



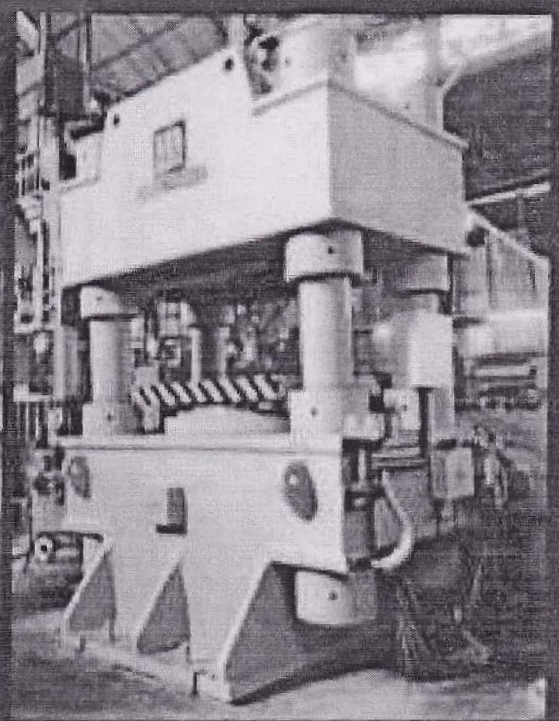
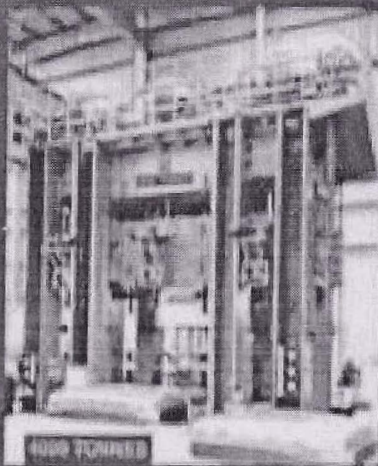
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BEMCO HYDRAULICS LIMITED



64

ANNUAL REPORT & ACCOUNT 2021-2022



BEMCO HYDRAULICS LIMITED

DIRECTORS

MADAN MOHAN MOHTA

ANIRUDH MOHTA

URMILA DEVI MOHTA

RAMESH SHAH

NAWAL KISHOR DAGA

DILIP CHANDAK

- CHAIRMAN - NON EXECUTIVE

- MANAGING DIRECTOR - EXECUTIVE

- DIRECTOR - NON EXECUTIVE

- DIRECTOR - INDEPENDENT NON- EXECUTIVE

- DIRECTOR - INDEPENDENT NON- EXECUTIVE

- DIRECTOR - INDEPENDENT NON- EXECUTIVE

CHIEF FINANCE OFFICER

VIJAY SAMBREKAR

EMAIL : cfo@bemcohydraulics.net

COMPANY SECRETARY

MS. AMRUTA A. TARALE (ACS 42288)

EMAIL : cs@bemcohydraulics.net

AUDITOR

S. JAYKISHAN.

CHARTERED ACCOUNTANTS

HO CHI MINH SARANI, SUIT-2D,

KOLKATA- 700 001

COST AUDITOR

UMESH NARASIMHA KINI, B. COM, ACMA

COST ACCOUNTANT,

SHANTI NIKETAN, BANVASI ROAD,

SIRSI - 581 401

INTERNAL AUDITOR

M/S LATKAN & ASSOCIATES.

CHARTERED ACCOUNTANTS

VANAPRABHA MANSION, CTS 135,

4TH CROSS, ADARSH NAGAR, HINDWADI,

BELGAUM-590011

TAX AUDITOR

ULHAS KINI & CO- CHARTERED ACCOUNTANTS

97, PUSHPANJALI, FIRST FLOOR,

MANGALWAR PETH, TILAKWADI,

BELGAUM - 590 004

SECRETARIAL AUDITOR

SDR AND ASSOCIATES

ANANDI RESIDENCY

150, BUDHWAR PETH,

TILAKWADI, BELGAUM 590006.

BANKERS

BANK OF BARODA

PLOT NO. 39, R.S. NO. 347,

SAWANT COMPLEX,

UDYAMBAG, BELGAUM-590008



BEMCO HYDRAULICS LIMITED

(CIN:11010KAT071000230)

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

Email: info@bemcohydraulics.net Website: www.bemcohydraulics.net Phone No.: 0531-2441000, Fax No. 0531-2441003

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Annual General Meeting Venue

REGISTERED OFFICE: UDYAMBAG, INDUSTRIES ESTATE, BELGAUM - 590 008 (KARNATAKA) INDIA

Date- 29th July, 2022

Time- 03:30 pm

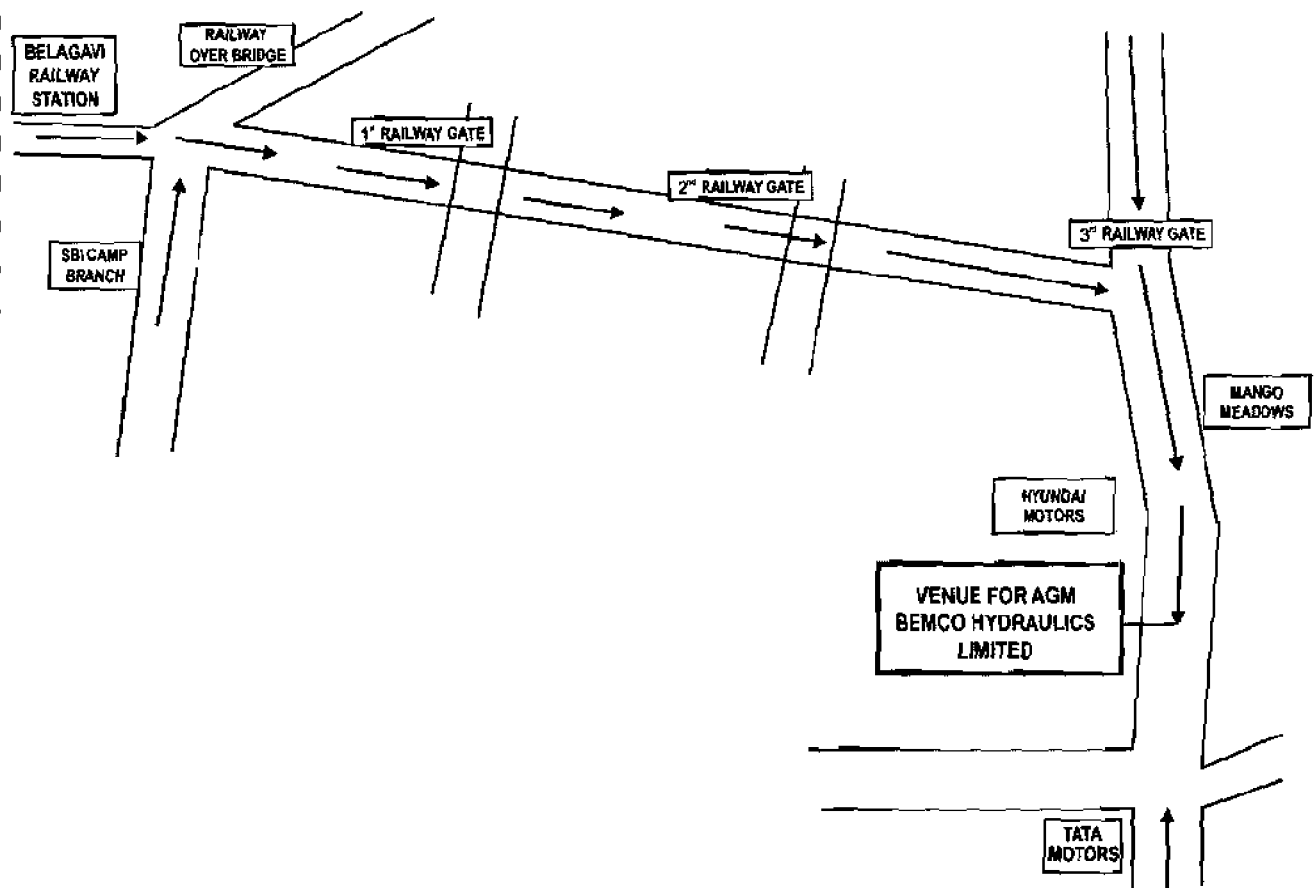
ROUTE MAP

ROUTE MAP

LANDMARK :

HYUNDAI MOTORS

KHANAPUR ROAD, UDYAMBAG,
BELGAUM - 590 008



BOARD OF DIRECTOR'S REPORT

To the Members,

The Directors have pleasure in presenting their 64th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2022 incorporating therein the consolidated financial statement covering the activities of its subsidiary BEMCO FLUIDTECHNIK LLP.

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]

The financial statement for the year ended 31st March, 2022 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS.

(Rs. in lakhs)				
Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue From Operations	6225.37	6187.47	6550.78	6445.37
Other Income	62.78	52.57	59.06	49.77
Total Income	6288.15	6240.04	6609.84	6495.14
Profit/(loss) before exceptional items & tax	749.94	709.18	806.72	697.86
Exceptional Items	-	-	-	-
Profit/(loss) before tax	749.94	709.18	806.72	697.86
Tax Expense/(Credit) net	227.37	303.67	227.37	303.67
Profit / (Loss) for the period from continuing operations	522.57	405.51	579.35	394.19
Other Comprehensive Income	7.70	1.16	7.70	1.08
Total Comprehensive Income/ (loss) for the period	530.27	406.67	587.05	395.27

Standalone

The company has achieved turnover of Rs. 6288.15/- Lakhs as against Rs. 6240.04/- Lakhs for the previous year. The Total comprehensive income for the year works out to Rs. 530.27/- Lakhs as against Rs. 406.67/- 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. 6609.84/-Lakhs as against Rs. 6495.14/- Lakhs for the previous year. The consolidated Total comprehensive profit for the year is of Rs. 587.05/- Lakhs as against Rs. 395.27/- lakhs for the previous year.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

Subsequent to the date of Financial Statements (i.e. after 31st March 2022), 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.

4. SHARE CAPITAL

The Equity Share capital of the company is Rs. 2,19,33,500/-. The preference share capital is Rs. 3,00,00,000/- and the present total paid up capital of the company amounts to Rs.5,19,33,500/-.

5. ANNUAL RETURN:

The annual return e- form MGT-7 for the financial year 2021-22 is available on the website www.bemcohydraulics.net.

6. DIVIDEND:

Equity Shares:

As the company's profit amounts to Rs. 491.76/- lakhs the board decided to retain the amount for the expansion of the business and therefore no dividend is proposed for the financial year 2021-22.

PREFERENCE SHARES:

The Board wishes to explain that the dividend on 300000 preference shares is in arrears since 2018, the Company has paid the 11% cumulative dividend on 300000 preference shares from the financial year 2018 upto 2022 which amounts to an outflow of Rs.1,65,00,000/-, after taking approval of the Board of directors in the meeting held on 23rd May, 2022, and further shall confirm the same in the forthcoming 64th Annual General meeting.

F. Y. ended on	No. of Preference Shares	Amount of Dividend in Rs.
31 st March 2019	3,20,000	2,11,20,000/-
31 st March 2020	3,00,000	2,31,08,000/-
31 st March 2021	3,00,000	2,64,09,093/-
31 st March 2022	3,00,000	1,65,18,734/-

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

1. MOHTA CAPITAL PRIVATE LIMITED
2. U D FINNVEST PRIVATE LIMITED
3. SRI RAMACHANDRA ENTERPRISES PRIVATE LIMITED

As Dividend is paid on 3,00,000 preference shares for F. Y., 2017-18, 2018-19, 2019-20, 2020-21 and also for F Y 2021-22, the Preference Share holders would not 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 in the forthcoming AGM.

7. 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. MADAN MOHAN. 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. VIJAY SAMBREKAR | - Chief Finance Officer |
| 3. MS. AMRUTA A. TARALE | - Company Secretary |

8. 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
 Mr. Madan Mohan 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
 Mr. R. M. Shah - Independent Director

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

Chairman: Ms. Kirti Ramchandra Devale - Company Employee
 Other Members: Mrs. Madhuri Kulkarni- Company Employee



Ms. Amruta Tarale- Company Employee

9. 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.	Number of meetings of the board	ANNEXURE-I	7
b.	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-I	7
c.	A statement on declaration given by independent directors under sub- section (6) of section 149.	ANNEXURE-II	8
d.	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- II	8
e.	Qualification and remarks	ANNEXURE- III	10
f.	Particulars of loan, guarantees or investment under section 186.	ANNEXURE- III	10
g.	Particulars of Subsidiary Company AOC-1	ANNEXURE- IV	13
h.	Particulars of contracts or arrangement with related parties referred to in Sub-section 1 of section 188- AOC-2	ANNEXURE- V	14
i.	The conservation of energy technology absorption, foreign exchange earnings and outgo.	ANNEXURE- VI	16
j.	A statement indicating development and implementation 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- VII	18
k.	The details of the policy developed and implemented by the company on corporate social responsibilities taken during the year.	ANNEXURE- VII	18
l.	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- VII	18
m.	Report Corporate Social Responsibilities Activities	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	

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

At Bemco, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

At Bemco every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in values and in the Code of Ethics & Conduct of Bemco. The Direct Touch (Whistle-Blower & Protection Policy)

Policy provides a platform to all employees for reporting unethical business practices at workplace without the fear of reprisal and help in eliminating any kind of misconduct in the system. The Policy also includes misconduct with respect to discrimination or sexual harassment.

The Company also has in place 'Prevention of Sexual Harassment Policy'. This Anti-Sexual Harassment Policy of the Company is in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee is in

place to redress complaints received regarding sexual harassment. There were no complaints before the ICC during the financial year 2021-22 as borne out by following table.

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

11. STATUTORY AUDITOR

Pursuant to 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 23rd May, 2022, the Board of Directors of the Company has recommended appointment of M/s A C Bhuteria & Co, a firm of Chartered Accountants (Firm Registration number 303105E) as the statutory auditors of the Company. M/s A C Bhuteria & Co will hold office for a period of five consecutive years from the conclusion of the 64th Annual General Meeting of the Company scheduled to be held on July 29th, 2022, till the conclusion of the 69th Annual General Meeting to be held in the year 2027, subject to the approval of the shareholders of the Company.

The first year of audit will be of the financial statements for the year ending March 31, 2013, which will include the audit of the quarterly financial statements for the year. To align with the above, the Board of Directors of the Company also approved the appointment of M/s A C Bhuteria & Co, a firm of Chartered Accountants as statutory auditors of the Company. This appointment is effective for the year ending March 31, 2023.

12. AUDIT REPORTS

The audit conducted by M/s S. Jaykishan, a firm of Chartered Accountants, (Firm Registration No. 309005E) for financial year 2021-22 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report and it is self explanatory.

13. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company in the board meeting held on 24TH June, 2021 had appointed M/s SDR & ASSOCIATES, a Firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2022. The Secretarial Audit Report issued in this regard is enclosed to this Report.

14. INTERNAL AUDIT:

In the Board of Directors meeting held on 12th August, 2021 M/s Latkan & Associates were appointed to undertake internal audit of the Company for the financial year ending 31st March, 2022, as required under section 138 read with rule 13 of companies (Accounts) Rules, 2014. The internal audit report given by the auditor does not contain any qualification remark.

