



# BEMCO HYDRAULICS LIMITED



**BEMCO**

**57**

**ANNUAL REPORT & ACCOUNTS 2014-2015**

# 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

Mrs. MAMTA D. JAIN (ACS 25022)  
Email:cs@bemcohydraulics.net

## 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

## TAX AUDITORS

ULHAS KINI & Co-Chartered Accountants  
97, PUSHPANJALI, First floor,  
Mangalwar Peth, Tilakwadi,  
BELGAUM – 590 004

## SECRETARIAL AUDITORS

### SDR AND ASSOCIATES

Office Address Ground Floor ,  
Anandi Residency 150,  
Budhwar Peth, Tilakwadi,  
BELGAUM - 590006.

## BANKERS:

Bank of Maharashtra,  
City Branch,  
Kiroloskar Road,  
BELGAUM - 590 002  
(CONSORTIUM LEADER)

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

**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 is hereby given that the Fifty Seventh 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 25th September 2015 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, 2015, 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 has offered himself for re-appointment.
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 has offered herself for re-appointment.
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, 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**

5. To appoint a Practising Company Secretary for carrying out the Secretarial Audit 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 SDR & Associates a firm of Practising Company Secretaries, 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 Secretarial 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."

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

**Date :** 7th August, 2015

**Registered Office:**Udyambag, Industrial Estate  
BELGAUM-590008 (Karnataka)**CIN: L51101KA1957PLC001283**

E-mail: isc@bemcohydraulics.net

**MAMTA D. JAIN**Company Secretary  
ACS- 25022Address: Plot No 572,  
Rani Channamma Nagar, 2nd Stage  
BELGAUM- 590 008 ( Karnataka)



**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 filing, 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 Adhar 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 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 Monday 14th September 2015 to Friday the 25th September 2015 (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](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 57th 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 the 21st September 2015 (10.00 am) and ends on Wednesday the 23rd September 2015 (5.30 pm). The e-voting module shall be disabled by CDSL for voting thereafter. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday 18th September 2015, may cast their vote electronically.

- 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](http://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](http://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:

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| 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"> <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 sequence number in the PAN field.</li> <li>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 than enter RA00000001 in the PAN field.</li> </ul> |
| Dividend  | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format)  |
| Bank Details<br>OR Date of<br>Birth (DOB)                         | As recorded in your demat account or in the Company records in orders to login. <ul style="list-style-type: none"> <li>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)</li> </ul>  |

- 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](mailto: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](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.
- 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 three 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 alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.bemcohydraulics.net](http://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.

An Explanatory Statement under Section 102 of the Companies Act 2013

Re-appointment of Secretarial Auditor for the FY 2015-16 is referred to the members through an ordinary resolution but as a Special Business, because Section 102(2) defines any business other than (a) adoption of accounts, (b) declaration of Dividend (c) re-appointment of rotational Directors and (d) re-appointment of statutory auditors, as special business and demand an explanatory business.

M/S SDR Associates, who have furnished Secretarial audit report for the year 2014-15 are proposed to be re-appointed, since their report is addressed to the members, let the appointment shall be made by the members themselves.

**Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting  
(Pursuant to Clause 49 of the Listing Agreement)**

|   |   |   |
|---|---|---|
| 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 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 <sup>st</sup> March 2015                | <ul style="list-style-type: none"> <li>- Mohta Capital Pvt Ltd</li> <li>- Sri Ramachandra Enterprises Pvt Ltd</li> <li>- U.D.Finnvest Pvt Ltd</li> <li>- Bemco Precitech Pvt Ltd</li> <li>- U.D.Polyproducts Pvt Ltd</li> </ul> | <ul style="list-style-type: none"> <li>- Mohta Capital Pvt Ltd</li> <li>- Sri Ramachandra Enterprises Pvt Ltd</li> <li>- U.D.Finnvest Pvt Ltd</li> <li>- Bemco Precitech Pvt Ltd</li> <li>- U.D.Polyproducts Pvt Ltd</li> <li>- Bemco Fluidtechnik Pvt Ltd</li> </ul> |
| Chairman/member of the Committees of the Public Companies on which he is a Director as on 31 <sup>st</sup> March 2015 | 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  |

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

**Date :** 7th August, 2015

**Registered Office:**

Udyambag, Industrial Estate  
BELGAUM-590008 (Karnataka)

**CIN: L51101KA1957PLC001283**

E-mail: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)

