



# BEMCO HYDRAULICS LIMITED



# BEMCO



ANNUAL REPORT & ACCOUNTS 2013-2014

# 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

## BANKERS:

BANK OF MAHARASHTRA, Main Branch, Kirloskar Road, BELGAUM  
STATE BANK OF INDIA, Commercial Branch, BELGAUM

## AUDITORS

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

## COST AUDITORS

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

## INTERNAL AUDITORS

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

## REGISTRAR & TRANSFER AGENTS

**ADRIOT CORPORATE SERVICES PVT. LTD.**  
19, Jaferboy Industrial Estate,  
1st Floor, Makwana Road,  
Moral Naka, Mumbai - 400059

## REGISTERED OFFICE:

Udyambag, Industrial Estate  
BELGAUM 590 008 KARNATAKA STATE



## BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

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

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

**Phone No. :** 0831-4219000, **Fax No. :** 0831-2441263

### BALLOT FORM

Name of the Member(s)

Registered Address

Registered Folio No./ DP ID/ Client ID

No. of equity Share(s) held

I/we, hereby exercise my/our vote of the following resolution(s) to be passed at the 56th Annual General Meeting of the Members of the Company to be held on Friday, 12th September 2014 at 3.30 PM at Udyambag, Industrial Estate, Khanapur road, Belgaum - 590 008 (Karnataka) in respect of business as stated in the Notice dated 8th August 2014 by conveying my/our assent or descent to the said resolution(s) by placing ( ✓ ) mark in the box against respective matters

Resolution no.	Description	Ordinary/Special Resolution	For	Against
1	To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.	Ordinary		
2	To Appoint of Director in place Smt. Urmila Devi Mohta who retires by rotation and is eligible re-election	Ordinary		
3	To Appoint the Statutory Auditors and Authorize Board to fix their remuneration	Ordinary		
4	To Appoint Mr. N. K. Daga As an Independent Director	Ordinary		
5	To Appoint Mr. R. M. Shah As an Independent Director	Ordinary		
6	To Appoint Mr. Dilip Chandak As an Independent Director	Ordinary		
7	To confirm appointment of Mr. Anirudh Mohta as Managing Director and terms of his remuneration	Ordinary		
8	To approve and adopt new set of Articles of Association in substitution of the existing set of Articles	Special		
9	To approve keeping of Register of Members and related records along correspondence with Company' RTA M/S Adroit Corporate Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, Makawana Road, Marol Naka, Andheri (E), Mumbai - 400 059 as per Section 94(1) of the Companies Act 2013	Special		

Date: .....

Place: .....

.....  
Signature of the Member

# BEMCO HYDRAULICS LIMITED

**(CIN: L51101KA1957PLC001283)****Registered Office :** Udyambag, Industrial Estate, BELGAUM - 590 008**Email:** isc@bemcohydraulics.net **Website:** www.bemcohydraulics.com**Phone No.:** 0831-4219000, Fax No.0831-2441263

## NOTICE

Notice is hereby given that the Fifty Sixth 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 Friday the 12th September 2014 at 3.30 p m to transact the following businesses:

### AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. 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 has offered herself for re-appointment.
3. 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,** M/s. A C Bhuteria and Co, Chartered Accountants (Registration No. 303105E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors."

### AS SPECIAL BUSINESS

4. To appoint Shri N K Daga (DIN 00142170) as an Independent Director 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri N K Daga (DIN 00142170), who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office, be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this annual general meeting who shall not retire by rotation.

5. To appoint Shri Ramesh Manickchand Shah (DIN 00068653) as an Independent Director 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ramesh Manickchand Shah (DIN 00068653), who offers himself for re-election as an independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this annual general meeting who shall not retire by rotation.

6. To appoint Shri Dilip Premraj Chandak (DIN-00644673) as an Independent Director 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Dilip Premraj Chandak (DIN 00644673), who offers himself for re-election as an independent Director in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of five years from the conclusion of this annual general meeting who shall not retire by rotation

7. To consider and, if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
- "RESOLVED THAT**, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr **ANIRUDH MOHTA** (DIN 00065302), as Managing Director for a period of 5 (five) years with effect from 1st April 2014 on such terms and conditions as mentioned in the draft agreement whose salient features are set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri ANIRUDH MOHTA subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
- RESOLVED FURTHER THAT**, the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
8. To consider and, if thought fit, to pass the following resolution with or without modification(s), as a **special resolution** to adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
- "RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;
- RESOLVED FURTHER THAT**, the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
9. To consider and, if thought fit, to pass the following resolution with or without modification(s), as a **special resolution**:
- "RESOLVED THAT**, pursuant to proviso to section 94(1) of the Companies Act, 2013 consent of the members of the Company through this special resolution be and is hereby accorded in this 56th annual general meeting to the keeping of register of members consisting of equity shares in both mode, i.e. physical and dematerialized form at Company's Registrar and Transfer Agents (RTA) **Adroit Corporate Services Pvt. Ltd.** 19, Jaferboy Industrial Estate, 1st Floor, Makwana Road, Moral Naka, Mumbai 400059 and the Board of Directors are hereby authorised to take all appropriate and follow up measures in this regard".

