



**INDEPENDENT AUDITOR'S REPORT  
TO THE PARTNERS OF BEMCO FLUIDTECHNIK LLP**

We have audited the accompanying financial statements of **BEMCO FLUIDTECHNIK LLP** ("the LLP"), which comprise the Statement of Assets and Liabilities as at 31st March, 2018, the Statement of Income & Expenditure and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018 and a summary of the significant accounting policies and other explanatory information.

**Partner's Responsibility for the Financial Statements**

The Partner's are responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the LLP in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

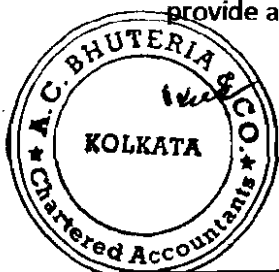
This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared, in all material respects, as per the accounting principles generally accepted in India including the Accounting Standards issued by the Institute of Chartered Accountants of India, and give a true and fair view of the state of affairs of the LLP as at 31st March, 2018, its loss and its cash flows for the period ended on that date.



**For A. C. Bhuteria & Co.**  
**Chartered Accountants**  
Firm Regn. No. 303105E

**Mohit Bhuteria**

Partner

Membership No. 056832

Place: Camp Belgaum

Dated: 22<sup>nd</sup> May, 2018

**BEMCO FLUIDTECHNIK LLP**  
 (Formerly, Bemco Fluidtechnik Private Limited)  
 (LLPIN: AAI-6810)  
 BEMCO PREMISES, KHANAPUR ROAD, UDYAMBAG, BELGAUM - 590 008  
**STATEMENT OF ASSETS & LIABILITIES AS AT 31ST MARCH, 2018**

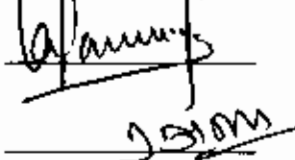
Particulars	Note No.	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>I CONTRIBUTION AND LIABILITIES</b>			
<b>(1) Partners' Funds</b>			
(a) Contributions	2.01	1,00,000	1,00,000
(b) Reserves & Surplus	2.02	(1,00,40,061)	(79,11,964)
<b>Total Contribution (i)</b>		<b>(99,40,061)</b>	<b>(78,11,964)</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	2.03	2,16,12,428	1,86,17,741
<b>Total Non-Current Liabilities (ii)</b>		<b>2,16,12,428</b>	<b>1,86,17,741</b>
<b>(3) Current Liabilities</b>			
(a) Trade Payables	2.04		
(i) Total outstanding dues of Micro Enterprises and Small Enterprises			
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		43,54,872	54,18,790
(b) Other Current Liabilities	2.05	21,98,096	12,03,232
<b>Total Current Liabilities (iii)</b>		<b>65,52,968</b>	<b>66,22,022</b>
<b>TOTAL CONTRIBUTION AND LIABILITIES (I + II + III)</b>		<b>1,82,25,335</b>	<b>1,74,27,799</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	2.06		
(i) Property, Plant & Equipment	(I)	33,83,332	37,41,109
(ii) Intangible Assets	(II)	27,292	38,972
(b) Capital Work-in-Progress		3,08,200	
(c) Long Term Loans and Advances	2.07	29,544	3,41,223
<b>Total Non-Current Assets (I)</b>		<b>37,48,368</b>	<b>41,21,304</b>
<b>(2) Current Assets</b>			
(a) Inventories	2.08	1,01,82,695	85,18,261
(b) Trade Receivables	2.09	38,06,854	34,14,848
(c) Cash and Cash Equivalents	2.10	1,67,470	5,16,428
(d) Short Term Loans and Advances	2.11	3,19,948	8,56,958
<b>Total Current Assets (ii)</b>		<b>1,44,76,967</b>	<b>1,33,06,495</b>
<b>TOTAL ASSETS (I + II)</b>		<b>1,82,25,335</b>	<b>1,74,27,799</b>
Significant Accounting Policies	1		
Notes to Financial Statements	2		

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

  
 Mohit Bhuteria  
 Partner  
 Membership No.:056832  
 Place: Camp Belgaum  
 Date: 22-05-2018



