particular	2010-11	2009-10	2008-09	2007-08	2006-07
1	Total Sales	2,348.87	1,763.74	2,250.48	1,956.75	1,889.39
2	Other Income	110.06	123.23	92.37	98.24	55.06
3	Total Income	2,458.93	1,886.97	2,342.85	2,054.99	1,944.45
4	Operating Profit	313.03	284.72	260.24	238.82	185.63
5	Interest	134.45	118.29	108.52	77.54	68.69
6	Depreciation	100.28	95.03	90.24	104.04	30.62
7	Profit / (Loss) before Tax	78.30	71.40	61.48	57.23	86.32
8	Tax	(40.12)	(28.36)	(27.10)	(27.76)	(10.63)
9	Deferred Tax Assets	9.29	15.64	0.90	2.88	(18.29)
10	Fringe Benefit Tax	-	-	(7.30)	(6.32)	(5.50)
11	Income tax earlier years	(5.54)	(0.26)	5.23	-	-
12	Profit / (Loss) after Tax	41.93	58.43	33.22	26.04	51.90
13	Transitional Provision	-	-	-	7.53	
14	Transferred to general Reserve	10.00	10.00	10.00	10.00	5.00
15	Dividend & Tax-Preference Shares	6.74	6.76	6.79	6.79	16.81
16	Net Surplus for the year	25.19	41.66	16.44	1.72	30.09
17	Surplus / (Deficit) B/F	93.15	51.49	35.05	33.33	3.24
18	Balance Carried to Balance Sheet	118.33	93.15	51.49	35.05	33.33
19	Paid-up Equity Share Capital	144.67	144.67	144.67	144.67	64.67
20	Reserve & Surplus (inclusive of Revaluation Reserve)	457.04	427.23	380.86	359.59	298.85
21	Equity Shareholders' Net worth	601.71	571.90	525.53	504.26	363.52



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 THIRD ANNUAL GENERAL MEETING of the Company to be held on Friday, 29th July 2011 at 3.30 P.M. and at any adjournment thereof.

Signed this..... day of2011.

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

BOOK - POST



PRINTED MATTER

53rd ANNUAL REPORT 2010-2011

If undelivered, please return to:

BEMCO HYDRAULICS LIMITED

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