**MAMTA D. JAIN**

Company Secretary  
ACS- 25022

Address: Plot No 572,  
Rani Channamma Nagar, 2nd Stage  
BELGAUM- 590 008 ( Karnataka)

**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 before you the 57th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 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                             | 2014-2015 | 2013-14  |
|---|-----------|----------|
| Gross Income                            | 3,861.47  | 3,223.05 |
| Profit Before Interest and Depreciation | 608.91    | (177.34) |
| Finance Charges                         | 329.40    | 393.10   |
| Gross Profit                            | 279.50    | (570.44) |
| Provision for Depreciation              | 131.37    | 120.45   |
| Net Profit Before Tax                   | 148.13    | (690.89) |
| Provision for Tax                       | (237.00)  | 214.24   |
| Net Profit After Tax                    | (88.87)   | (476.65) |
| Balance of Profit brought forward       | (372.13)  | 104.52   |
| Balance available for appropriation     | (461.00)  | (372.13) |
| Proposed Dividend on Equity Shares      | -         | -        |
| Tax on proposed Dividend                | -         | -        |
| Transfer to General Reserve             | -         | -        |
| Surplus carried to Balance Sheet        | (461.00)  | (372.13) |

**General Information about the Company, the Board's perception of future of the company considering market competition, production constraints, government policies etc., Major events concerning the company are to be highlighted.**

- Capital Goods Industry had to face the set back during the year under report. The performance of the Company was affected by the overall recessionary trend in the Industry. Therefore, your company was short of targeted turnover by Rs. 200/- Lakhs approximately. The PBT for the year is of Rs. 148.13 Lakhs as against the Loss of Rs. 690.89 for the previous year. Thus, in spite of adverse market conditions the Company could come out of the red.
- Company has formed a Subsidiary Company named BEMCO FLUIDTECHNIK PRIVATE LIMITED - (CIN U29248KA2015PTC078838) to manufacture mainly Critical Hydraulic valves, pumps & Power Packs.
- During the year of operation your Company has allotted 4,00,000 Equity Shares of Rs. 10/- each, at a Premium of Rs. 60/- each, aggregating to a sum of Rs. 2,80,00,000/-, to the promoters and non-promoters on preferential basis. This was done to strengthen the Net Worth of the Company, which was eroded on account of losses incurred during Financial Year 2013-14

**2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

Subsequent to the date of Financial Statements (i.e. after 31st March 2015) 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. DIVIDEND:****Equity Shares:**

On account of inadequacy of profit during the year, the Board regrets its inability to recommend any dividend on equity shares.

**Preference Shares:**

Considering the inadequacy of profit for the year under report, the Company is unable to pay dividend for the year including arrears thereof for the year ended on 31st March 2014 as under:

| F. Y. ended on              | No. of Preference Shares | Amount of Dividend IN Rs. |
|-----------------------------|--------------------------|---------------------------|
| 31 <sup>st</sup> March 2014 | 3,38,000                 | 37,18,000                 |
| 31 <sup>st</sup> March 2015 | 3,20,000                 | 35,20,000                 |
| <b>TOTAL OF ARREARS</b>     |                          | <b>72,38,000</b>          |

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

**As, no Dividend is paid on preference shares for F.Y. 2013-14 and also for F.Y. 2014-15 as your Company is still carrying Brought Forward Losses, 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.**

**5. BOARD MEETINGS :**

The Board of Directors met 8 times during this financial year.

- |                          |                           |
|--------------------------|---------------------------|
| 1. On 1st April 2014     | 2. On 28th May 2014       |
| 3. On 8th August 2014    | 4. On 12th September 2014 |
| 5. On 10th November 2014 | 6. On 19th December 2014  |
| 7. On 13th February 2015 | 8. On 27th March 2015     |

**6. DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

Appointment, Re-appointment, Change in Designation, Resignation of Directors (along with fact of resignation), Managing Directors, Whole Time Directors, KMP, Independent Directors

**DIRECTORS**
**1. Mr. M. M. Mohta**

The tenure of Mr. M. M. Mohta as Managing Director of the Company ended on 31st March 2014 and thereafter he opted not to continue as Managing Director. The Board elected him as Non-Executive Chairman of the company.

**2. Mr. Anirudh Mohta**

Mr. Anirudh Mohta was the Joint Managing Director up to 31st March 2014 and appointed as Managing Director of the Company by the Board for a period of 5 years w. e. f. 1st April 2014, on the terms and conditions recommended by the Nomination and Remuneration Committee which were approved by the members of the Company in 56th AGM held on 12th September 2014.