15. DISCLOSURE ABOUT COST AUDIT

In pursuance of Section 148 of Companies Act 2013 read with Rule 5(1) of Companies (Cost Record and Audit) Amendment Rules 2014. Mr Umesh Kini, Cost Accountant was appointed to carry out cost compliance certification for the financial year 2021-22. The Company is not covered by Cost Audit, nonetheless, the company is maintaining Cost Records on routine basis and the Company obtains Cost Compliance report from a practicing Cost Accountant as a matter of good corporate practice and to instill cost consciousnesses at all level of operations.

16. RELATED PARTY TRANSACTIONS

All-Related Party Transactions that were entered into during the financial year under review were on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance. None of the transactions entered into with related parties falls under the scope of Section 188(1) of the Act. Details of transactions with related parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure -V in Form AOC-2 and forms part of this Report. The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board may be viewed on the Company's website at www.bemcohydraulics.com

17. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

As per regulation 15 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 preparation of Corporate governance report is not applicable to our company as it does not fall under the criteria laid down in regulation 25 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 i.e. our company's paid up share capital is not exceeding Rupees ten crore and net worth is not exceeding Rupees twenty five crores as on the last date of previous financial year, but as a good ethical practice BEMCO continues to follow corporate Governance practices and a report on corporate governance is uploaded on our website www.bemcohydraulics.net.

18. VIGIL MECHANISM:

The Vigil Mechanism acts as an additional internal element of the Company's compliance and integrity policies. All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with BEMCO can raise concerns regarding malpractices and events which may negatively impact the company. Vigil Mechanism has been established under the supervision of the Chief financial Officer and the Company Secretary of the Company. The Audit Committee, and the company secretary reviews the working of the Vigil Mechanism from time to time and make suggestions, if needed. The Vigil protects the whistleblower against victimization for the disclosures made by him/her and ensures complete confidentiality of the whistleblower's identity and the information provided by him/her. The investigation is conducted honestly, neutrally and in an unbiased manner. The subject or other involved persons in relation with the protected disclosure are also given an opportunity to be heard. Strict disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism. The company has adopted a policy on whistle blower and vigil mechanism where the policy also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The policy on whistle blower and vigil mechanism is also uploaded on the company's website www.bemcohydraulics.net

19. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

There are sound internal controls commensurate with nature and size of the Company that have been incorporated in the Policy to detect the financial discrepancies well in time. Key policies are defined, understood and enforced. Operating procedures are clearly defined; detailed and harmonized procedures are available across the organization. Several controls are preventive in nature and automated. All stakeholders are aware of their roles and responsibilities with respect to processes and controls. The culture of compliance with laid down guidelines and procedures is evident through the actions and behavior of individuals and teams. The Management Information System ensures that adequate and accurate information is available for reporting and decision making. The Audit committee also evaluates the operating effectiveness of Internal Financial Control systems.

Moreover:

- Internal Audit is carried out at regular intervals by an Independent Chartered Accountant, who submits his report to the Audit Committee and Board
- Statutory Auditors carry out the verification of Books on every Quarter before submitting their Limited Review Report

Board is prompt in maintaining the adequacy of Internal Financial Controls with reference to the Financial Statements

21. LISTING WITH STOCK EXCHANGE:

The company is listed in Bombay Stock Exchange and The Company has paid the Annual Listing Fees for the year 2022-23 to Bombay Stock Exchange where the Company's Shares are listed.

22. ANNUAL REPORT:

Securities and Exchange Board of India (SEBI) has issued circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 regarding relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic.

Accordingly, requirement of sending physical copies of annual report to shareholders are dispensed with for listed entities who conduct their AGM till December 31, 2022.

We request the shareholders to download the 64th Annual Report which is uploaded on our website www.bemcohydraulics.net.

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

24. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the Government, the Banks/ Financial Institutions and other stakeholders such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

Date – 23rd May, 2022
Place – BELGAUM



M.M. MOHTA
Chairman
DIN-00068884
2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka.

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