



BEMCO HYDRAULICS LIMITED



59

ANNUAL REPORT
& ACCOUNTS
2016-2017

BEMCO

BEMCO HYDRAULICS LIMITED

*** SHRI ***

DIRECTORS:

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

CHIEF FINANCIAL OFFICER:

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

COMPANY SECRETARY

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

AUDITOR

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

COST AUDITOR

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

INTERNAL AUDITOR

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

TAX AUDITOR

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

SECRETARIAL AUDITOR

SDR AND ASSOCIATES

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

BANKERS

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

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



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

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

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

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

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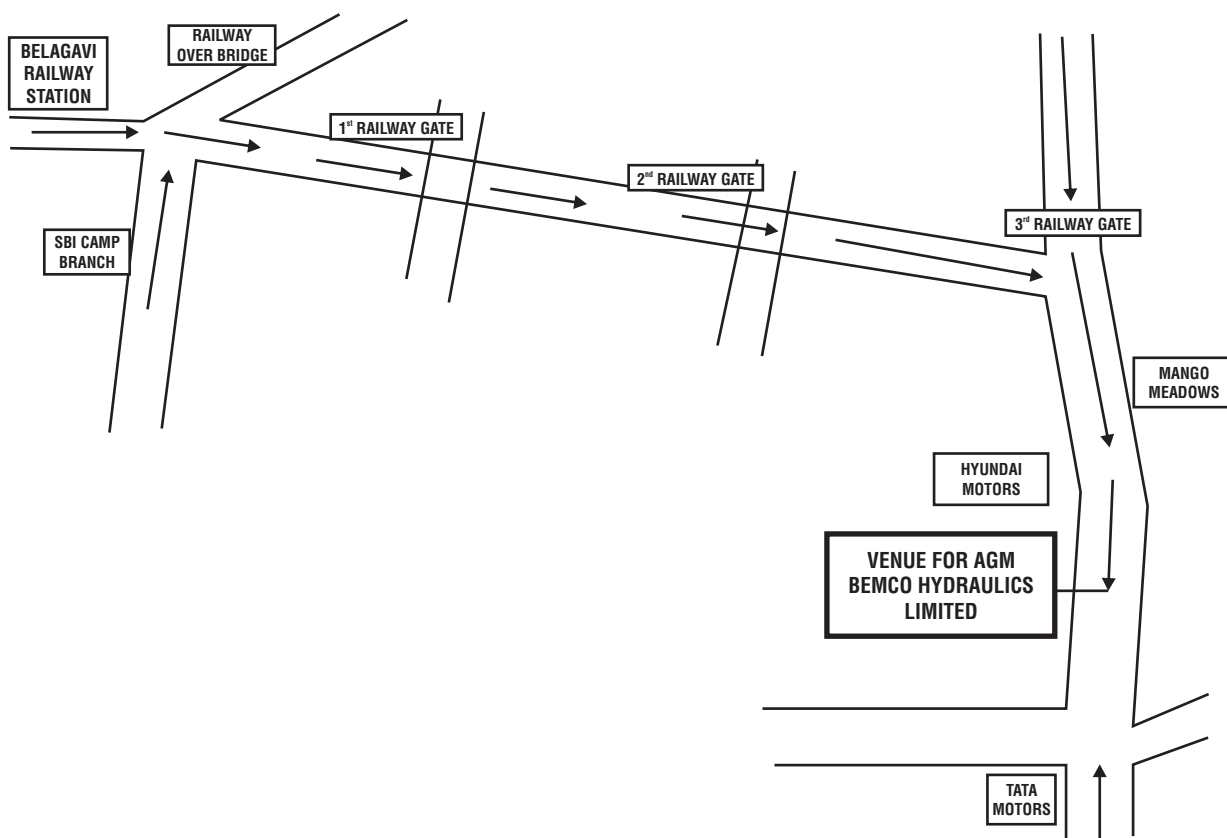
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Annual General Meeting