**3. Mrs. Urmila Devi Mohta**

Mrs. Urmila Devi Mohta is Non – Executive Director had retired by rotation in terms of the provisions of Companies ACT 1956 and reappointed as Non Executive Director of the Company in the 56th AGM held on 12th September 2014. She is liable to Retire by Rotation.

**4. Mr. N. K. Daga**

Mr. N. K. Daga who retired by Rotation in terms of the provisions of Companies ACT 1956, at the 56th AGM and appointed as an Independent Director of the Company for a period of 5 years from the conclusion of 56th AGM held on 12th September 2014.

**5. Mr. Ramesh Shah**

Mr. Ramesh Shah was appointed as an Independent Director of the Company in the 56th AGM, for a period of 5 years from the conclusion of 56th AGM held on 12th September 2014.

**6. Mr. Dilip Chandak**

Mr. Dilip Chandak was appointed as an Independent Director of the Company in the 56th AGM, for a period of 5 years from the conclusion of 56th AGM held on 12th September 2014.

**KEY MANAGERIAL PERSONNEL – KMP**
**1. Mr. Anirudh Mohta – Managing Director**

Mr. Anirudh Mohta – Managing Director of the Company is appointed as KMP in terms of the provisions of Section 203 of the Companies Act 2013, in the Board Meeting held on 28th May 2014.

**2. Mr. R. B. Patil - CFO**

Mr. R. B. Patil who was General Manager Finance of the Company till 31st March 2014 was appointed as CFO and KMP of the Company in the Board Meeting held on 28th May 2014, on the terms and conditions, as recommended by the Nomination and Remuneration Committee in its meeting held on 28th May 2014.

**3. Mrs. Mamta D. Jain – Company Secretary**

Mrs. Mamta D. Jain a qualified Company Secretary, having Membership No ACS-25022, has been appointed as Company Secretary and KMP of the Company in the Board Meeting held on 27th March 2015, on the terms and Conditions, as recommended by the Nomination and Remuneration Committee in its meeting held on 27th March 2015.

**7. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received necessary declaration from each Independent Director of the Company confirming that, they meet the criteria of Independence as prescribed both under the Companies Act 2013 and Clause 49 of the Listing Agreement with the Stock Exchange.

**8. COMPOSITION OF COMMITTEES:**

|           |  |   |
|-----------|--|---|
| <b>a.</b> | <b>AUDIT COMMITTEE</b>   |   |
|           | Chairman:  | Mr. R. M. Shah – Independent Director   |
|           | Other Members:   | Mr. N. K. Daga - Independent Director<br>Mr. Anirudh Mohta – Managing Director              |
| <b>b.</b> | <b>NOMINATION AND REMUNERATION COMMITTEE</b>                               |   |
|           | Chairman:  | Mr. R. M. Shah – Independent Director   |
|           | Other Members:   | Mr. Dilip Chandak – Independent Director<br>Mrs. Urmila Devi Mohta – Non Executive Director |
| <b>c.</b> | <b>STAKE HOLDERS RELATIONSHIP COMMITTEE</b>                                |   |
|           | Chairman:  | Mr. Dilip Chandak – Independent Director  |
|           | Other Members:   | Mr. Anirudh Mohta – Managing Director<br>Mrs. Urmila Devi Mohta – Non Executive Director    |
| <b>d.</b> | <b>COMMITTEE FOR PREVENTION OF SEXUAL HARRSSMENT OF WOMAN AT WORKPLACE</b> |   |
|           | Chairman:  | Miss Kirti Ramchandra Devale – Company Employee   |
|           | Other Members:   | Mrs. Urmila Devi Mohta – Non Executive Director   |



**9. 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 of the Company. The Audit Committee and the CFO 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 Vigil Mechanism policy also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

**10. DIRECTOR'S RESPONSIBILITY STATEMENT:**

**In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:**

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**11. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV****(1) Subsidiary Company:**

A subsidiary company namely BEMCO FLUIDTECHNIK PRIVATE LIMITED - (CIN U29248KA2015PTC078838) has been incorporated on 13th February 2015 to carry out the business of

- To manufacture, produce, fabricate, design, install, repair or otherwise acquire, buy, sell, exchange, distribute trade, deal in or deal with, import and export, take on lease or give on lease, hydraulic pumps, valves, accumulators, hydraulic motors, hydraulic equipments, cylinders, power packs with hydraulic, mechanical, pneumatic, electric, electronic or computerized control systems, hydraulic aero planes, hydraulic and mechanical jacks, tractor components, components for earth moving machinery and material handling equipments and spares, accessories and sub-assemblies for the above, involving hydraulic systems.

