



BEMCO HYDRAULICS LIMITED

43

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Annual Report & Accounts

2000-2001



BEMCO HYDRAULICS LIMITED

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DIRECTORS

M.M. MOHTA, *Chairman & Managing Director*
URMILA DEVI MOHTA
R.M. SHAH
ANIRUDH MOHTA, *Joint Managing Director*
N.K. DAGA

BANKERS

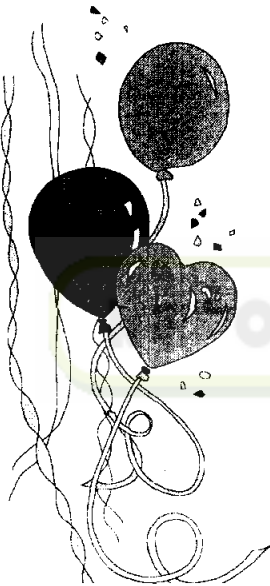
BANK OF MAHARASHTRA
STATE BANK OF INDIA

AUDITORS

M/s P.G. BHAGWAT
Chartered Accountants
BELGAUM - 590 006

REGISTERED OFFICE

Khanapur Road,
Udyambag
BELGAUM - 590 008
(Karnataka)



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BEMCO HYDRAULICS LIMITED

NOTICE

Notice is hereby given that 43rd Annual General Meeting of the Company will be held on Saturday, September 29, 2001 at the Registered office of the Company at 3.00 PM to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2001 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Shri R M Shah who retires by rotation and being eligible offers himself for re-election.
3. To re-appoint Auditors and fix their remuneration.

Place: Belgaum
Date: July 10, 2001

for **BEMCO HYDRAULICS LTD**

M M MOHTA
Chairman and Managing Director

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND THE PROXY NEED NOT BE A MEMBER.**
2. Proxies in order to be effective should be stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Members are requested to intimate the Company about the change of Address, if any.
4. The Register of Members and Share Transfer Books shall remain closed from September 15, 2001 to September 29, 2001 (both the days inclusive).



DIRECTORS' REPORT

To
The Shareholders.

Your Directors' submit their Forty Third Annual Report together with the Accounts for the year ended 31st March 2001.

FINANCIAL RESULTS :

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

	2000-2001	1999-2000
	Rs.	Rs.
01 Gross Profit for the year after meeting all operating expenses but before interest, gratuity provision and depreciation amounts to :	7,935,092	69,83,077
02 Deduction there from: Interest	4,687,157	54,20,291
03 Profit before depreciation	3,247,936	15,62,786
04 Depreciation for the year	1,602,375	12,59,764
05 Profit After Depreciation - (PBIT)	1,645,561	3,03,022
06 Provision for Taxation	525,000	77,000
07 Profit amounts to - (PAT)	1,120,561	2,26,022
08 Prior Period Adjustments Net	(257,758)	(10,15,582)
09 Net Profit/Loss	862,803	(7,89,560)
10 Surplus brought forward	(580,537)	2,09,023
11 Investment Allowance Written back	18,964	Nil
12 Total Profit/Loss carried forward	301,230	(5,80,537)

DIVIDEND :

Your Directors express their inability to recommend any dividend, due to inadequacy of profits.

REVIEW OF OPERATION :

The Companies performance during the year under review was satisfactory. Total Net Sales for the year amounted to Rs 1204/- Lacs as against Rs. 1038/- Lacs for the year ended 31st March 2000 showing a growth of 15.86% The profit after tax for the year under review, amounted to Rs.11.20 lacs as against Rs 2.26/- lacs for the previous years.

FUTURE PROSPECTS :

All the Engineering Industries are passing through the recession and situation may improve in latter part provided Government takes concrete steps.

The management of the company has formulated and put into several measures to curtail costs, important and significant reduction in the manpower cost has been achieved which in-turn will make us more competitive.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.

SANSKO HYDRAULICS LIMITED

- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2001 and of the profits of the Company for the period ended 31st March, 2001.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE :

The company believes in good corporate practices to enable the Board to direct and control the affairs of the company in an efficient manner and to achieve its ultimate goal of maximizing shareholder value. Realizing this, the company has adopted many practices over the last few years, even when there are no mandatory requirements in this regard. As a result, a number of provisions regarding Corporate Governances prescribed by the Listing Agreements have already been complied with and steps are being taken to comply with the balance provisions. A separate note on Corporate Governance is enclosed herewith. (Page No.5)

SECTION 383A OF THE COMPANIES ACT 1956 :

During the year under Report Shri S Ramesh, the Company Secretary resigned from the post as a result there is a vacancy in the post of Company Secretary. The Company has taken steps to fill up the vacancy by publication of advertisement in reputed Journal.

MODERNIZATION AND TECHNOLOGY UPGRADATION, COST REDUCTION RESTRUCTURING SCHEME / PROCESS :

Companies first phase of modernization programme has been implemented with financial assistance from Karnataka State Financial Corporation, during 1995 and further input labour cost reduction scheme has been implemented during 1999, to keep phase with Global restructuring process.

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

There is no Fixed Deposit liability as on 31.03.2001 and further Company has not accepted any fixed deposit.

PERSONNEL :

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

HEALTH AND SAFETY OF THE EMPLOYEE :

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

DIRECTORS :

Sri R M Shah retires from the Board by rotation and is eligible for reappointment.

AUDITORS REPORT :

Auditor's Report is self explanatory.



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

CONSERVATION OF ENERGY :

The present manufacturing process employed is not energy intensive and hence, there is limited scope for conservation of energy. However, efforts are being made to keep the consumption of power and fuel at minimum.

PARTICULARS OF EMPLOYEES :

Information in accordance with the provisions 217 (2A) of the Companies Act. 1956, read with the company (Particular of the employees rules 1975) as amended, regarding employees is given hereunder.

Statement of particulars of employees under section 217(2A) of the companies Act. 1956.

1. Name	:	Mr. M M Mohta
2. Designation & Nature of Duty	:	Chairman & Managing Director
3. Nature of employment	:	Contractual
4. Remuneration received	:	Rs. 7,55,015/-.
5. Qualification	:	B.Com.
6. Age in years	:	62 years
7. Experience in years	:	35 years
8. Date of commencement of employment.	:	21.01.75
9. Particulars of last employer	:	Arvind Engg.works (P) Ltd.
10. Last post held	:	President

None of the employees related to any Directors except Anirudh Mohta, Joint Managing Director, Smt. Urmila Devi Mohta, Director and Mrs. Suma Mohta, Executive Assistant.

EXPENDITURE IN FOREIGN CURRENCY AND FOREIGN EXCHANGE :

The required information in respect of foreign exchange earnings and outgo has been given in Note No.13 of the Notes forming part of Accounts for the year ended 31st March 2001.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation for the support of the employees during the year.

Your Directors also wish to place on record their sincere appreciation for the support by Financial Institutions, Bankers and other Institutions and customers.

For and on behalf of the Board of Directors

M. M. MOHTA

Chairman & Managing Director

Place : BELGAUM

Date : 10.07.2001

ANIRUDH MOHTA

Joint Managing Director

REMCO HYDRAULICS LIMITED**CORPORATE GOVERNANCE**

Issues involving Corporate Governance are taking on a high profile globally and have come to the fore recently in India. Corporate Governance has an important role to play as an instrument of investor protection. The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability.

While complying with the various provisions of laws and regulations regarding Corporate Governance, it was observed that the Company has already been following good practices in major areas.

A Board of Directors, of whom one is Nominees from bank and other two are independent Directors who are well known in their respective fields, manages the Company. Thus, of the members are independent Directors who have been associated with the Company for a very long time.

The profile of the Board of Directors as under.

Name and Date of Appointment	Qualification
Sri M M Mohta Chairman & Managing Director 23.03.1991 as Managing Director (Prior to that he was President of the Company)	B.Com.
Sri Anirudh Mohta Joint Managing Director 18.08.1994 as Technical Director (From 01.04.99 as a Joint Managing Director)	B.E. Industrial Production
Smt Urmila Devi Mohta, Director 30.05.1992	Matriculate
Sri R M Shah Director 05.01.1988	Automobile Engineer
Sri N K Daga Director 17.04.1998	B.Com Local Businessman
Bank of Maharashtra, Regional Office, Bangalore	Mr. Muralidharan AGM- Regional Office, Bangalore
Board Observe	



During the financial year 2000-2001, 8 Board Meetings were held and the attendance of the Directors was as follows:

Name of the Director	No.of Meetings Held	No.of Meetings Attended
Sri M M Mohta Chairman & Managing Director	8	8
Sri Anrudh Mohta Joint Managing Director	8	8
Smt Urmila Devi Mohta, Director	8	8
Sri R M Shah Director	8	6
Sri N K Daga Director	8	7
Bank of Maharashtra, Regional Office, Bangalore	8	-
Board Observer		

The Certificate from the Chairman and Managing Director and the Company Secretary and Corporate Controller regarding due compliance of all statutory requirements under the various Acts were placed at every meeting of the Board of Directors.

The Company has a well-established system of internal audit, being followed for the last 10 years. This is carried out by M/s. Jain, Christopher, Shrikant & Shrikant Bangalore, an external audit firm.

Apart from the above regular Minutes of Meeting as well as Quarterly Results has been sent regularly to the Nominee Director, Bank of Maharashtra, Regional Office, Bangalore.

The Share Transfer Committee of the Directors of the Company regularly approves the transfer and transmission of securities and other related matters.

The Board of Directors is committed to achieve the highest standards of Corporate Governance and will endeavor to make further improvements during the current year and in future.