For Bemco Fluidtechnik LLP

  
 Designated Partners

**BEMCO FLUIDTECHNIK LLP**  
 (Formerly, Bemco Fluidtechnik Private Limited)  
 (LLPIN: AAI-6810)  
 BEMCO PREMISES, KHANAPUR ROAD, UDYAMBAG, BELGAUM - 590 008

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

Particulars	Note No.	(Amount in ₹)	
		For the Period Ended 31.03.2017	For the Period Ended 31.03.2017 (₹)
<b>I REVENUE FROM OPERATIONS (Gross)</b>	<b>2.12</b>	<b>1,80,32,738</b>	<b>26,07,412</b>
Less: Excise Duty		-	(1,46,177)
<b>REVENUE FROM OPERATIONS (Net)</b>		<b>1,80,32,738</b>	<b>24,61,235</b>
<b>II OTHER INCOME</b>	<b>2.13</b>	<b>19,739</b>	<b>-</b>
<b>III TOTAL REVENUE (I + II)</b>		<b>1,80,52,477</b>	<b>24,61,235</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	2.14	73,34,453	7,98,526
Changes in Inventories of Finished Goods, Intermediate Goods and Work-In-Progress	2.15	(6,38,880)	(4,67,859)
Employee Benefits Expense	2.16	66,40,282	4,77,456
Finance Cost	2.17	24,08,292	1,99,285
Depreciation and Amortization Expense	2.18	4,66,329	48,844
Other Expenses	2.19	39,70,098	7,40,229
<b>TOTAL EXPENSES</b>		<b>2,01,80,574</b>	<b>17,96,481</b>
<b>V PROFIT / (LOSS) BEFORE TAX (III - IV)</b>		<b>(21,28,097)</b>	<b>6,64,754</b>
<b>VI TAX EXPENSES</b>			
(1) Current Tax		-	-
<b>VII PROFIT/ (LOSS) FOR THE PERIOD (V - VI)</b>		<b>(21,28,097)</b>	<b>6,64,754</b>
Significant Accounting Policies	1		
Notes to Financial Statements	2		

As Per Our Report of Even Date  
 For A.C. BHUTERIA & CO.  
 Chartered Accountants  
 Firm Regn No.:903105E



*(Signature)*  
 Mohit Bhuteria  
 Partner  
 Membership No.:056832  
 Place: Camp Belgaum  
 Date: 22-05-2018



For Bemco Fluidtechnik LLP

*(Signature)*  
 Designated Partners

**BEMCO FLUIDTECHNIK LLP**  
 (Formerly, Bemco Fluidtechnik Private Limited)  
 (LLPIN: AAI-6810)  
 BEMCO PREMISES, KHANAPUR ROAD, UDYAMBAG, BELGAUM - 590 008  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2018**

Particulars	For the Period	For the Period
	Ended 31.03.2018	Ended 31.03.2017
	(₹)	(₹)
<b>A Cash Flow from Operating Activities:</b>		
Net Profit/ (Loss) Before Tax	(21,28,097)	6,64,754
Adjustments for:		
Interest Expenses	24,08,292	1,99,285
Depreciation and Amortization expense	4,66,329	48,844
Write Off	1,41,043	-
<b>Operating Profit before Working Capital Changes</b>	<b>8,87,567</b>	<b>9,12,883</b>
Movements in Working Capital		
Decrease/ (Increase) in Inventories	(16,64,434)	(17,07,059)
Decrease/ (Increase) in Trade and Other Receivables	3,960	(12,93,253)
Increase/ (Decrease) in Trade and Other Payables	(2,44,016)	16,95,923
<b>Cash Generated from Operations</b>	<b>(10,16,923)</b>	<b>(3,91,506)</b>
Direct Taxes paid	-	-
<b>Net Cash from/used in Operating Activities (A)</b>	<b>(10,16,923)</b>	<b>(3,91,506)</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of Tangible Fixed Assets (including Capital Advances)	(96,872)	(80,500)
Capital Advances Paid	3,479	-
<b>Net Cash Used in Investing Activities (B)</b>	<b>(93,393)</b>	<b>(80,500)</b>
<b>C Cash Flow from Financing Activities:</b>		
Proceeds from Long Term Borrowings	32,30,000	8,00,000
Interest Paid	(24,68,643)	(51,217)
<b>Net Cash from/used in Financing Activities (C)</b>	<b>7,61,357</b>	<b>7,48,783</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(3,48,959)</b>	<b>2,76,777</b>
<b>Cash &amp; Cash Equivalents at the beginning of the Period</b>	<b>51,6428</b>	<b>2,39,651</b>
<b>Cash &amp; Cash Equivalents at the End of the Period</b>	<b>1,67,469</b>	<b>5,16,428</b>

**Note:**

- (1) Cash Flow Statement has been prepared using the Indirect method in accordance with Accounting Standard (AS) 3- "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- (2) Indicates Cash and Cash Equivalents as represented in Note 2.10 to the financial statements.