The Subsidiary is formed with Mr. Jagdish Narasinha Joshi, on 80:20 ratio (i.e. 80% Shares of Bemco Hydraulics Limited and 20% of Mr. Jagdish Narasinha Joshi).

Authorized Share Capital of this Company is Rs. 25,00,000/-.

Issued, subscribed and Paid up Share Capital of this Company is Rs. 1,00,000/-.

During the year under report this Company did not Commence its business. No Activities have been carried out in the year F. Y. 2014-15

**(2) Associate Companies:**

In terms of sub Section (6) of Section 2 of the Companies Act 2013, the company has no Associate Company.

**12. EXTRACT OF ANNUAL RETURN:**

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is given as a part of this Annual Report (FORMAT IN ANNEXURE I)

**13. AUDITORS**

The Auditors, M/s A. C. Bhuteria & Company, Chartered Accountants, (Firm Registration No. 303105E) retire at the conclusion of ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of 58th AGM.

Present Auditors were appointed in the 43rd AGM held on 29th September 2001 and since then they are carrying out the audit of the Company and are eligible for re-appointment for the FY 2015-16, in terms of Second Proviso to Section 139(2) of the Companies Act 2013.

**14. SECRETARIAL AUDIT:**

Secretarial audit report as provided by M/s SDR & ASSOCIATES, a Firm of Practicing Company Secretaries, is annexed to this Report.

**QUALIFICATIONS IN AUDIT REPORTS**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

- (a) by the statutory auditor in his report: Nil and
- (b) by the Secretarial Auditor in their Secretarial Audit report.

The secretarial auditors have qualified their report on the aspect of non appointment of Company Secretary during the substantial part of financial year ended 31st March 2015. In this regard, the Board desires to stress the fact that till 31st March 2014, Company was not required to appoint a whole time Company Secretary as its capital was less than Rs. 5 crores. After notification of section 204 on 1st April 2014, the Company made frantic efforts to appoint a Secretary but then it could not obtain services of a suitable qualified company Secretary hence the appointment could not be made at an early date. But no sooner the eligible and willing CS was available; the Company has complied; the legal provisions by appointing Ms Mamta D. Jain (ACS-25022) as Company Secretary on 27th March 2015.

So far as furnishing of copy of altered Articles is concerned the same is just technical because the explanatory statement annexed to notice convening last AGM was self explanatory on this point. A copy thereof is being delivered now.

# **15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

## **A. CONSERVATION OF ENERGY:**

|  |  |
|--|--|
| Steps taken / impact on conservation of energy, with special reference to the following:       | Company uses electrical energy for its operations.             |
| Steps taken by the company for utilizing alternate sources of energy including waste generated | So far company has not explored any alternate source of energy |
| Capital investment on energy conservation equipment  | Nil  |

## **B. Technology absorption:**

|   |   |  |
|---|---|--|
| 1 | Efforts, in brief, made towards technology absorption.  | Company's Designing & Engineering team continuously keep track and keep updating new technology in field of operation. |
| 2 | Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.  | Products manufactured are technically superior to Conventional Products  |
| 3 | In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:<br>(a) Details of technology imported.<br>(b) Year of import.<br>(c) Whether the technology been fully absorbed<br>(d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore. | Not Applicable. Company has not Imported any Technology during the last 3 years.                                       |

## **C. Foreign exchange earnings and Outgo**

### **C.I.F. VALUE OF IMPORTS, EXPENDITURE AND EARNING IN FOREIGN CURRENCY**

| Particulars  | 2014-2015<br>Rs. | 2013-2014<br>Rs. |
|--|------------------|------------------|
| i). C.I.F. Value of Imports:<br>Raw Materials And Components     | 42,69,618        | 54,65,317        |
| ii). Expenditure in Foreign Currency:(paid/payable)<br>Traveling | 61,618           | 3,45,987         |
| Exhibition Expenses:<br>(InnoTrans Berlin Germany)               | Nil              | 6,96,509         |
| Technical Know How (Paid/Payable)                                | 33,66,778        | 1,59,31,128      |
| Technical Assistance   |                  | 51,09,065        |
| Agency Commission  | Nil              | Nil              |
| iii). Earnings in Foreign Exchange:<br>FOB value of Exports      | 5,82,19,313      | 65,76,500        |