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

**ANIRUDH MOHTA**  
*Managing Director*  
DIN 00065302  
2, Mohanam, 10th Cross, Bhagyanagar,  
Belgaum - 590 006, Karnataka

**Registered Office:**  
Udyambag, Industrial Estate, BELGAUM-590008  
**CIN : L51101KA1957PLC001283**  
**E-mail : isc@bemcohydraulics.net**  
**Dated : 08th August 2014**



**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.**
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 Clause 49 of the Listing Agreement 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 Friday 29th August 2014 to Friday the 12th September 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the 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](http://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 56th 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 **Saturday the 6<sup>th</sup> September 2014 (10.00 am)** and ends on **Monday the 8<sup>th</sup> September 2014 (5.30 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 **8<sup>th</sup> August 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- III. Click on "Shareholders" tab.
- IV. 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.
- V. Next enter the Image Verification as displayed and Click on Login.
- VI. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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 demat account/folio number in the PAN field,</li> <li>In case the folio 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. E.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date in the Dividend bank details field.</b></li> </ul>

- VIII. After entering these details appropriately, click on "SUBMIT" tab.
- IX. 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.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant BEMCO Hydraulics Limited on which you choose to vote.
- XII. 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.
- XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details,
- XIV. 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.
- XV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVII. 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.
- XVIII. Note for Institutional Shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

##### **Items No 4, 5 and 6: APPOINTMENT OF INDEPENDENT DIRECTORS.**

(1) Shri N K Daga (2) Shri R.M.Shah and (3) Dilip Chandak are Independent Directors of the Company and have held the positions as such for more than 5 (five) years. Mr. N.K.Daga retires by rotation at the ensuing AGM under the provisions of the Companies Act, 1956 and the other two Directors though not retiring this year are also liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Shri N K Daga, is seeking re-election and at the same time Shri R. M. Shah, and Shri Dilip Chandak though not retiring at the ensuing AGM, are offering themselves for re-election as independent directors.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of 1.Shri N K Daga 2.Shri R.M.Shah and 3. Shri.Dilip Chandak for the office of Independent Directors, to be appointed as such under the provisions of the Companies Act, 2013.

The Company has received from Shri.N K Daga Shri. R. M. Shah and Shri. Dilip Chandak (i) consent in writing to act as directors in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors ) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors ) Rules, 2014 to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

It is proposed to appoint Shri N K Daga, Shri R.M. Shah and Shri.Dilip Chandak as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years.

In the opinion of the Board, Shri. N K Daga, Shri. R.M. Shah and Shri Dilip Chandak fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and they are independent of the management.

Brief resume of Shri. N K Daga, Shri. R.M Shah and Shri. Dilip Chandak, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Shri. N K Daga, Shri. R.M.Shah and Shri. Dilip Chandak as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri. N K Daga, Shri. R. M. Shah and Shri. Dilip Chandak are interested in the resolution set out respectively at Item No 4, 5 and 6 of the Notice with regard to their appointment.

The relatives of Shri. N K Daga, Shri. R. M. Shah and Shri. Dilip Chandak may be deemed to be interested in the resolutions set out respectively at Item No. 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.



Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the three Ordinary Resolutions set out at Item No. 4, 5 and 6 of the Notice for approval by the shareholders.

**Item No 7: APPOINTMENT OF MR. ANIRUDH MOHTA AS MANAGING DIRECTOR.**

Tenure of Mr. Madan Mohan Mohta and Mr. Anirudh Mohta as Chairman and Managing Director and Joint Managing Director respectively expired on 31st March 2014. Based on an interpretation of new law, the board in its meeting held on 1st April 2014 appointed Mr. **Madan Mohan Mohta** as Whole Time Director and Mr. **Anirudh Mohta** as Managing Director on almost the same terms and conditions that prevailed earlier, namely salary of Rs. 75,000/- per month to Mr. Madan Mohan Mohta and Rs. 50,000/- per month to Mr. Anirudh Mohta on two year tenure, which was subject to the approval of the Central Government. However, the Board was advised that approval of Central Government is not necessary in the present case. Therefore, based on the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 8th August 2014 partially modified the terms of appointment of Mr. **Anirudh Mohta** (DIN 00065302), as the Managing Director from Rs. 50,000/- per month to Rs. **1,50,000/-p.m. from 1st August 2014** on a time scale of five years. So far as Mr. Madan Mohan Mohta is concerned, he resigned from his office as Whole Time Director and has elected to remain as a Non Executive Chairman of the Board of Directors. The salient features of the terms of appointment of Mr. **Anirudh Mohta** as Managing Director are as under.