As Per Our Report of Even Date  
 For A.C. BHUTERIA & CO.  
 Chartered Accountants  
 Firm Regn No.:903105E

For Bemco Fluidtechnik LLP



Designated Partners



Mohit Bhuteria  
 Partner  
 Membership No.:056832  
 Place: Camp Belgaum  
 Date: 22-05-2018

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

### 1 Significant Accounting Policies

#### a. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards as prescribed by the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the Assets and Liabilities have been classified as Current and Non-Current as per the LLP's normal operating cycle and in line with the classification principles adopted by the Holding Company, Bemco Hydraulics Limited. Based on the nature of activities, the LLP has ascertained its operating cycle as 12 months for the purpose of Current and Non Current classification of Assets and Liabilities.

#### b. Use of Estimates

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

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

#### c. Property, Plant & Equipment

##### i. Initial Recognition

Property, Plant & Equipment are stated at their original cost. The cost of a property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, borrowing costs, any directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of the costs of decommissioning, restoration and similar liabilities, if any. The company has adopted cost model for every class of assets held under property, plant and equipment in determining the gross carrying amount in accordance with Accounting Standard (AS) 10.

##### ii. Depreciation

Depreciation on property, plant and equipment is charged on straight line method over the useful life/remaining useful life of the asset. However, the residual value and useful life is reviewed at each financial year-end and any change in estimates, if any is accounted and disclosed as per Accounting Standard (AS) 10 issued by the ICAI. Depreciation on assets purchased / acquired during the year is charged from the date from when it is available for use. Depreciation of an asset ceases at the earlier of the date that the asset is retired from active use and is held for disposal and the date that the asset is derecognised.

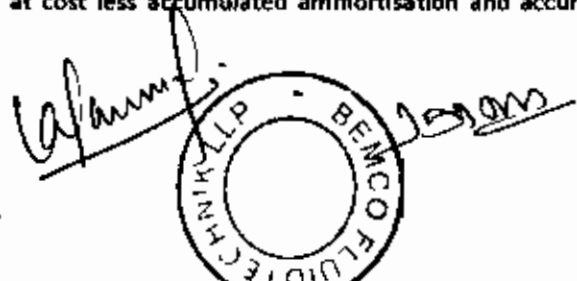
Where depreciable assets are disposed of, discarded, demolished or destroyed, the net surplus or deficiency, if material, is disclosed separately.

#### d. Intangible Fixed Assets

##### i. Recognition

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

##### ii. Amortization



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

**e. Inventories**

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

**f. Employee Benefits**

**i. Short term employee benefits :**

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

**ii. Post- employment Benefits**

The LLP does not have any post-employment benefits.

**g. Research and Development:**

Revenue expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

**h. Revenue Recognition**

**i. Sale of goods**

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

Sales include excise duty but excludes value added tax, central sales tax collected and Goods and Service Tax.

**ii. Other income**

All other items of income are recognized on accrual basis.

**i. Borrowing Cost**

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

**j. Taxation:**

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



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computed in accordance with relevant tax rates and tax laws.

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

**k. Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

**l. Impairment of Assets:**

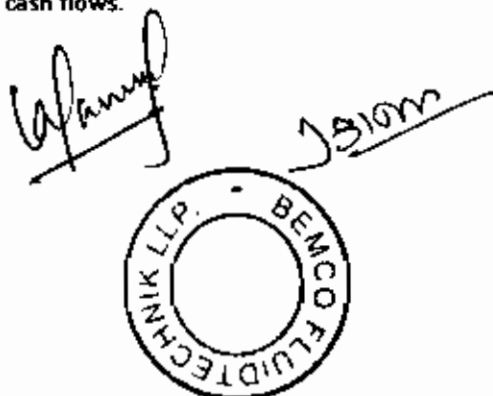
Impairment is ascertained at each Balance Sheet date in respect of cash generating units. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present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

**m. Cash and Cash Equivalents**

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

**n. Cash Flow Statement**

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

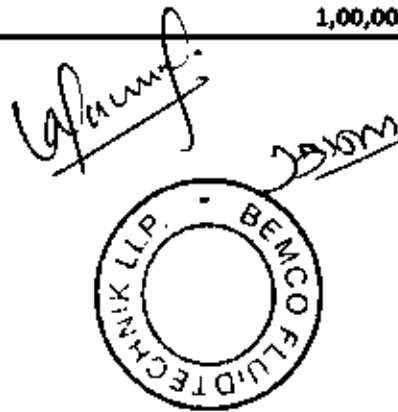




## 2 NOTES TO FINANCIAL STATEMENTS

### 2.01 CONTRIBUTIONS

Particulars	Figures as at	Figures as at
	31.03.2018	31.03.2017
	Amount	Amount
	(₹)	(₹)
<b>M/s Bemco Hydraulics Limited - Designated Partner</b>		
Balance as at the beginning of the reporting period	65,000	65,000
Add : Contribution made during the period	-	-
Balance as at the end of the reporting period	<u>65,000</u>	<u>65,000</u>
<b>Mrs. Urmila Devi Mohta - Designated Partner</b>		
Balance as at the beginning of the reporting period	5,000	5,000
Add : Contribution made during the period	-	-
Balance as at the end of the reporting period	<u>5,000</u>	<u>5,000</u>
<b>Mr. Jagdish Joshi - Designated Partner</b>		
Balance as at the beginning of the reporting period	20,000	20,000
Add : Contribution made during the period	-	-
Balance as at the end of the reporting period	<u>20,000</u>	<u>20,000</u>
<b>Mr. Naveen Padamoor - Designated Partner</b>		
Balance as at the beginning of the reporting period	10,000	10,000
Add : Contribution made during the period	-	-
Balance as at the end of the reporting period	<u>10,000</u>	<u>10,000</u>
<b>Total Contribution</b>	<u>1,00,000</u>	<u>1,00,000</u>



## 2.02 RESERVES AND SURPLUS

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>Surplus/(Deficit) in the Statement of Profit &amp; Loss</b>		
Opening Balance	(79,11,964)	(85,76,718)
Add: Surplus/(deficit) for the year	(21,28,097)	6,64,754
Closing Balance	(1,00,40,061)	(79,11,964)

## 2.03 LONG TERM BORROWINGS

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>Unsecured</b>		
Loans from Related Parties	2,16,12,428	1,86,17,741
	<b>2,16,12,428</b>	<b>1,86,17,741</b>

### Note: Terms of Repayment of Loans from Related Parties

The Limited Liability Partnership has entered into a loan agreement with a related party for a period of 3 years with an option to renew the credit limit and other terms at the end of first year. The initial credit limit of ₹ 1,00,00,000/- has been enhanced to ₹ 3,00,00,000/-. Interest shall be charged @ 12% p.a. compounded quarterly.

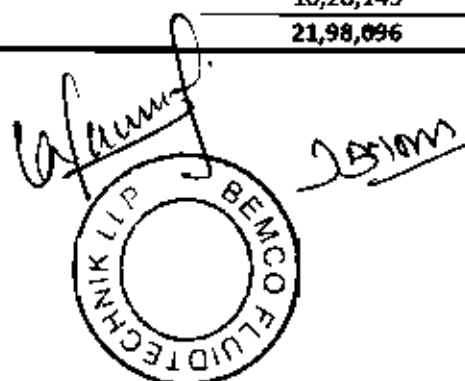
The repayment of principal amount outstanding at the end of 3 years shall be made on the expiration of the agreement or the agreement may be renewed further on the terms and conditions to be then decided.

## 2.04 TRADE PAYABLES

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>For Goods and Services received in the ordinary course of business</b>		
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	43,54,872	54,18,790
	<b>43,54,872</b>	<b>54,18,790</b>

## 2.05 OTHER CURRENT LIABILITIES

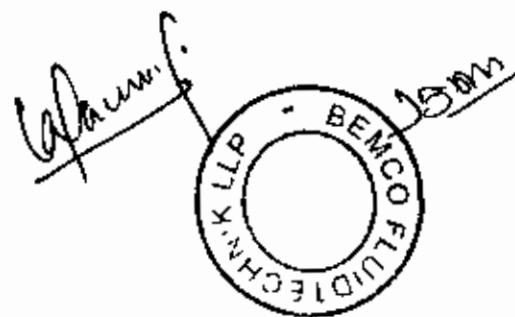
Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
Interest accrued and due on borrowings	6,35,919	4,60,958
<b>Other Payables</b>		
Lease Rent Payables	58,000	-
- Statutory Dues	4,76,034	3,14,692
- Employee & Other Related Dues	10,28,143	4,27,582
	<b>21,98,096</b>	<b>12,03,232</b>



## 2.06 FIXED ASSETS

(all figures in ₹)

PARTICULARS NATURE OF THE ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK		
	As At 01.04.2017	Additions during the period	As at 31.03.2018	Up To 31.03.2017	Depreciation for the period	Total as at 31.03.2018	As at 31.03.2018	As At 31.03.2017
<b>Owned Assets</b>								
<b>(i) Property, Plant &amp; Equipment</b>								
Plant & Equipments	26,41,460	-	26,41,460	1,43,623	73,000	2,16,623	24,24,837	24,97,837
Furniture & Fixtures	3,50,026	4,860	3,54,886	35,883	33,656	69,539	2,85,347	3,14,143
Office Equipments	8,000	1,200	9,200	2,256	1,472	3,728	5,472	5,744
Data Processing Equipments	4,87,950	74,967	5,62,917	1,14,058	1,13,830	2,27,888	3,35,029	3,73,892
Moulds, Dies & Patterns	7,19,400	15,845	7,35,245	1,69,907	2,32,691	4,02,598	3,32,647	5,49,493
<b>TOTAL (i)</b>	<b>42,06,836</b>	<b>96,872</b>	<b>43,03,708</b>	<b>4,65,727</b>	<b>4,54,649</b>	<b>9,20,376</b>	<b>33,83,332</b>	<b>37,41,109</b>
<b>(ii) Intangible Assets</b>								
<b>Other than Internally Generated</b>								
Computer Software	58,012	-	58,012	19,040	11,680	30,720	27,292	38,972
<b>TOTAL (ii)</b>	<b>58,012</b>	<b>-</b>	<b>58,012</b>	<b>19,040</b>	<b>11,680</b>	<b>30,720</b>	<b>27,292</b>	<b>38,972</b>
<b>TOTAL (i+ii)</b>	<b>42,64,848</b>	<b>96,872</b>	<b>43,61,720</b>	<b>4,84,767</b>	<b>4,66,329</b>	<b>9,51,096</b>	<b>34,10,624</b>	<b>37,80,081</b>



**2.07 LONG TERM LOANS AND ADVANCES**

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>Unsecured, Considered Good</b>		
Capital Advances	24,544	3,36,223
Deposit with Govt., Public Bodies and Others	5,000	5,000
	<u>29,544</u>	<u>3,41,223</u>

**2.08 INVENTORIES**

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>(Valued at lower of cost or net realisable value)</b>		
Intermediate Goods	5,89,066	14,17,690
Work-In-Progress: Intermediate Goods	2,95,250	1,44,400
Stores and Components	75,38,508	62,80,341
Finished Goods	17,59,871	6,75,830
	<u>1,01,82,695</u>	<u>85,18,261</u>

**2.09 TRADE RECEIVABLES**

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months from due date of payment	-	-
Other Debts	38,06,854	34,14,848
	<u>38,06,854</u>	<u>34,14,848</u>

**2.10 CASH AND CASH EQUIVALENTS**

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
Balance with Banks in current account(s)	1,64,239	5,09,738
Cash-on-hand	3,231	6,690
	<u>1,67,470</u>	<u>5,16,428</u>

**2.11 SHORT TERM LOANS AND ADVANCES**

Particulars	Figures as at 31.03.2018 (₹)	Figures as at 31.03.2017 (₹)
<b>Unsecured, Considered Good</b>		
Advances recoverable in cash or in kind or for value to be received		
- Travelling Advances	770	16,462
- Employee Advances	33,920	13,000
- Advance to Suppliers	1,15,443	1,32,878
- Other Advances	93,569	32,169
Prepaid Expenses	-	15,674
Balance with Government Authorities	76,246	6,46,775
	<u>3,19,948</u>	<u>8,56,958</u>



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**2.12 REVENUE FROM OPERATIONS**

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
Sale of Goods (Manufacturing Sales)	1,80,32,738	26,07,412
	<u>1,80,32,738</u>	<u>26,07,412</u>

**2.13 OTHER INCOME**

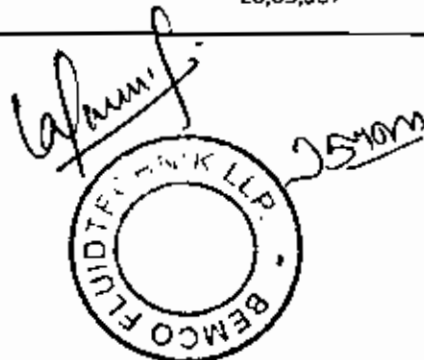
Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
Miscellaneous Income	19,739	-
	<u>19,739</u>	<u>-</u>

**2.14 COST OF MATERIALS CONSUMED**

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
<b>Components</b>		
Opening Stock	-	-
Add: Purchases	-	-
Less: Closing Stock	-	-
	(i)	
<b>Stores and Components</b>		
Opening Stock	62,80,341	50,41,141
Add: Purchases	85,92,620	20,37,726
Less: Closing Stock	(75,38,508)	(62,80,341)
	(ii)	
	<u>73,34,453</u>	<u>7,98,526</u>
	(i+ii)	
	<u>73,34,453</u>	<u>7,98,526</u>

**2.15 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND INTERMEDIATE GOODS**

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
<b>Opening Stock</b>		
Intermediate Goods	14,17,690	10,94,230
Work-in Progress: Intermediate Goods	1,44,400	-
Finished Goods	4,43,217	6,75,831
<b>Total of Opening Stock (i)</b>	<u>20,05,307</u>	<u>17,70,061</u>



Closing Stock		
Intermediate Goods	5,89,066	14,17,690
Work-in Progress: Intermediate Goods	2,95,250	1,44,400
Finished Goods	17,59,871	6,75,830
<b>Total of Closing Stock (ii)</b>	<b>26,44,187</b>	<b>22,37,920</b>
<b>Net changes in inventories of finished goods and work-in-progress (i-ii)</b>	<b>(6,38,880)</b>	<b>(4,67,859)</b>

#### 2.16 EMPLOYEE BENEFITS EXPENSE

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
Salaries, Wages, Bonus etc.	66,40,282	4,76,246
Staff Welfare Expenses	-	1,210
	<b>66,40,282</b>	<b>4,77,456</b>

#### 2.17 FINANCE COST

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
Interest Expense	24,08,292	1,99,285
	<b>24,08,292</b>	<b>1,99,285</b>

#### 2.18 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
Depreciation on Property, Plant & Equipments	4,54,649	44,524
Depreciation on Intangible Assets	11,680	4,320
	<b>4,66,329</b>	<b>48,844</b>

#### 2.19 OTHER EXPENSES

Particulars	Figures for the Period Ended 31.03.2018 (₹)	Figures for the Period Ended 31.03.2017 (₹)
Manufacturing Expenses	12,53,816	4,46,795
Freight & Transportation	3,40,629	92,610
Miscellaneous Expenses	2,30,117	6,196
Repairs:	-	-
Computer maintenance	39,149	-
-to Others	-	6,900
Auditor's Remuneration:	-	-
- Audit Fees	50,000	28,750
- Certification and Other Matters	-	17,250
Lease Rent	58,500	11,500
Rates & Taxes	-	-
Printing and Stationery	11,021	718
Postage & Courier	1,837	767



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Travelling Expenses	5,88,125	45,463
Preliminary Expenses Written Off	-	-
Website Development Charges	-	2,606
Professional Fees	10,80,000	23,000
Excise Duty on Closing Stock (net)	-	35,940
Staff Welfare	22,273	
Local Conveyance Expenses	39,432	21,734
Telephone Expenses	23,419	
Web Service Charges	44,881	
Worker Welfare	30,678	
Bad Debts /Advance Written Off	1,41,045	-
Goods and Service tax	15,176	
	<b>39,70,098</b>	<b>7,40,229</b>

2.20 The LLP is engaged in the manufacturing and sale of hydraulic components and related equipments, which as per the Accounting Standard (AS)-17 is considered the only reportable business segment. The LLP does not have any geographical segments.

2.21 The LLP has entered into a Lease Agreement with its holding company, M/s Bemco Hydraulics Limited dated 28th May, 2015 for a period of five years with an option to renew the agreement on mutual consent, whereby the company has been granted the right to use a part of the office building & workshop of the holding company in lieu of monthly lease rentals. The Company does not hold any right to sublease the property to any other party and there are no terms involving payments of contingent rents. Disclosures pursuant to Accounting Standard (AS) 19 : 'Leases' is given below:

(i) The future minimum lease payments under the above non-cancellable operating lease agreement is disclosed below (Excluding Service Tax):

Particulars	Amount (₹)
(a) Not later than one year	1,20,000
(b) Later than one year and not later than five years	2,60,000
(c) Later than five years	-
	(-)

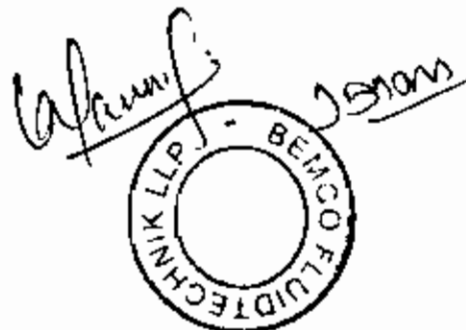
2.22 C.I.F. value of Imports, Expenditure (Including Capital Expenditure) and Earnings in Foreign Currency:- There are no transactions during the year in foreign currency

2.23 On consideration of prudence, deferred tax assets on business losses and unabsorbed depreciation has not been recognized.

2.24 Estimated amount of contracts remaining to be executed on capital accounts not provided for is ₹ NIL/-

2.25 There are no contingent liabilities as at the Balance Sheet date. There are no claims against the company not acknowledged as debts.

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



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

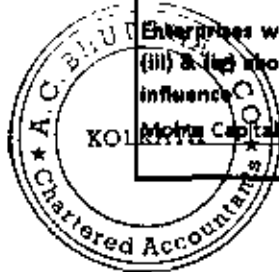
- i. **Holding Company**  
Bemco Hydraulics Limited
- ii. **Key Management Personnel**  
Shri Jagdish Narasinha Joshi  
Shri Naveen Padamnoor
- iii. **Individuals having Significant Influence**  
Shri Anirudh Mohta (Managing Director at Bemco Hydraulics Limited)
- iv. **Relatives of Individual at (iii) above:**  
Shri Madan Mohan Mohta  
Smt Urmila Devi Mohta
- v. **Enterprises where Individuals at (iii) & (iv) above have significant influence:**  
Mohta Capital Private Limited (Bemco Hydraulics Limited is an Associate of Mohta Capital Private Limited)

Related Party Relationship in terms of Accounting Standard (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.

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

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

Nature of Transactions	Expenditure				Income	Trade Payables	Trade Receivables	Long Term Borrowings	
	Lease Rent	Interest	Purchase	Remuneration (Incl. Perks)	Sales (Exclusive of Excise)	Balance at the year end	Balance at the year end	Accepted During the Year	Balance at the Year end (Incl. Interest)
<b>Key Management Personnel</b>									
Shri Jagdish Joshi	-	-	-	12,00,000 (63,642)	-	-	-	-	-
Shri Naveen Padamnoor	-	-	-	12,00,000 (1,01,930) (1,65,572)	-	-	-	-	-
<b>Holding Company</b>									
Bemco Hydraulics Limited	1,06,200 (11,500)	-	2,30,464 (93,660)	-	45,69,313 (4,45,889)	(11,500)	8,57,006 (4,06,873)	-	-
<b>Enterprises where Individuals at (iii) &amp; (iv) above have significant influence</b>									
Mohta Capital Private Limited	-	24,08,235 (1,99,285)	-	-	-	-	-	32,30,000 (8,00,000)	2,22,48,347 (1,90,78,899)



*Signature*



*Signature*