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

ROUTE MAP

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



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

Registered Office : Udyambag, Industrial Estate, BELGAUM - 590 008**Email:** isc@bemcohydraulics.net **Website:** www.bemcohydraulics.net**Phone No.:** 0831-2441980, Fax No.0831-2441263**NOTICE****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FIFTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF BEMCO HYDRAULICS LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT UDYAMBAG, INDUSTRIAL ESTATE, BELGAUM- 590008 ON THURSDAY THE 28th SEPTEMBER, 2017 AT 3.30 P M TO TRANSACT THE FOLLOWING BUSINESSES:

AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statement including consolidated financial statement of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. M. Mohta (DIN 00068884), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
3. To appoint a Director in place of Smt. Urmila Devi Mohta (DIN 00068906), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-election.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

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

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

Place: Belgaum
Date : 18-08-2017

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

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

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

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

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. Pursuant to Section 91(1) of The Companies Act 2013, the Company has notified closure of Register of Members and Share Transfer Books from Tuesday 19th September, 2017 to Thursday 28th September, 2017 (both days inclusive) for determining the names of members eligible for the purposes of Annual General Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.bemcohydraulics.net under the section 72 of the Companies Act, 2013
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform Registrar, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- I. The voting period begins on Monday 25th September, 2017 at (10.00 am) and ends on Wednesday 27th September 2017 at (5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website www.evotingindia.com
- IV. Click on "Shareholders" tab.
- V. Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company then your existing

password is to be used.

VIII. If you are a first time user follow the steps given below.

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format)
Bank Details OR Date of Birth (DOB)	As recorded in your demat account or in the Company records in orders to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank Details field as mentioned in instruction (v)

- IX. After entering these details appropriately, click on "SUBMIT" tab.
- X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the relevant BEMCO HYDRAULICS LIMITED on which you choose to vote.
- XIII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details,
- XV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVIII. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Note for Non – Individual Shareholders and Custodians.
- Non – Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www. https://www.evotingindia.com](https://www.evotingindia.com) and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- XXI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XXII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XXIII. Mr. S. R. Deshpande, Practicing Company Secretary (CP No. 01865) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XXIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XXV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.bemcohydraulics.net and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

M-voting

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

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

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

Go Green Initiative launched by the Ministry of Corporate affairs

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

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

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

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

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

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

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

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

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

Brief profile of the Auditors is as under:

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

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

The Board commends the resolution for approval.

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

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

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

Place : Belgaum

Date : 18-08-2017

By Order of the Board of Directors

For **BEMCO HYDRAULICS LIMITED**

Registered Office:

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

AMRUTAA. TARALE
Company Secretary
ACS- 42288

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

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

Name of the Director	Shri Madan Mohan Mohta	Smt. Urmila Devi Mohta
Date of Birth	05.09.1939	01.10.1945
Date of Appointment	23.03.1991	30.05.1992
DIN	00068884	00068906
Nationality	Indian	Indian
Expertise in specific functional areas	Wide experience Management, he was managing director upto 31.03.2014.	Vast Management experience and a Woman Director.
Qualifications	B.com	Matriculate
List of Public/ Private Companies in which outside Directorship held as on 31 st March 2017.	<ul style="list-style-type: none"> - Mohta Capital Pvt Ltd - Sri Ramachandra Enterprises Pvt Ltd - U.D.Finnvest Pvt Ltd - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd 	<ul style="list-style-type: none"> - Mohta Capital Pvt Ltd - Sri Ramachandra Enterprises Pvt Ltd - U.D.Finnvest Pvt Ltd - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd - Bemco Fluidtechnik Pvt Ltd
Chairman/member of the Committees of the Public Companies on which he is a Director as on 31 st March 2017.	NIL	NIL
No of Shares held	67183	208668
Relationship with any Director of the Company.	Father of Mr. Anirudh Mohta, Managing Director & Husband of Smt. Urmila Devi Mohta, Director.	Wife of Mr. Madan Mohan Mohta & Mother of Mr. Anirudh Mohta, Managing Director.

BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

Registered Office: Udyambag, Industries Estate, BELGAUM – 590 008

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

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

BOARD'S REPORT

To the Members,

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

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

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

(Rs. in lakhs)

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

Standalone

As against targeted turnover of Rs. 4162.20 Lakhs the company has achieved turn over of Rs. 4198.83 Lakhs as against Rs. 2182.98 Lakhs for the previous year. The profit for the year works out to Rs. 413.66 Lakhs as against the loss incurred of Rs. 307.83 Lakhs of the previous year.

Consolidated

the consolidated statement of Bemco hydraulics Limited with Bemco Fluidtechnik LLP is reproduced in brief. The consolidated turnover was Rs.4253.21/- Lakhs as against Rs. 2167.02 for the previous year. The consolidated profit for the year is of Rs. 362.97/- Lakhs as against the loss incurred of Rs. 336.14/- for the previous year, the deficit carried forward to Balance sheet is Rs.433.82/- Lakhs.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Subsequent to the date of Financial Statements (i.e. after 31st March 2017) no significant event has occurred.

3. CHANGE IN THE NATURE OF BUSINESS:

During the year under operation there was no change in the nature of business. Nonetheless, the Board desires to report that the subsidiary company BEMCO FLUIDTECH PRIVATE LIMITED was converted in to Limited Liability Partnership in terms of the Limited Liability Partnership Act 2008.

4. SHARE CAPITAL

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

5. DIVIDEND:

Equity Shares:

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

Preference Shares:

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

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

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

- MOHTA CAPITAL PRIVATE LIMITED
- U D FINNVEST PRIVATE LIMITED
- SRI RAMACHANDRA ENTERPRISES PRIVATE LIMITED

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

As, no Dividend is paid on preference shares for F. Y. 2014-15, 2015-16 and also for F Y 2016-17, the Preference Share holders would get voting rights on par with equity share holders, in terms of the provisions of Section 47 of the Companies Act 2013 on and after the forthcoming AGM.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

DIRECTORS

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

KEY MANAGERIAL PERSONNEL – KMP

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

7. COMPOSITION OF COMMITTEES:
a. AUDIT COMMITTEE

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

b. NOMINATION AND REMUNERATION COMMITTEE

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

c. STAKE HOLDERS RELATIONSHIP COMMITTEE

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

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

- | | |
|----------------|---|
| Chairman: | Ms Kirti Ramchandra Devale – Company Employee |
| Other Members: | Mrs. Madhuri Kulkarni- Company Employee
Ms. Jyoti Killekar- Company Employee |

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

	ANNEXURE	PAGE NO
a. Extract of annual return- Form MGT-9	ANNEXURE- I	10
b. Number of meetings of the board	ANNEXURE- II	14
c. a. Directors responsibility Statement b. details in respect of fraud reported by auditors under sub section (12) of section 143 other than those which are reportable to the central government	ANNEXURE- II	14
d. A statement on declaration given by independent directors under sub - section (6) of section 149.	ANNEXURE- III	15
e. Companies policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters provided under sub - section (3) of section 178 Ratio of remuneration to each directors	ANNEXURE- III	15
f. Qualification and remarks	ANNEXURE- IV	16
g. Particulars of loan, guarantees or investment under section 186.	ANNEXURE- IV	16
h. Particulars of Subsidiary Company AOC -1	ANNEXURE- V	17
i. Particulars of contracts or arrangement with related parties referred to in Sub-section 1 of section 188- AOC-2	ANNEXURE- VI	18
j. The conservation of energy technology absorption, foreign exchange earnings and outgo.	ANNEXURE- VII	19
k. A statement indicating development and impleme ntation of a risk management Policy for the company including identification therein of elements of risk, if any which in the opinion of the board may threaten the existence of the company.	ANNEXURE- VIII	20
l. The details of the policy developed and implemented by the company on corporate social responsibilities taken during the year.	ANNEXURE- VIII	20
m. A statement indicating the manner in which formal annual evaluation has been made by the board of its own performance and that of its committees and individual directors.	ANNEXURE- VIII	20
n, The state of the companies affairs Material changes and commitments if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relates and the date of the Company.	MANAGEMENT DISCUSSION AND ANALYSIS REPORT	21

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

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

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

10. STATUTORY AUDITOR

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