Duties & Responsibilities	To look after whole and substantially whole of the affairs of the Company including day today affairs, subject to the control, supervision and superintendence of the Board of Directors.
Tenure	Five years i.e. from 1 <sup>st</sup> April 2014 to 31 <sup>st</sup> March 2019
Remuneration	Rs. 50,000/- p.m. for the months of April, May, June and July 2014 and thereafter from 1 <sup>st</sup> August 2014, in the time scale of Rs. <b>1,50,000</b> - 15,000 - <b>1,65,000</b> - 15,000 - <b>1,80,000</b> - 15,000 - <b>1,95,000</b> - 15,000 - <b>2,10,000</b>
Perquisites & allowances	<ol style="list-style-type: none"> <li><b>1. Leave Travel Allowance:</b> Leave Travel Allowance in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company.</li> <li><b>2. Other Allowances:</b> Club Membership Fees for 2 Clubs.</li> <li><b>3. Medical Reimbursement:</b> Reimbursement of actual medical expenses incurred as per the rules of the Company, namely not exceeding one month's salary per year.</li> <li><b>4. Other Perquisites:</b> Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time. Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.</li> </ol>
Others including Retrials:	<ol style="list-style-type: none"> <li><b>1. Contribution to Provident Fund:</b> Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961.</li> <li><b>2. Gratuity:</b> Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972.</li> <li><b>3. Leave:</b> Leave with full pay or encashment thereof as per the Rules of the Company.</li> <li><b>4. Conveyance:</b> He shall be entitled to a chauffeur driven car.</li> <li><b>5. Communication:</b> Reimbursement of residential telephone expenses and cell phones.</li> <li><b>6. Other Facilities:</b> Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.</li> </ol>
Overall remuneration	<p>The aggregate of salary and perquisites in any financial year shall be governed by the provisions of Part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof as may, for the time being, be in force; and</p> <p><b>Other Terms and Conditions:</b> Other terms and conditions of appointment of Mr Anirudh Mohta, the Managing Director are as under: The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. In the event of either Managing Director desires to resign or the Company seeks his termination, One month notice or salary in lieu thereof from either side shall be applicable.</p>

The Board has proposed to pay the above remuneration as the Minimum Remuneration which, in the event of absence or inadequacy of profits of the Company in any financial year during the period of five years from the date of appointment. Pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, appointment of Mr Anirudh Mohta as the Managing Director of the Company and payment of remuneration (including as minimum remuneration) is subject to the approval of shareholders by way of ordinary Resolution.

The Board of Directors of the Company commend passing of the Resolution.

A copy each of the Resolution passed by the Board of Directors and the Nomination and Remuneration Committee at their respective meetings held on 1st April 2014, and on 8th August 2014 as well as the opinion of the eminent counsel on non applicability of Central Government approval to his appointment and payment of remuneration are available for inspection by Shareholders at the Registered Office of the Company during the office hours on any working days, except Saturdays between 11.00 A.M. and 1.00 P.M. up to 11th September 2014.

#### MEMORANDUM OF INTEREST

Mr Anirudh Mohta, Managing Director, and his relatives, Mr Madan Mohan Mohta and Mrs Urmila Devi Mohta may be deemed to be interested in the Resolution at Item No. 7 of the Notice.

Save as aforesaid none of the Directors and Key Managerial Personnel of the Company, and their relatives, in any way, concerned or interested in the said resolution.

Details of Director pursuant to Clause 49 of the Listing Agreement (Details as on August 8, 2014):-

Name of Director	ANIRUDH MOHTA
DIN	00065302
Date of Birth	16 <sup>th</sup> September 1975
Nationality	INDIAN
Date of Appointment on the Board	18 <sup>th</sup> August 1994
Relationship with Other Director	Son of Mr. Madan Mohan Mohta and Mrs. Urmila Devi Mohta
Qualifications	B.E. (IP)
Experience and expertise in specific functional area	19 years in running Hydraulic Industry
Shareholding in the Company	68,260 Equity Shares ( i. e 3.82% of Total Equity Share Capital)
List of Directorship held in other companies	1. Sri Ramachandra Enterprises Pvt Ltd 2. Bemco Precitech Pvt Ltd 3. U D Polyproducts Pvt Ltd 4. Mohta Capital Pvt Ltd
Chairman/Member of the committees of the Board of other Companies in which he is a director	NIL

#### Item No 8 : ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION CONSEQUENT TO ENACTMENT OF COMPANIES ACT, 2013

The Articles of Association ("AoA") of the Company as presently in force were replaced in January 1984 from what they were when the Company was incorporated in 1957. The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the New Act several regulations of the existing AoA of the Company require alteration or deletions in several clauses of the Article. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention