

BEMCO HYDRAULICS LIMITED



ISO 9001:2015 Certified Company
Reg. No. RQ91/6325



61

ANNUAL REPORT & ACCOUNT 2018-2019

BEMCO HYDRAULICS LIMITED

*** SHRI ***

DIRECTORS

MADAN MOHAN MOHTA	- CHAIRMAN – NON EXECUTIVE
ANIRUDH MOHTA	- MANAGING DIRECTOR - EXECUTIVE
URMILA DEVI MOHTA	- DIRECTOR – NON EXECUTIVE
RAMESH SHAH	- DIRECTOR – INDEPENDENT NON- EXECUTIVE
NAWAL KISHOR DAGA	- DIRECTOR – INDEPENDENT NON- EXECUTIVE
DILIP CHANDAK	- 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 A.C. BHUTERIA & CO.
CHARTERED ACCOUNTANTS
2, INDIA EXCHANGE PLACE,
KOLKATA- 700 001

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 MAHARASHTRA,
CITY BRANCH,
KIRLOSKAR ROAD,
BELGAUM 590 002
(CONSORTIUM LEADER)

YES BANK LIMITED
BELGAUM BRANCH;
CLUB ROAD,
BELGAUM 590 001
(CONSORTIUM MEMBER BANK)



BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC0012830)

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

EMAIL: isc@bemcohydraulics.net / website: www.bemcohydraulics.com

PHONE NO. +91-0831-2441980, FAX NO. +91-0831-2441263

CONTENTS

ANNUAL REPORT: 2018-19

PARTICULARS	PAGE NO.
Notice of the Annual General Meeting.	1
Directors' Report along with supporting Annexure related thereto.....	4
Secretarial Audit Report for the year ended 31st March, 2019.....	22
Independent Auditor's Report along with Annexure related thereto.....	24
Balance Sheet as on 31st March, 2019.....	28
Statement of Profit & Loss for the year ended 31st March, 2019.....	29
Cash Flow Statement for the year ended 31st March, 2019.....	31
Auditors Report on Consolidated Financial Statement as on 31st March, 2019.....	58
Consolidated Balance Sheet as on 31st March, 2019.....	61
Consolidated Statement of Profit and Loss as on 31st March, 2019.....	62
Consolidated Cash Flow Statement as on 31st March, 2019.....	64
Attendance Slip	
Proxy Form (Form MGT-11)	

Annual General Meeting Venue

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

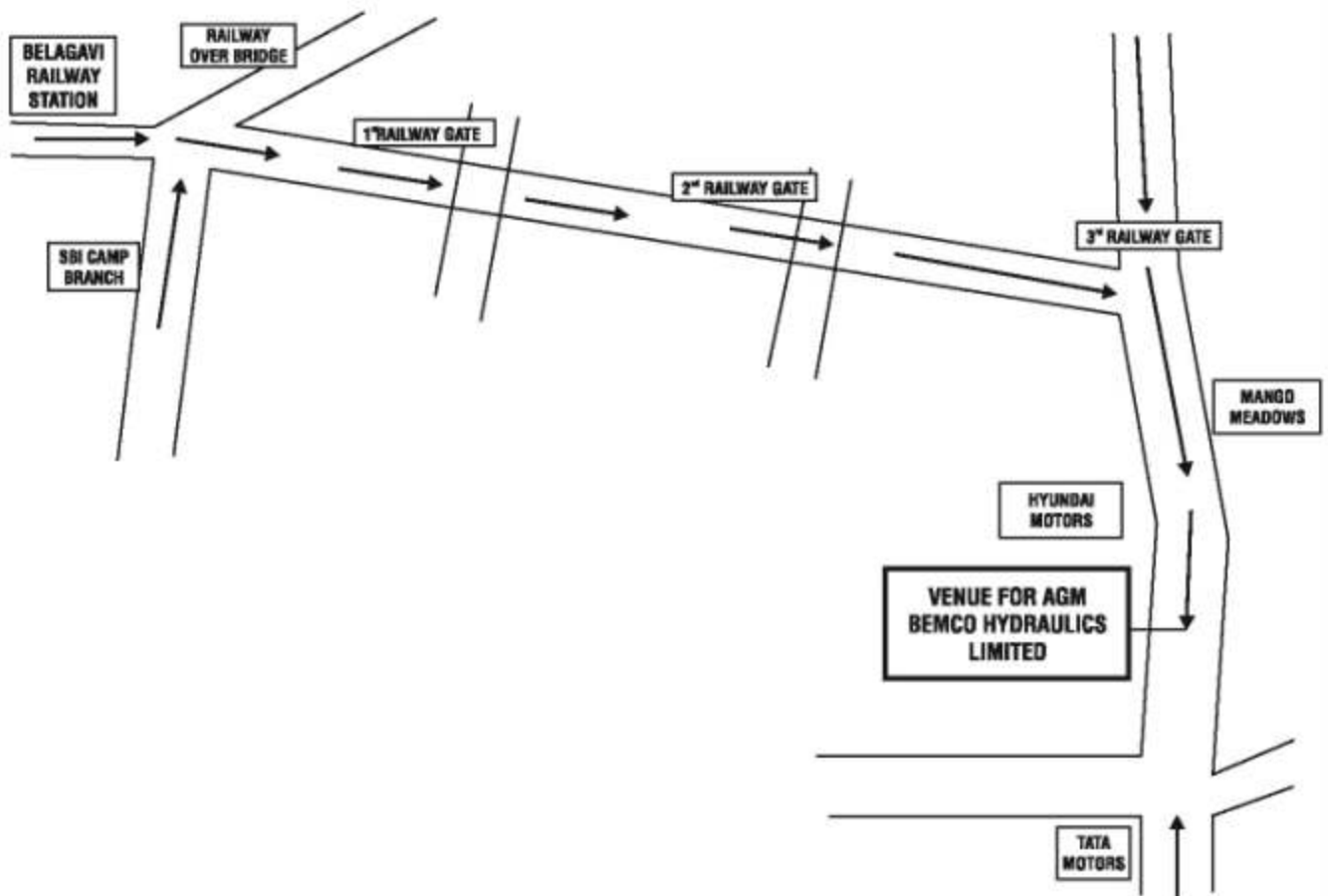
Date- 14th August 2019

Time- 3.30pm

ROUTE MAP

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

ROUTE MAP





BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

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

Email: lsc@bemcohydraulics.net Website : www.bemcohydraulics.net

Phone No.: 0831-2441960, Fax No.0831-2441263

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY FIRST 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 WEDNESDAY THE 14TH AUGUST, 2019 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 31st, 2019, the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the consolidated financial statement of the Company for the financial year ended March 31st, 2019, the reports of Auditors thereon.
3. To appoint a Director in place of Mr. Madan Mohan Mohta (DIN 00068884), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-election.
4. To appoint a Director in place of Smt. Urmila Devi Mohta (DIN 00068806), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-election.

Place: Belgaum
Date: 19th June, 2019Registered Office:
Udyambag, Industrial Estate
BELGAUM-590008 (Karnataka)
CIN: L51101KA1957PLC001283
E-mail: lsc@bemcohydraulics.netBy Order of the Board of Directors
For BEMCO HYDRAULICS LIMITEDAmruta A. Tarale
Company Secretary
ACS- 42288
684, "SAVALI", Saraswati Nagar,
Ganeshpur Road, Belgaum-591108

NOTES:

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

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

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

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

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

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. Pursuant to Section 91(1) of The Companies Act 2013, the Company has notified closure of Register of Members and Share Transfer Books from **Saturday 3rd August, 2019 to Wednesday 14th August, 2019 (both days inclusive)** for determining the names of members eligible for the purposes of Annual General Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.bemcohydraulics.net under the section 72 of the Companies Act, 2013.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.



13. Non-Resident Indian Members are requested to inform Registrar, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Voting through electronic means:
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 60th 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 10th August, 2019 at (10.00 am)** and ends on **Tuesday 13th August, 2019 at (5.00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday 7th August, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- III. The shareholders should log on to the e-voting website www.evotingindia.com
- IV. Click on "Shareholders" tab.
- V. Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VI. Next enter the Image Verification as displayed and Click on Login.
- VII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below:

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

- IX. After entering these details appropriately, click on "SUBMIT" tab.
- X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XI. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the relevant BEMCO HYDRAULICS LIMITED on which you choose to vote.
- XIII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details,
- XV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVIII. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Note for Non-Individual Shareholders and Custodians.
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

- XXI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XXII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XXIII. Mr. S. R. Deshpande, Practising Company Secretary (CP No. 01865) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XXIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XXV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.bemcohydraulics.net and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

M-voting

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

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

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

Go Green Initiative launched by the Ministry of Corporate affairs

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

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

Members holding in physical mode are also requested to register their email address with our Registrar and Transfer Agent **Adroit Corporate Services Pvt Ltd**, 19/20, Jafferhoy 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

Place: Belgaum
Date: 19th June, 2019

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

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

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

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

Name of the Director	Shri Madan Mohan Mohta	Smt. Urmila Devi Mohta
Date of Birth	05.09.1939	01.10.1945
Date of Appointment	23.03.1991	30.05.1992
DIN	00068884	00068906
Nationality	Indian	Indian
Expertise in specific functional areas	Wide experience in Management, he was managing director till 31.03.2014.	Vast Management experience and a Woman Director.
Qualifications	B.com	Matriculate
List of Public/Private Companies in which outside Directorship held as on 31 st March 2019.	<ul style="list-style-type: none"> - Mohta Capital Pvt Ltd - Sri Ramachandra Enterprises Pvt Ltd - U.D.Finnvest Pvt Ltd - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd 	<ul style="list-style-type: none"> - Mohta Capital Pvt Ltd - Sri Ramachandra Enterprises Pvt Ltd - U.D.Finnvest Pvt Ltd - Bemco Precitech Pvt Ltd - U.D.Polyproducts Pvt Ltd - Bemco Fluidtechnik LLP
Chairman/member of the Committees of the Public Companies on which he is a Director as on 31 st March 2019.	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.

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting their 61st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019 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, 2019 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS.

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue From Operations	4722.52	4092.31	4828.47	4226.95
Other Income	72.85	44.54	71.89	43.54
Total Income	4795.47	4136.85	4900.36	4270.49
Profit/(loss) before exceptional items & tax	251.90	145.99	192.00	123.19
Exceptional Items	-	-	-	-
Profit/(loss) before tax	251.90	145.99	192.00	123.18
Tax Expense/(Credit) net	89.25	40.81	89.25	40.81
Profit/(Loss) for the period from continuing operations	162.66	105.17	102.75	82.37
Other Comprehensive Income	2.53	13.91	2.53	13.91
Total Comprehensive Income/(loss) for the period	165.19	119.08	105.28	96.28

Standalone

The company has achieved turnover of Rs. 4795.47 Lakhs as against Rs. 4136.85 Lakhs for the previous year. The Total comprehensive income for the year works out to Rs. 165.19 Lakhs as against Rs. 119.08 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.4900.36/-Lakhs as against Rs. 4270.49 Lakhs for the previous year. The consolidated Total comprehensive income for the year is of Rs. 105.28/- Lakhs as against Rs. 96.28/- 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 2019) 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

There is no change in the capital structure of the company.

5. DIVIDEND:

Equity Shares:

As the company's profit amounts to Rs.162.66/- lakhs the board decided to set off accumulated losses and therefore no dividend is proposed for the financial year 2018-19.

Preference Shares:

Due to set off past accumulated losses, the Company is unable to pay dividend on preference shares for the year including arrears thereof for the year ended on 31st March, 2019 as under:

F. Y. ended on	No. of Preference Shares	Amount of Dividend in Rs.
31 st March 2017	3,20,000	1,40,80,000/-
31 st March 2018	3,20,000	1,67,20,000/-
31 st March 2019	3,20,000	2,11,20,000/-

These preference shares are held by the promoters themselves as borne 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

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

As, no Dividend is paid on preference shares for F. Y. 2015-16, 2016-17, 2017-18 and also for F Y 2018-19, the Preference Share holders would get voting rights on par with equity share holders, in terms of the provisions of Section 47 of the Companies Act 2013 on and after the forthcoming AGM.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A Special Resolutions were passed by the members in the Extra Ordinary General Meeting held on 19th March, 2019 for

1. Reappointment of Mr. Anirudh Mohta as a Managing Director for a further period of 5 years from 1st April, 2019 till 31st March, 2024, pursuant to the provisions of section 196, 197 and 203, Schedule V and other applicable provisions if any, of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Rational for re-appointment of Mr. Anirudh Mohta as Managing Director:

Mr. Anirudh Mohta is associated with the company and is involved in day to day business affairs of the company. It is due to this dedication towards his work, focused approach and valuable guidance that today the Company is one of the leading Hydraulics Manufacturer Company Involved In manufacturing of Hydraulic Presses. He has the business acumen and in-depth knowledge about the industry and overall market scenario, he provides overall guidance and plays key role in policy making and managing the affairs of the company.

Considering the contribution of Mr. Anirudh Mohta in the overall growth and progress of the Company and also considering that his valuable guidance will be required by the company in the coming years, the Board considers that his continues association would be of immense benefit to the company and it is desirable to continue to avail services rendered by him.

2. Continuation of Directorship by Mr. Madan Mohan Mohta, Mr. Ramesh Shah and Mr. Nawal Kishore Daga, as an Non Executive Director of the Company who has attained the age of 75 years. The continuation of Directorship as an Non Executive Director is w.e.f 01st April, 2019, Pursuant to sub regulation 1(1A) of Regulation 17 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. Reappointment of Mr. Ramesh Manickchand Shah, Mr. Nawal Kishore Daga and Mr. Dilip Premraj Chandak as an Independent Director for a second tenure of 5 years commencing from 1st April, 2019 till 31st March, 2024 pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Rational for re-appointment of independent director:

Mr. Ramesh Shah, Mr. Nawal Kishore Daga and Mr. Dilip Chandak has been reappointed as Independent Director by considering their seniority, role played by them towards the growth of this Company and to reap the benefits of rich varied experience, knowledge and performance to the board processes, the board considers that their continues association would be of immense benefit to the company and it is desirable to continue to avail services by them.

DIRECTORS

- | | |
|--------------------------|---|
| 1. Mr. M. M. MOHTA | - Chairman – Non Executive |
| 2. Mr. ANIRUDH MOHTA | - Managing Director – Executive |
| 3. Mrs. URMILADEVI 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

In the Board of Directors meeting held on 20th June, 2018, the board accepted the resignation letter of Mr. R. B. Patil from the post of Chief Financial Officer and appointed Mr. Vijay Bhujang Sambrekar as Chief Financial officer w.e.f 1st July, 2018.

- | | |
|--------------------------------|-------------------------|
| 1. MR. ANIRUDH MOHTA | - Managing Director |
| 2. MR. VIJAY BHUJANG SAMBREKAR | - Chief Finance Officer |
| 3. MS. AMRUTAA TARALE | - Company Secretary |

7. COMPOSITION OF COMMITTEES:

a. AUDIT COMMITTEE

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

b. NOMINATION AND REMUNERATION COMMITTEE

- | | |
|----------------|---|
| Chairman: | Mr. R. M. Shah - Independent Director |
| Other Members: | Mr. Dilip Chandak - Independent Director
Mr. N K Daga - Independent Director
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/ INTERNAL COMPLAINTS COMMITTEE

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

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

		ANNEXURE	PAGE NO
a.	Extract of annual return- Form MGT-9	ANNEXURE- I	8
b.	Number of meetings of the board	ANNEXURE- II	12
c.	a. Directors responsibility Statement b. details in respect of fraud reported by auditors under sub section (12) of section 143 other than those which are reportable to the central government	ANNEXURE- II	12
d.	A statement on declaration given by independent directors under sub-section (6) of section 149.	ANNEXURE- III	13
e.	Companies policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of directors and other matters provided under sub-section (3) of section 178 Ratio of remuneration to each directors	ANNEXURE- III	13
f.	Qualification and remarks	ANNEXURE- IV	14
g.	Particulars of loan, guarantees or investment under section 186.	ANNEXURE- IV	14
h.	Particulars of Subsidiary Company AOC-1	ANNEXURE- V	16
i.	Particulars of contracts or arrangement with related parties referred to in Sub-section 1 of section 188- AOC-2	ANNEXURE- VI	16
j.	The conservation of energy technology absorption, foreign exchange earnings and outgo.	ANNEXURE- VII	17
k.	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- VIII	18
l.	The details of the policy developed and implemented by the company on corporate social responsibilities taken during the year.	ANNEXURE- VIII	18

m.	A statement indicating the manner in which formal annual evaluation has been made by the board of its own performance and that of its committees and individual directors.	ANNEXURE- VIII	18
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	19

9. 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 the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy. An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment. There were no complaints before the ICC during the financial year 2018-19 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

10. STATUTORY AUDITOR

The members at the 59th Annual General meeting of the company held on 28th September, 2017 had appointed M/s. S Jaykishan, a partnership firm of Chartered Accountants (Firm Registration number 309005E) as the statutory auditors of the Company to hold office for a period of five consecutive years i.e. from the conclusion of the said Annual General Meeting until the conclusion of 64th Annual General Meeting of the Company to be held in 2022.

11. AUDIT REPORTS

The audit conducted by M/s S. Jaykishan, a firm of Chartered Accountants, (Firm Registration No. 309005E) for financial year 2018-19 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.

12. 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 30th April, 2018 had appointed M/s SDR & ASSOCIATES, a Firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2019. The Secretarial Audit Report issued in this regard is enclosed to this Report.

13. INTERNAL AUDIT:

In the Board of Directors meeting held on 30th April, 2018, M/s A. C. Bhuteria, a firm of chartered accountants were appointed to undertake internal audit of the Company for the financial year ending 31st March, 2019, 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.

14. 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 2018-19. 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 consciousness at all level of operations.

15. 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 -VI 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.net.

16. 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.

17. 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.

18. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

19. 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

20. LISTING WITH STOCK EXCHANGE:

The Company has paid the Annual Listing Fees for the year 2018-19 to Bombay Stock Exchange where the Company's Shares are listed.

21. SECRETARIAL STANDARD:

the company complies with all applicable mandatory secretarial standard issued by the Institute of Company secretaries of India.

22. REPORTING BY FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditor nor the Secretarial Auditor has reported to the audit committee, any instances of fraud committed against the company by its officers or employees, the details of which need to be mentioned in the board's report.

23. GO GREEN INITIATIVE

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, Jafferbhoy 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 – 20th May, 2019
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.

ANNEXURE-I

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:	
i) CIN	LS1101KA1957PLC001283
ii) Registration Date	14/03/1957
iii) Name of the Company	BEMCO HYDRAULICS LIMITED
iv) Category / Sub category of the Company	Public Company/ Limited by Shares
v) Address of the Registered Office and contact details Address Town/City State Pine Code: Country Name: Country Code Telephone (With STD Area Code Number) Fax Number Email Address Website	Udyambag, Industrial Estate BELGAUM KARNATAKA 590008 INDIA 091 0831-2441980 2441263 finance@bemcohydraulics.net www.bemcohydraulics.net
vi) Whether shares listed on recognized Stock Exchanges(s)	YES
vii) Name, Address & contact details of Registrar & Transfer Agent, if any; Registrar & Transfer Agents (RTA):- Address Town/City State Pine Code: Telephone (With STD Area Code Number) Fax Number Email Address	ADROIT CORPORATE SERVICES PVT LTD 17-20, Jafferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri(E) MUMBAI MAHARASHTRA 400068 022-42270400 022-26503748 info@adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hydraulics Press	8462	39%
2	Hydraulic Equipments	8425	37%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	LLPIN	Holding/ Subsidiary/ Associate	% of Contribution held	Applicable Section
1	BEMCO FULIDTECHNIK LLP	AAI-6810	Subsidiary	65.00%	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	12,18,703		12,18,703	55.73%	12,18,703		12,18,703	55.73%	0.00%
e) Banks / FI									
f) i) Directors Relatives	35,456		35,456	1.62%	35,456		35,456	1.62%	0.00%
ii) Directors	3,79,111		3,79,111	17.34%	3,79,111		3,79,111	17.34%	0.00%
Sub Total (A) (1)	16,33,270		16,33,270	74.69%	16,33,270		16,33,270	74.69%	0.00%
(2) Foreign									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Any other									
Sub Total (A) (2)									
TOTAL (A)	16,33,270		16,33,270	74.69%	16,33,270		16,33,270	74.69%	0.00%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt	93		93	0.01%	88		88		0.00%
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	93		93	0.01%	88		88		0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,55,282	1,500	1,56,782	7.17%	1,52,580	1,500	1,54,080	7.18%	0.01%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,06,675	1,85,350	2,92,025	13.35%	1,16,645	1,75,918	2,92,763	13.39%	0.04%
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	97,000		97,000	4.44%	1,00,000		1,00,000	4.57%	0.13%
c) Others Clear Mem	25		25	0.00%	1		1	0.00%	0.00%
Non Resident Indians	1,825		1,825	0.08%	825		825	0.03%	-0.05%
Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Directors		5,680	5,680	0.26%	5,673		5,673	0.25%	0.01%
Foreign Bodies - D R									
Sub-total (B)(2):-	3,60,807	1,92,530	5,53,337	25.30%	3,75,924	1,77,418	5,53,342	25.30%	0.00%
Total Public (B)	3,60,900	1,92,530	5,53,430	25.31%	3,76,012	1,77,418	5,53,430	25.31%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)			21,86,700	100.00%			21,86,700	100.00%	0.00%

i) Shareholding of Promoter

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ANANYAANIRUDH MOHTA	16,728	0.76%	-	16,728	0.76%	-	0.00%
2	ANIRUDH MOHTA	1,03,260	4.27%	-	1,03,260	4.27%	-	0.00%
3	MADAN MOHAN MOHTA	18,728	0.86%	-	18,728	0.86%	-	0.00%
4	MADAN MOHAN PREM RATAN MOHTA	67,183	3.07%	-	67,183	3.07%	-	0.00%
5	MOHTA CAPITAL PVT LTD	6,65,606	30.44%	3,80,806.00	6,65,606	30.44%	3,80,806.00	0.00%
6	SRI RAMCHANDRA ENTERPRISES (P) LTD	3,34,897	15.31%	1,99,897.00	3,34,897	15.31%	1,99,897.00	0.00%
7	U D FINVEST PVT LTD	2,18,400	9.99%	75,707.00	2,18,400	9.99%	75,707.00	0.00%
8	URMILA DEVI MOHTA	2,08,668	9.54%	-	2,08,668	9.54%	-	0.00%

ii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Shareholder's Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				No of Shares	% of total Shares of the Company
	NIL							

**iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	Shareholder's Name	Shareholding		Date (*)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company				No of Shares	% of total Shares of the Company
1	Surgace Finvest Pvt Ltd	14967	6.44%			NIL movement during the year		6.84%
		14967	6.44%					
2	Harsha Hitesh Javeri	48,000	2.20%	26.05.2018	2000	BUY	50,000	2.28%
		50000	2.28%					
3	Hitesh Ram Javari	49,000	2.24%	26.05.2018	2000	BUY	50,000	2.28%
		50000	2.28%					
4	Mitul -Rash Javeri	5900	0.23%	27.07.2018	1705	BUY	6,604	0.30%
				10.08.2018	641	BUY	8,009	0.37%
				17.08.2018	1461	BUY	9,470	0.43%
				24.08.2018	1972	BUY	11,442	0.52%
				31.08.2018	715	BUY	12,157	0.56%
				07.09.2018	1350	BUY	13,507	0.62%
				21.09.2018	391	BUY	13,898	0.64%
				09.11.2018	445	BUY	14,343	0.66%
				23.11.2018	150	BUY	14,493	0.66%
				07.12.2018	150	BUY	14,643	0.66%
				14643	0.66%			
5	Ami Hitesh Javeri	5100	0.23%	25.35.2018	6000	BUY	11,100	0.51%
				12.10.2018	297	BUY	11,397	0.52%
				26.10.2018	193	BUY	11,590	0.53%
				09.11.2018	12	BUY	11,602	0.53%
				07.12.2018	400	BUY	12,002	0.55%
				14.12.2018	88	BUY	12,090	0.55%
				11.01.2019	40	BUY	12,130	0.55%
				12130	0.55%			
6	Dhruva Shumsher Rana	6462	0.30%	13.04.2018	87	SELL	6,375	0.29%
				29.08.2018	150	BUY	6,525	0.30%
				24.08.2018	100	SELL	6,425	0.29%
7	Ramesh Shah	5680	0.26%	10.05.2018	7	BUY	5,680	0.26%
				15.12.2018	7	SELL	5,673	0.25%
8	G C Jha	3466	0.16%			NIL movement during the year	3,466	0.16%
		3466	0.16%					
9	Piyush Rajnikant Shah	2990	0.14%		373	SELL	2,408	0.11%
		2408	0.11%					
10	Basant Kumar Mohla	2500	0.11%			NIL movement during the year	2,500	0.11%
		2500	0.11%					

v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total Shares of the Company	No of Shares at the end of the year	% of total Shares of the Company
1	Maden Mohan Mohla	67183	3.07%	67183	3.07%
		67183	3.07%		
2	Anirudh Mohla	103260	4.72%	103260	4.72%
		103260	4.72%		
3	Urmila Devi Mohla	208668	9.54%	208668	9.54%
		208668	9.54%		
4	R M Shah	5880	0.26%	5873	0.25%
		5873	0.25%		
5	Dilip Chandak	-	-	-	0.00%
6	N K Daga	-	-	-	0.00%
7	Vijay Sambhakar	-	-	-	0.00%
8	Armita Ashok Tarale	-	-	-	0.00%

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Name Designation	Anrudh Mohla Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		77,21,742/- 77,21,742/- -	77,21,742/- 77,21,742/- -
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission - as % of profit - others, specify		- - -	- - -
5	Others, please specify - Retirement Benefits		-	-
	Total (A)		77,21,742/-	77,21,742/-
	Ceiling as per the Act		84,00,000/-	84,00,000/-

B. Remuneration to other Directors

Sl No.	Particulars of Remuneration	Name of Directors					Total Amount (₹)
		Maden Mohan Mohla	Urmila Devi Mohla	Ramesh N Shah	Dilip P Chandak	Neval K Daga	
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	- - -	- - -	7,000 - -	7,000 - -	8,000 - -	22,000 - - -
	Total (1)	-	-	7,000	7,000	8,000	22,000
2	Other Non-Executive Directors Fee for attending board committee meetings Commission * Others	- 8,000 -	- 8,000 -	- - -	- - -	- - -	- 16,000 - -
	Total (2)	8,000	8,000	-	-	-	16,000
	Total (3)=(1+2)	8,000	8,000	7,000	7,000	8,000	38,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	N.A.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			
		Name Designation	Vijay Bhujang Sambrekar CFO	Amruta Aahok Tarale CS	Rajagonda B Patil CFO
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		6,84,030.00 7,200.00 -	5,01,743.00 - -	2,70,000.00 - -
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit - others, specify		- - -	- - -	- - -
5	Others, please specify		-	-	-
	Total		6,71,230.00	5,01,743.00	2,70,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

Mr. RB Patil resigned from the post of CFO and Mr. Vijay Sambekar was appointed as CFO in the Board of Directors Meeting held on 20th July, 2018.

Date - 20th May, 2019
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

ANNEXURE-II

(Annexure to director's report- statutory Disclosures)

NUMBER OF MEETINGS OF THE BOARD

During the financial year under review, 8(Eight) Board Meetings were held & the details of Board Meetings are given below:

Sr.No	Date of Meeting	Board Strength	No. of Directors Present
1	30/04/2018	6	6
2	22/05/2018	6	4
3	06/06/2018	6	6
4	20/06/2018	6	6
5	13/08/2018	6	6
6	13/11/2018	6	6
7	21/12/2018	6	6
8	11/02/2019	6	5

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 profit of the company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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

Date - 20th May, 2019
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

ANNEXURE-III

(Annexure to director's report- statutory Disclosures)

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 Section 149(5) of the Companies Act 2013 read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

POLICY FOR SELECTION AND APPOINTMENT OF NON EXECUTIVE DIRECTORS AND THEIR REMUNERATION

CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation law, governance and general management.

The A&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under section 164 of the Companies Act, 2013. The A&R Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields
- Personal, Professional or business standing
- Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level

REMUNERATION

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board Meetings.

A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

REMUNERATION POLICY FOR THE DIRECTORS, SENIOR MANAGEMENT, AND EMPLOYEES.

In determining the remuneration of the Senior Management Employees (i.e. KMPs NA Executive Committee Members) and N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein- above, whilst recommending the annual increment and performance incentive to the N & R Committee for its review and approval.

Ratio of Remuneration

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Only Mr. Anirudh Mohta – MD is remunerated and Ratio of his Remuneration to that of the median remuneration of the Employees of the Company works out to 1.97.				
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name	Designation	2018-19	2017-18	Incr. %
	Anirudh Mohta	MD	77,21,742/-	57,57,482/-	34.12%
	R B Patil	CFO	5,70,000/-	9,22,109/-	-
	Amruta Tarale	CS	5,01,743/-	4,58,580/-	9.41%
	Vijay Sambrekar	CFO	6,71,230/-	-	-
(iii) the percentage increase in the median remuneration of employees in the financial year;	2017-18	2018-19	Incr. %		
	121533	128400	5.65%		
(iv) the number of permanent employees on the rolls of company;	283				
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<ol style="list-style-type: none"> Average Percentile Increase already made in the salaries of employees other than managerial in the last Financial year = 11.06% percentile increase in the managerial remuneration = 29.87% 				
(vi) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable				
(vii) Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid to all Employees is in accordance with the Remuneration Policy				

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

<p>(i) designation of the employee;</p> <p>(ii) remuneration received;</p> <p>(iii) nature of employment, whether contractual or otherwise;</p> <p>(iv) qualifications and experience of the employee;</p> <p>(v) date of commencement of employment;</p> <p>(vi) the age of such employee;</p> <p>(vii) the last employment held by such employee before joining the company;</p> <p>(viii) the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and</p> <p>(ix) whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager;</p> <p>The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;</p> <p>The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;</p> <p>The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.</p>	<p>None of the Employee of the Company including Managing Director is in receipt of Remuneration exceeding Rs. one crore and two Lakhs per annum or at the said rate for any part of the year.</p>
--	--

Date - 20th May, 2019
Place - BELGAUM

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

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

ANNEXURE-IV

(Annexure to director's report- statutory Disclosures)

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: NIL

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Members in the Extraordinary General Meeting held on 23rd January, 2019 has approved by passing a special resolution for making of loan(s) including loan represented by way of Book Debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by Bemco Fluidtechnik LLP (Subsidiary LLP), of an aggregate amount not exceeding a sum of Rs. 2 Crores (Rupees Two Crores only), but so far no loan/ Guarantee or security has been given by the company to Subsidiary LLP.

Further, the investments in shares and other securities held by the Company were made much prior to notification of section 186 of the Companies Act, 2013 and after notification of section 186 of the Companies Act, 2013 the company has not made any investment in shares and securities.

SECURED LOANS:

- Company has not provided any Secured Loan to anybody during the year.

UNSECURED LOANS:

- Company has not provided any Loan except to its Employees as Salary Advance.

CURRENT/NON-CURRENT INVESTMENTS:

- Company has not made any investments, either in Share Capital (except its subsidiary company) or in any other Form.

GUARANTEES:

- In normal course of business; Company does issue Bank Guarantees & Indemnity Bonds for Getting Advances from Customers / to collect the retention Money from Customers during warranty period of supply of Goods.

SECURITIES EXTENDED

- In normal course of business Company needs to provide the Warranty certificates for the goods supplied and no other security is extended during the year.

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) which was incorporated on 13th February, 2015 was converted as BEMCO FLUIDTECHNIK LLP, a Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 on 27th February, 2017.

The Limited Liability Partnership agreement was executed between the partners on 17th March, 2017. The partners to the LLP are:

1. BEMCO HYDRAULICS LIMITED
2. MR. JAGDISH JOSHI
3. MR. NAVEEN PADAMNOOR and
4. MRS. URMILADEVI MOHTA.

The contribution to the LLP is Rs. 1,00,000/- and the amount of partner's contribution is as under:

- | | |
|-----------------------------|----------------|
| 1. BEMCO HYDRAULICS LIMITED | - Rs. 65,000/- |
| 2. MR. JAGDISH JOSHI | - Rs. 20,000/- |
| 3. MR. NAVEEN PADAMNOOR | - Rs. 10,000/- |
| 4. MRS. URMILADEVI MOHTA. | - Rs. 5,000/- |

All the partners of the LLP are appointed as designated partners. Even after conversion into LLP the business activities remain the same as that of private Limited.

The LLP has introduced new products in the current year and has a favorable response for the same. We hope for better sales and positive results for the current financial year.

FINANCIAL STATEMENTS

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2017. Accordingly, the financial statement for the year ended 31st March, 2019 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure V to the Board's Report. The statement provides the details of performance and financial position of the subsidiary. In accordance with Section 138 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company are available on our website, www.bemcohydraulics.net. These documents will also be available for inspection till the date of the AGM during business hours at our registered office in Belgaum, India.

(2) Associate Companies:

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

Date - 20th May, 2019
Place - BELGAUM

M. M. MOHTA
Chairman
DIN-00088884
2 Mohanam, 10th Cross,
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ANIRUDH MOHTA
Managing Director
DIN-00065302
2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka

ANNEXURE-V

(Annexure to director's report- statutory Disclosures)

FORM NO. AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ Joint ventures.

PART "A": Subsidiaries

(Information in respect of each subsidiary to be presented in amount in Rs.)

1.	Name of subsidiary:	BEMCO FLUIDTECHNIK LLP (Formerly known as BEMCO FLUIDTECHNIK PRIVATE LIMITED)
2.	Reporting Period:	2018-19
3.	Reporting currency and exchange rate in case of foreign subsidiaries:	NA
4.	Share capital/Partners Contribution: reserves and surplus:	Rs. 1,00,000/- Rs. (1,59,80,912)-
5.	Total Current Assets:	Rs. 1,33,68,820/-
6.	Total Current Liabilities:	Rs. 76,70,206/-
7.	Investment:	-
8.	Turnover:	Rs. 1,66,15,533/-
9.	Profit before taxation:	Rs. (59,40,851)-
10.	Provision for taxation:	-
11.	Profit after taxation:	Rs. (59,40,851)-
12.	Proposed dividend:	-
13.	% of share holding	65%

Note: The following information shall be furnished at the end of the statement

1. Name of subsidiaries which are yet to commence operations.-NIL
2. Name of subsidiaries which have been liquidated or sold during the year.-NIL

PART "B": Associate and Joint Ventures

Statement pursuant to section 129 (3) of the companies Act, 2013 related to associated companies and Joint venture.

Name of Associate/ Joint Venture	Name 1	Name 2	Name 3
1. Latest audited Balance sheet Date			
2. Shares of Associate/ Joint venture held by the Company on the Year end. No. Amount of Investment in Associate/ Joint Venture Extent of Holding			
3. Description on how there is significant influence.			
4. Reason why the Associate/ Joint venture is not consolidated.			
5. Net worth attributable to shareholding as per latest audited Balance Sheet.			
6. Profit / Loss for the year i. Considered in consolidation ii. Not Considered in consolidation			

Date - 20th May, 2019
Place - BELGAUM

M. M. MOHTA
Chairman
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ANIRUDH MOHTA
Managing Director
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Belgaum, 590006, Karnataka

ANNEXURE-VI

(Annexure to director's report- statutory Disclosures)

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	N.A
(b)	Nature of contracts/arrangements/transactions	N.A
(c)	Duration of the contracts/arrangements/transactions	N.A
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A
(e)	Justification for entering into such contracts or arrangements or transactions	N.A
(f)	date(s) of approval by the Board	N.A
(g)	Amount paid as advances, if any	N.A
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A

Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of	BEMCO HYDRAULICS LIMITED	BEMCO FLUIDTECHNIK LLP, BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM- 590006. Son Mr. Anirudh Mohta and Mother Mrs. Urmila Devi Mohta are directors of the Company.	L & G STEEL AND COMMODITIES (P) LTD- PLOT NO.3, DEFENCE COLONY, R. C. NAGAR, 2ND STAGE, BELGAUM-590006 Daughter & Grandson of Mr. M. M. Mohta & Mr. Urmila Devi Mohta are Director of this Company	SREE RAM STEELS BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM- 590006. Grandson of Mr. M.M. Mohta & Mr. Urmila Devi Mohta are Director of this Company
(b)	Nature of contracts/arrangements/transactions	Remuneration paid to Managing Director- Appointment to any office or place of profit	Purchase of goods, and Renting of Immovable property	Purchase of steel and sale of scrap	Purchase of goods and Renting of Immovable property
(c)	Duration of the contracts/arrangements/transactions	For FY 2018-19	For F Y 2018-19	For FY 2018-19	For FY 2018-19
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1) Rs. 77,21,742/- Remuneration payable.	1) Purchase of goods worth Rs. 58,58,194/- 2) Sale of Materials Rs. 81,311/- 3) Lease rent Rs. 1,87,600/-	1) Purchase of goods worth Rs. 1,20,78,356/- 2) Sale of Scrap worth Rs. 1,23,165/- 3) Lease rent Rs. 7,13,908/-	1) Purchase of goods worth Rs. 48,24,548/- 2) Lease rent Rs. 35,400/-
(e)	Date(s) of approval by the Board, if any:	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Nomination & Remuneration committee	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Audit committee	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Audit committee	Transactions being at an arm's length and in ordinary course of business, board approval not necessary. However, pursuant to listing agreement, these transactions are approved by Audit committee
(f)	Amount paid as advances, if any:		Nil	Nil	NIL

Date - 20th May, 2019
Place - BELGAUM

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

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

ANNEXURE-VII

(Annexure to director's report- statutory Disclosures)

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:	Operations of the Company are not energy intensive however, conscious efforts are made at all levels of operations to conserve energy and minimize its use. Over the years, the factory lay out is modified to allow maximum use of sun light in factory premises, power capacitors are used and automatic power shut down devices are installed when the machines are in idling mode.
Steps taken by the company for utilizing alternate sources of energy including waste generated	As above
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: (a) Details of technology imported. (b) Year of import. (c) Whether the technology been fully absorbed (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.
4.	The expenditure incurred on research and development.	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	2018-19 Rs.	2017-18 Rs.
i) C.I.F. Value of Imports: Raw Materials And Components	1,31,99,651/-	58,13,878/-
ii) Expenditure in Foreign Currency: (paid/payable)	1,83,928/-	5,96,092/-
Traveling		
Technical Know How (Paid/Payable)	20,20,313/-	NIL
Technical Assistance	NIL	NIL
Exhibition Expenses	NIL	NIL
iii) Earnings in Foreign Exchange: FOB value of Exports	2,29,42,670/-	83,31,087/-

23. DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

(a) Accepted during the year;	NIL
(b) Remained unpaid or unclaimed as at the end of the year;	N. A.
(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: i. at the beginning of the year ii. maximum during the year iii. at the end of the year	N. A. N. A. N. A.
(d) Details of deposits which are not in compliance with the requirements of Chapter V of the Act	N. A.

Date - 20th May, 2018
Place - BELGAUMM. M. MOHTA
Chairman
DIN-00068884
2 Mohanam, 10th Cross,
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Belgaum, 590006, Karnataka.ANIRUDH MOHTA
Managing Director
DIN-00065302
2 Mohanam, 10th Cross,
Bhagya Nagar,
Belgaum, 590006, Karnataka



ANNEXURE-VIII

(Annexure to director's report- statutory Disclosures)

RISK MANAGEMENT POLICY:

- The RISK MANAGEMENT POLICY is in compliance with Section 134 (3) (n) of the Companies Act 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires the Company to lay down procedure for risk assessment and procedure for risk minimization. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.
- The Board ensures that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management. The Company enables compliance with all appropriate laws and regulations, wherever applicable, through the adoption of best practices.
- The Board of Directors of the Company and the Audit Committee periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning, and they report to the Board and Audit Committee when circumstances require.
- Company is working at the Norms laid down in the ISO 9001-2008 & ISO 14001-2004 and strictly follow all the norms and procedures to overcome the various risk factors.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

As the company does not fall within the criteria laid down in section 135 of the Companies Act, 2013, nothing under this head is applicable statutorily but the Boards' commitment to social cause remains.

FORMAL ANNUAL EVALUATION /BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

Date -20th May, 2018
Place - BELGAUM

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MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and development:-

We are a Hydraulic engineering company and we bring out information in brief that is relevant to our current business interest and our strategy to grow in this segment. Main mother industry on whom we are mainly depended on are, heavy engineering works, Aeronautics, defense, Railways, Automobile, forging, Sheet metal. Apart from these there are many global companies expanding their manufacturing facilities. There is upward trend in the business year by year for past couple of years.

India is a growing country and every business house can grow in its own field provided, they add value to the investments of the buyers program. There is a business opportunity for all segments of business because our country has not reached to the saturation point unlike European and American countries.

In Bemco, we have given major focus on Automotive and Rail Industry not only for business in home country but also in the neighboring countries. We have been successful in securing business as anticipated and much is expected in the years to come.

We believe we are better placed in this segment of industry and are well secured.

Opportunities and Threats:

Opportunities -

We have different product verticals catering to the above segments therefore there are ample opportunities to explore the business prospects from different segments of industry.

1. In the western countries, forging and foundry industry are reduced as a result Indian Industry is doing better in this segment with export business opportunities. We cater to this segment and we are recognized in this segment of business so much so that, we get substantial business from this segment.
2. Automobile: Every Indian vehicle manufacturer has Bemco machines and we are recognized in this segment of business. Apart from supplying conventional machines, we also supply customized machines to these companies.
3. Railways: Indian Railways is perhaps second largest in the globe and has many workshops spread across length and breadth of the country. We supply Hydraulic wheel presses, spring testing machines and an import substitute equipment by name - Hydraulic Re-railing equipment which Railways buy in good numbers.
4. Aviation and Defense: Bemco has developed few import substitutes wherein the business is steady and secured although the size of business is not significant. But we value this business as it is a feather in our cap and add brand value to the company. We are being seen as one among the reputed and reliable within industry.

Threats:

1. We are a Hydraulic Engineering Industry who design and develop custom built, application specific Hydraulic machines from concept level to commissioning. Our responsibility ends after putting the machine into production and then we get paid. Time frame for returns on the investment is to the tune of 6 to 8 months for each machine. Our investment on the work in progress is for a longer period of time as a result we carry a huge inventory at a huge interest cost.
2. We need to retain our entire workforce in good and bad times because all are specialized brains trained for our business module. Unlike software industry, we cannot adopt hire and fire policy. We need to carry our work force at all times.
3. If government reduces import duty to promote imports, the domestic hydraulic industry would suffer competitiveness. This is highly unpredictable.
4. We largely depend on government orders. The decisions are normally taken after 180 days. Earnest money deposited is blocked for unknown period at a huge cost.
5. In case of disputes and arbitration, the decisions are delayed for unknown period of time and it is beyond our control. Our inventory gets blocked until dispute is resolved. Security deposits submitted as a surety remain with the government body for an extended period of time.
6. Bank interests are much higher when compared to the developed countries. Since realization on our investment is spread over 6 - 10 months, we lose major chunk of earnings in bank interest & government levies. At times, when dispute crop up, we end up paying interest and government levies and lose heavily.
7. We are better placed in selling large size machines because of our infrastructure and past track record than selling smaller capacity machines. It is often seen that, small entrepreneurs open a new business account with our existing buyers with smaller machines and expand their business tentacles to secure larger business. We really need to strike balance in between, although the business coming from smaller machines does not add much to the turnover. The only way to sustain in this segment is to make the machines more efficient than before and make it incomparable with other products technologically. There is a need for constant innovation, developments and meet expenses without anticipating quicker returns.
8. With the increased globalization, the buyer and the user are more knowledgeable than any single manufacturer. There is need to infuse latest technology and produce energy efficient intelligent machines. It is the time for change over to next generation technology to grow in this business. We need to either develop technology in-house or have technical collaboration with the experts of this field.
9. At times, private entrepreneurs do not take delivery after the machine is ready due many reasons not concerned to us. In this period, we would be carrying huge inventory of capital goods which otherwise cannot be sold to anyone else than the one who placed order.

Segment wise and Product wise performance:

We are doing well in each of the above segment namely railways and automobiles and therefore honored with repeat orders. We have experts of each and every field who are responsible to give their best. The business is growing by word of mouth from one industry to another. We conceive new engineering concepts, develop, produce, test, prove said capabilities of the machine & then sell the first machine. The first machine speaks by itself and sells many more.

Bemco is always dedicated to its work responsibilities & enjoys crossing new mile stones of success in its undertakings. Every employee gives his best to his part of responsibility and it is in the culture of this organization thereby we convert every individual of the organization into an asset of the company. This is the secret behind our success.

Out look

We are confident and looking forward to a bright future and growth. We have planned for larger investments on the infrastructure development & induction of new technology.

Risk and Concerns:

In true sense, we have lesser risk factors in our business. We are into manufacture of custom built products & our investment begins only after securing the business and after contracts are supported with sufficient advance payment.

We are aiming for 50% of the business from Government sector wherein we get paid upon delivery and returns on our investment are well secured. We are successful in reaching to these bench marks.

As a result dead inventory is not created which would otherwise compel us for distress selling or depleting stocks. This is one of the key factors for our 60 years of presence in this field of business in all circumstances of situation of Industry prevailing in the country.

Our business is hardly affected by product or the technology becoming obsolete overnight unlike electronic and automobile industry. This process is very slow and as a requirement of industry, we are already having European technology partner to keep pace with time & technology in the relevant field.

Concerns:

Our major concern is on the bank interest on capital goods, security deposits for a longer period of time for government contracts, late decisions of government mechanism & huge inventory costs while work in progress. There is much things expected from the government in this regard.

Performance Highlights:

The Gross revenue, during year under report has been achieved due to a buoyant trend in Indian Industry.

- During past couple of years our Government has announced various policies for revival of the Indian Economy and the effect can be seen in the market place.
- The major Policy and move of our Government towards the Indigenization in all the government sectors like, Defense, Aviation, Indian Railways etc. has given boost and courage of the Indian Entrepreneur to plan and implement new projects.
- Now we feel the revival is taking place and we are happy to share the following to the members of the Company:

ESTIMATES FOR THE FINANCIAL YEAR 2019-20:

Estimates for the current and following financial year are based on the corrections taken place in the overall market and taking into account the inflow of new Orders and Enquiries.

In the current challenging economic environment, we hope to grow in a consequently reasonable growth rate and hopefully be in position to slightly improve profits with softer raw materials and lower interest rates.

In addition to this, Bemco Hydraulics Ltd has contributed 65% in its subsidiary company Bemco Fluidtechnik LLP which is engaged in manufacturing of hydraulic pumps, valves, hydraulic motors, hydraulic equipment/power packs, and manifold blocks and many such items and have introduced new products in the current year and has a favorable response for the same. We hope for better sales and positive results for the current financial year.

To sum up, the outlook for the next year looks bright.

Internal Controls and their adequacy:

Bemco has put in place adequate internal financial control with reference to the financial statement, some of which are outlined below:

The Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April, 2017. Accordingly, the financial statement for the year ended 31st March, 2019 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS. Your Company has adopted accounting policies which are in line with the Accounting Standard prescribed in the Companies (Accounting Standards) Rules, 2006 that continues to apply u/s 133 and other applicable provisions of the companies Act, 2013 read with rule 7 of the companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies if any are approved in the audit committee in consultation with the auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your company. The accounts of the subsidiary companies are audited and certified by their respective auditors for consolidation.

The company has proper and adequate system of internal audit and control which ensures that all the assets are safeguarded against loss from unauthorized use and that all transactions are authorized recorded and reported correctly.

The company continuously improves upon existing practices for each of its major functional areas with a view to strengthen the internal control system.

The Company has assigned internal audit function to a firm of Chartered accountants. Regular internal audit and checks are carried out to ensure that the responsibilities are discharged effectively. All major findings and suggestions arising out of internal audit are reported and reviewed by the Audit Committee. The management ensures implementation of these suggestions and reviews them periodically.

Human Resources:

Your company believes that human talent is its fundamental strength. The Company nurtures competencies and skills through learning and development programmes and recognizes talent, and rewards it through performance management system. During 2018-19, the focus from an organization development perspective was to implement strong processes and controls to continuously improve efficiencies and improve organization capabilities.

The process of realigning the organization along functional lines in various areas of business like business acquisition, business execution and technology adoption continued through 2018-19. On the operational side of business, management changes were undertaken to create more focus and greater accountability.

Your company has enjoyed cordial relations with its employees, worker and staff employees are paid in accordance with the wage agreement established with trade unions.

The Employee strength of the company as on 31st March, 2019 was 283.

For and on behalf of the Board of Directors.

Date -20th May, 2018
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

Compliance Certificate From CEO & CFO

Pursuant to regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- A. We have reviewed financial statement and cash flow statement for the year and that to the best of our knowledge and belief:
1. These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 2. These statement together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transaction entered into by the listed entity during the year which is fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control system of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiency in design and operations of such internal controls, if any, of which we are aware and the steps we have taken or have propose to take rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee
1. Significant changes in the internal control over financial reporting during the year.
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having the significant role in the listed entity's internal control system over financial reporting.

Date - 20th May, 2019
Place- BELGAUM

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

VIJAY SAMBREKAR
CFO
PAN: BGLPS8409M
Plot No 33, New Shivaji Colony,
Tilakwadi Belagevi 590006,
Karnataka.

Certificate Of Non-Disqualification Of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Bemco Hydraulics Limited
Udyambag, Industrial Estate,
Belgaum-590006

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bemco Hydraulics Limited having CIN L51101KA1957PLC001283 and having registered office at Udyambag, Industrial Estate, Belgaum-590006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SL NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	ANIRUDH MOHTA	00065302	18/08/1994
2.	MADAN MOHAN MOHTA	00068884	23/03/1991
3.	URMILA DEVI MOHTA	00068906	30/05/1992
4.	RAMESH MANICKCHAND SHAH	00068653	05/01/1988
5.	NAWAL KISHORE DAGA	00142170	17/04/1998
6.	DILIP PREMRAJ CHINDAK	00644673	29/01/2004

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date - 20th May, 2019
Place- BELGAUM

Signature
S.R. DESHPANDE
Membership No.: 3077
CP No.: 1865

FORM MR 3 SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration) Rules, 2014]

To,
The Members,
BEMCO HYDRAULICS LIMITED,
Belgaum.

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BEMCO HYDRAULICS LIMITED (herein after called 'the company') Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made herein after.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March 2019, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under,
 - iii. The Depositors Act, 1996 and the Regulations and Bye laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **Not Applicable during the financial year**
 - v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992, (SEBI Act)
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011,
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992,
 - c. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2009 - **Not Applicable during the financial year,**
 - d. The Securities and exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable during the financial year**
 - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations 2008 - **Not Applicable during the financial year,**
 - f. The Securities and exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client,
 - g. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 - **Not Applicable during the financial year and**
 - h. The Securities and Exchange Board of India (Buy back of securities) Regulations, 1996 - **Not Applicable during the financial year**

vi. INDUSTRY SPECIFIC ACTS

The Company being engaged in the manufacture of hydraulic equipment and as an engineering goods manufacturer, the Company is covered by all major Acts and legislations which apply to any industrial company; thus, there is no industry specific law applicable to it.

We have also examined compliance with the applicable clauses of the following -

- a. Secretarial Standards issued by the Institute of Company Secretaries of India,
- b. The Listing agreement entered in to by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and none of the members have expressed their dissent. Further on the verification of the minutes book for the year under review there were no instances of any Director having expressed a dissenting view.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards referred to above.

For SDR & Associates
Practicing Company Secretaries

NAME	ROSHAN R RAIKAR
DESIGNATION	PARTNER
M.NO/CP.NO	32941, 12146
ADDRESS	190/11, KHANAPUR CROSS ROAD, NEAR RPD COLLEGE GROUND, TILAKWADI, BELGAUM - 590006

Place – Belgaum
Date – 03rd June, 2019

Annexure – A to Secretarial Audit Report dated 03rd June, 2019

To,
The Members,
BEMCO HYDRAULICS LIMITED,
Belgaum.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is a part of financial audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc., wherever required.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SDR & Associates
Practicing Company Secretaries

NAME	ROSHAN R RAIKAR
DESIGNATION	PARTNER
M.NO/CP.NO	32941, 12146
ADDRESS	190/11, KHANAPUR CROSS ROAD, NEAR RPD COLLEGE GROUND, TILAKWADI, BELGAUM - 590006

Place – Belgaum
Date – 03rd June, 2019

S JAYKISHAN**Chartered Accountants**

Suite # 2D,2E & 2F, 12, Ho- Chl-minh Sarani, KOLKATA- 700 071

Phone No – (033)4003-5801, Fax (033) 4003-5832

Email : info@sjaykishan.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the standalone financial statements of **BEMCO HYDRAULICS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Descriptions of Key Audit Matters are given below:-

Sl No.	Key Audit Matters	Auditor's Response
1	<p>Appropriateness of the carrying amount of trade receivables (Unsecured & Considered Good) at amortized cost (Refer Note – 5.08 to the standalone financial statements)</p> <p>Trade receivables aggregating to ₹ 13,77,10,968/- as at March 31, 2019 comprise a significant portion of the assets of the Company and serve as security for the Company's short-term debts.</p> <p>Letters have been sent to majority of the debtor for confirmation of balances and reconciliation, in case of differences, but replies have not been received from all.</p> <p>This is determined as a key audit matter as balance confirmation is one of the evidences which establishes the authenticity of the receivables which comprise significant portion of the Assets of the entity.</p>	<p>Our procedures, regarding obtaining the balance confirmation of Trade Receivable and verifying the same</p> <ul style="list-style-type: none"> Designing the external confirmation procedures to obtain additional corroborative information as a response to address the assessed risks of material misstatement, including determining that external confirmation requests are properly addressed and contain return information for responses to be sent directly to the auditor and maintaining control over external confirmation requests Evaluating whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether performing further audit procedures is necessary including in the case of each non-response, perform alternative audit procedures to obtain relevant and reliable audit evidence Performing Alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end. <p>Based on the above procedures performed, we did not find any significant exceptions the Balances of trade receivables.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - iv) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) rules, 2014.
 - v) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 5.27 to the standalone financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S JAYKISHAN
Chartered Accountant
Firm's Registration No. 309005E

Vivek Newatia
Partner
Membership No. 062636

Annexure 'A' to Independent Auditor's Report referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

- (i) In respect to company's fixed assets:
- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventories has been conducted at reasonable intervals by the management. No material discrepancies were noticed on physical verification as compared to book record.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, paragraphs 3(ii)(a), 3 (ii)(b) & 3(ii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan/guarantee/security to or on behalf of any party referred to in Section 185 of the Companies Act 2013. The Company has complied with Section 186 in respect of investments made. The Company has not given any loan, guarantee or provided any security in connection with a loan to any body corporate or any other person.
- (v) On the basis of our examination of books and records of the Company, in our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and therefore the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) The Company is generally regular in depositing undisputed statutory dues including Income Tax and other statutory dues applicable to it with the appropriate authority. There are no undisputed amount payable in respect of applicable statutory dues which were in arrears as at 31.03.2019 for a period of more than six months from the date they became payable.
- b) According to the information & explanation give to us, there are no dues of Income tax, Sales tax, Service Tax, Custom duty, Excise duty or Goods and Services Tax which have not been deposited on account of any dispute except as stated as below:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Karnataka Tax on Entry of Goods, 1979	Entry Tax	75,755/-	2006-07	Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	28,666/-	2007-08	Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	34,580/-	2008-09	Joint Commissioner of Commercial Taxes (Appeals)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	70,632/-	2009-10	Joint Commissioner of Commercial Taxes (Appeals)

Note: Out of the total amount of ₹ 2,09,633/-, 50% of the amount has been deposited.

- (viii) Based on our examination of books and records and according to the information & explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution or Banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Term Loans were applied for the purposes for which those were raised.
- (x) On the basis of our examination of books and records of the Company and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore paragraph 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or persons connected with him and therefore paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S JAYKISHAN
Chartered Accountants
Firm's Registration No. 309005E

Vivek Newatia
Partner
Membership No. 062636

Annexure - 'B' to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BEMCO HYDRAULICS LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S JAYKISHAN
Chartered Accountants
Firm's Registration No. 309005E

Vivek Newatia
Partner
Membership No. 062636

Place: Kolkata
Date: 20-05-2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in ₹)

Particulars	Note No.	Figures as at 31/03/2019	Figures as at 31/03/2018
ASSETS			
(i) Non-Current assets			
(a) Property, Plant and Equipment	5.01	43,81,35,070	43,34,48,209
(b) Capital Work In Progress		20,21,988	11,98,109
(c) Other Intangible Assets	5.02	56,93,166	72,00,850
(d) Financial Assets			
(i) Investments	5.03	22,16,294	23,26,473
(ii) Loans	5.04	15,99,130	12,11,700
(iii) Other Financial Assets	5.05	1,48,02,952	52,04,503
(e) Other Non-Current Assets	5.06	13,53,748	2,90,000
		Total Non-Current Assets	48,58,22,346
			45,08,79,844
(ii) Current Assets			
(a) Inventories	5.07	17,39,58,858	18,65,13,427
(b) Financial Assets			
(i) Trade Receivables	5.08	13,77,10,988	10,45,29,385
(ii) Cash and Cash Equivalents	5.09	5,85,215	17,74,637
(iii) Bank Balances other than (ii) above	5.10	76,39,075	2,06,63,784
(iv) Other Financial Assets	5.11	12,54,845	10,39,802
(c) Current Tax Assets	5.12	21,97,283	9,89,881
(d) Other Current Assets	5.13	73,05,352	1,63,91,425
		Total Current Assets	33,06,51,576
		TOTAL ASSETS (i TO ii)	79,64,73,922
			78,47,81,965
EQUITY AND LIABILITIES			
(i) Equity			
(a) Equity Share Capital	5.14	2,19,33,500	2,19,33,500
(b) Other Equity	5.15	33,09,06,815	31,51,80,684
		Total Equity	35,28,40,315
			33,71,14,184
Liabilities			
(ii) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5.16	3,85,57,950	4,44,61,932
(ii) Other Financial Liabilities	5.17	3,98,590	1,56,040
(b) Provisions	5.18	9,89,957	10,53,797
(c) Deferred Tax Liabilities (Net)	5.19	6,68,92,928	6,25,48,089
(d) Other Non-Current Liabilities	5.20	45,91,813	26,40,305
		Total Non-Current Liabilities	11,14,31,038
			11,68,80,183
(iii) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5.21	7,51,31,922	12,03,99,533
(ii) Trade Payables	5.22		
(a) Total Outstanding Dues of Micro, Medium and Small Enterprises		55,41,792	-
(b) Total outstanding Dues of Other than Micro, Medium and Small Enterprises		11,80,82,891	10,91,17,910
(iii) Other Financial Liabilities	5.23	5,42,54,957	4,75,05,804
(b) Other Current Liabilities	5.24	6,35,76,840	4,75,75,891
(c) Provisions	5.25	50,89,726	70,03,737
(d) Current Tax Liabilities (Net)	5.26	1,05,24,641	52,04,783
		Total Current Liabilities	33,22,02,589
		TOTAL EQUITY AND LIABILITIES (i TO iii)	79,64,73,922
			78,47,81,965
Significant Accounting Policies	2	-	-
See accompanying Notes to Financial Statements	1 - 5		

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivak Newatia
Partner
Membership No.:062636

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarsia
Company Secretary
ACS - 42298

M M Mohta
Chairman
DIN: 0068884

Anirudh Mohta
Managing Director
DIN:00065302

Place: Kolkata
Date: 20-05-2019

Place: Belgaum
Date: 20-05-2019

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

(Amount in ₹)

Particulars	Note No.	Figures for the year ended	
		31/03/2019	31/03/2018
I REVENUE FROM OPERATIONS	5.28	47,22,52,055	40,92,31,368
II OTHER INCOME	5.29	72,95,309	44,54,249
III TOTAL INCOME (I + II)		47,95,47,364	41,36,85,617
IV EXPENSES			
Cost of Materials Consumed	5.30	21,46,66,252	20,33,82,232
Changes In Inventories Of Finished Goods And Work-in-Progress	5.31	3,56,65,153	(71,31,864)
Employee Benefits Expense	5.32	8,74,88,774	8,44,11,338
Finance Costs	5.33	2,74,89,182	2,94,75,552
Depreciation And Amortization Expense	5.34	78,32,397	69,65,623
Other Expenses	5.35	8,12,15,129	8,19,83,709
TOTAL EXPENSES		45,43,56,887	39,90,86,590
V PROFIT / (LOSS) BEFORE TAX (III - IV)		2,51,90,477	1,45,99,027
VI TAX EXPENSE:			
(i) Current Tax [Net of prior period reversals ₹ 11,11,928/- (Previous Year: Nil)]		53,72,882	53,23,467
(ii) Deferred Tax Charged/(Credited)	5.19	35,52,191	(12,41,731)
		89,24,873	40,81,736
VII PROFIT / (LOSS) FOR THE YEAR (V - VI)		1,62,65,604	1,05,17,291
VIII OTHER COMPREHENSIVE INCOME	5.36		
(i) Items that will not be reclassified to profit or loss		3,93,245	16,93,976
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,40,050)	(3,03,033)
Other Comprehensive Income for the year		2,53,195	13,90,943
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII + IX)		1,65,18,799	1,19,08,234
X Earnings Per Equity Share of Face Value of ₹ 10/- each	5.37		
(1) Basic		7.44	4.81
(2) Diluted		7.44	4.81
Significant Accounting Policies	2		
See accompanying Notes to Financial Statements	1 - 5		

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:062636

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarsale
Company Secretary
ACS - 42288

M M Mohta
Chairman
DIN: 0068884

Anirudh Mohta
Managing Director
DIN:00065302

Place: Kolkata
Date: 20-05-2019

Place: Belgaum
Date: 20-05-2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. Equity Share Capital
Equity Shares of ₹ 10/- each issued, subscribed and fully paid up (Amount in ₹)

Balance as at the beginning of the reporting period, i.e. 1st April, 2017	Changes in equity share capital during the year 2017-2018	Balance as at the end of the reporting period, i.e. 31st March, 2018	Changes in equity share capital during the year 2018-2019	Balance as at the end of the reporting period, i.e. 31st March, 2019
2,19,33,500	-	2,19,33,500	-	2,19,33,500

B. Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium Reserve	Retained Earnings	Revaluation Surplus	Equity Instruments through OCI	
As At 31st March, 2018								
Balance as at 1st April, 2018	27,87,89,757	14,73,200	70,24,153	4,48,31,700	(2,89,68,016)	-	20,12,166	(19,77,485)
Add(Less): Movement During The Year	(2,02,980)	-	-	-	2,89,937	-	-	-
Profit for the year	-	-	-	-	1,05,17,291	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	2,07,062	11,83,881
Balance as at 31st March, 2018	27,85,86,777	14,73,200	70,24,153	4,48,31,700	(1,81,60,790)	-	22,19,228	(7,93,604)
As At 31st March, 2019								
Balance as at 1st April, 2019	27,85,86,777	14,73,200	70,24,153	4,48,31,700	(1,81,60,790)	-	22,19,228	(7,93,604)
Add(Less): Movement During The Year	(19,62,190)	-	-	-	11,69,542	-	-	-
Profit for the year	-	-	-	-	1,62,65,604	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(1,10,179)	3,63,374
Balance as at 31st March, 2019	27,66,24,587	14,73,200	70,24,153	4,48,31,700	(7,25,644)	-	21,09,049	(4,30,230)

As Per our Report of Even Data attached

For and on behalf of the Board of Directors

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:062636

Vijay Sambhakar
CFO
PAN:BGFLPS8409M

Amruta Tarale
Company Secretary
ACS - 42288

M M Mohita
Chairman
DIN: 0068884

Anirudh Mohita
Managing Director
DIN:00685302

Place: Kolkata
Date: 20-05-2019

Place: Belgium
Date: 20-05-2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	31/03/2019	31/03/2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Exceptional Items and Tax Adjustments For :	2,51,90,477	1,45,99,027
Loss on Sale of Property, Plant & Equipment	1,08,841	1,00,558
Provision For Bad and Doubtful Debts	9,70,121	-
Liability no longer required written back	(28,33,218)	(11,44,702)
Bad Debt and advances written off	47,93,542	36,64,798
Expected Credit Loss	14,29,743	14,06,673
Finance Cost	2,74,89,182	2,94,75,552
Depreciation and Amortization expense	78,32,397	69,65,623
Unrealised Foreign Exchange (Gain) / Loss (net)	4,97,528	46,12,000
Provision for Warranty Made/ (written back)	(1,21,411)	1,32,555
Dividend from Non-Current/ Long Term Investments	(14,798)	(16,260)
Interest Income	(17,54,007)	(17,40,927)
Lease/ Rental Income	(14,55,010)	(8,74,160)
Excess & Short Provision	10,501	-
Operating Profit Before Working Capital Changes	6,21,43,888	5,71,80,737
Movements in Working Capital		
Decrease/ (Increase) in Trade and Other Receivables	(3,18,28,601)	1,91,44,728
Decrease/ (Increase) in Inventories	1,45,54,569	37,67,785
Increase/ (Decrease) in Trade and Other Payables	3,28,82,916	(2,19,96,678)
Cash Generated From Operations	7,77,52,772	5,80,96,572
Direct Taxes Paid (Net)	39,74,143	(2,16,852)
Net Cash Flow From (Used In) Operating Activities	(A) 8,17,26,915	5,78,79,720
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment (incl. Capital Advances)	(2,63,05,843)	(2,30,13,867)
Sale of Property, Plant & Equipment	1,24,530	1,32,813
Investment in Fixed Deposits	1,03,49,726	(9,38,948)
Dividend from Non-Current/ Long Term Investments	14,798	16,260
Interest Received	16,65,862	14,80,375
Lease/ Rental Income	14,55,010	8,74,160
Net Cash Flow From (Used In) Investing Activities	(B) (1,26,95,917)	(2,14,49,237)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	23,81,000	23,81,000
Repayment of Long term Borrowings	(34,66,746)	(48,61,378)
Proceeds/(Repayment) of Short term Borrowings (net)	(4,53,15,213)	(67,74,582)
Interest Paid	(2,37,73,983)	(2,65,75,365)
Net Cash Flow From (Used In) Financing Activities	(C) (7,61,74,922)	(3,78,30,325)
Net Increase in Cash & Cash Equivalents	(A+B+C) (1,43,924)	(13,99,842)
Cash & Cash Equivalents at the beginning of the Year	17,74,637	31,74,480
Cash & Cash Equivalents at the end of the Year²	6,30,712	17,74,637

Note:

- (1) Cash Flow Statement has been prepared under Indirect method in accordance with Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".
- (2) Represents Cash & Cash Equivalents as indicated in Note No. 5.09 & 5.23 to the Financial Statements as under:

	31.03.2019 (₹)	31.03.2018 (₹)
Cash and Cash Equivalent	5,85,215	17,74,637
Credit Balance in Current Account	45,497	-
	6,30,712	17,74,637

(3) Debt Reconciliation Statement in accordance with IND AS 7 as under:

	31.03.2019 (₹)	31.03.2018 (₹)
Opening Balances		
Long Term Borrowings	3,91,81,113	4,16,09,009
Short Term Borrowings	12,03,99,533	12,91,43,439
Movements		
Long Term Borrowings	53,491	(24,27,896)
Short Term Borrowings	(4,52,22,114)	(87,43,908)
Closing Balances		
Long Term Borrowings	3,92,34,604	3,91,81,113
Short Term Borrowings	7,51,77,419	12,03,99,533

As Per our Report of Even Date attached

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:062636

Place: Kolkata
Date: 20-05-2019

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarale
Company Secretary
ACS - 42286

M M Mohta
Chairman
DIN: 0068884

Anrudh Mohta
Managing Director
DIN:00065302

Place: Belgaum
Date: 20-05-2019

For and on behalf of the Board of Directors

Summary of Significant Accounting Policies and Notes to the Financial Statements For the Year Ended 31st March 2019

1. Corporate Information

Bemco Hydraulics Limited ("the Company") is a listed company incorporated in India having its registered office at Udyambag Industrial Estate, Belgaum, Karnataka-590 008. The Company is principally engaged in the business of manufacture of wide range of Portable re-railing equipment, Light weight re-railing equipment, Hydraulic Re-railing equipment, Re-railing Systems, Hydraulic press, Wheel fitting press and Straightening press. Apart from the principal place of business it has branches in Chennai, Delhi and Kolkata. The Company caters to both domestic and international markets. The Company's equity shares are listed on the Bombay Stock Exchange (BSE Ltd.) since 05th day of November, 2001. The financial statement for the financial year ended 31st March, 2019 were approved by the Board of Directors and authorised for issue on 20th May, 2019.

2. Summary of Significant Accounting Policies

2.01 Statement of Compliance

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

2.02 Basis of Preparation and Measurement

"The Standalone financial statements have been prepared on the historical cost basis, except for the following assets and Liabilities which have been measured at Fair value basis at end of each reporting period:(i) Certain Financial Assets and Liabilities(ii) Defined Benefit Plans- Plan Assets"

2.03 Current and Non-Current Classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period;
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period or,
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.;

All other liabilities are classified as non-current.

Deferred Tax Assets/ Liabilities are classified as non-current.

2.04 Property, Plant & Equipment (PPE)

"PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, other directly attributable costs including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than leasehold land which is stated at revalued amounts) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred."

Depreciation on the property, plant and equipment is provided on straight-line method ("SLM") over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013 except leasehold land which is being amortised over lease period and the same is in line with management estimates of the useful lives of the asset. On property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

"The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements. Residual Values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year and adjusted prospectively if appropriate."

2.05 Capital Work-In-Progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.06 Intangible Assets

"Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss as gains or losses, as the case may be."

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset (Other than Internally generated)	Useful Life
Computer Software	5 years
Technical Know-how	10 years

The management reviews the estimated useful life of intangible assets annually.

2.07 Inventories

"Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of scrap which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes

incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of Raw Materials, Work-in-progress, Finished goods and Stores and Spares are determined on First in First Out Basis (i.e. FIFO).*

2.08 Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

"Leased Assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.*

2.09 Revenue Recognition

"Sale of Goods

The revenue are recognised when (or as) the company satisfies the all recognition criteria including transferring the promised goods or services (i.e. an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Sales of goods are recognised when the products are dispatched/ control transferred to the customers and there is no unfulfilled obligation that could affect the buyer's acceptance of the product as per the terms of the contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

Revenue is recognised based on the price specified in the contract.

Revenue for current year is exclusive of goods and service tax and net of discounts, sales returns and foreign exchange gain/(loss). Revenue for previous year is inclusive of excise duty but net of sales tax/value added tax/goods and service tax, discounts and sales returns as applicable.*

Rendering of services

Revenue from maintenance contracts are recognized on pro-rata basis over the period of contract. Revenue from other service contracts are recognized when services are rendered and related costs are incurred.

Interest Income

For all financial instruments measured at amortised cost, interest income is accrued on a time basis, by reference to principal outstanding and at effective interest rate (EIR) applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the Financial asset on initial recognition.

Dividend Income

Dividend income from investments is accounted for when the company's right to receive the same is established.

Lease Income

Lease rentals are recognised on straight-line basis as per the terms of the agreements in the Statement of Profit and Loss.

2.10 Employee Benefits Expense

(a) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(b) Post employment benefits

Defined contribution plans:

"A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Superannuation Fund and Provident & Pension Fund are administered by Life Insurance Corporation of India (LIC) and Regional Provident Fund Commissioner respectively.*

Defined benefit plans:

"The company has a defined benefit plan for Post-employment benefit in the form of Gratuity, which is administered through Life Insurance Corporation of India (LIC). The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.*

Other long-term employee benefits

Liability for Compensated Absence is provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

2.11 Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

2.12 Foreign Currency Transactions

"The company's financial statements are presented in Indian Rupee (₹), which is also the company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary assets or liabilities are translated at exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit & loss.*

2.13 Earnings Per Share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential equity shares.

2.14 Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

2.16 Research & Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development cost of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.17 Impairment of Non-Financial Assets: Property, Plant & Equipment & Intangible Assets

"The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

2.18 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Purchase and Sale of Financial Assets are recognised using Trade Date Accounting

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets At Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial Assets At Fair Value Through Profit or Loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial Liabilities

All financial liabilities are recognized at fair value at initial recognition and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. Financial Liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Investment in Subsidiary

A subsidiary is an entity that is controlled by the Company.

The Company accounts for the each category of investments in subsidiaries at cost in accordance with Ind AS 27- Separate Financial Statements.

Derecognition of Financial Instruments:

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets (other than at fair value through Profit & Loss)

"The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables."

Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the Balance Sheet when and only when, the company has a legally enforceable right to set off the amount and it intends, either to settle them on net basis or to realise the asset and settle the liability simultaneously.

3 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

The preparation of the company's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies & Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company do not expect them to have a material adverse impact on our financial position or profitability.

Depreciation / amortisation and useful lives of property plant and equipment / Intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Provision for Liquidated Damages

Provision for liquidated damages are recognised on contracts for which revenue has been recognised during the reporting period and the delivery dates are exceeded as per the terms of the contract on a reasonable basis. The negotiations with the customers on the percentage deduction/ non-deduction of liquidated damages impacts the profitability in the period in which such negotiations are finalised.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

4 Standards issued but not Effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases" and certain amendments to existing Ind AS. These amendments shall be applicable to the entity from 1st April, 2019.

(a) Issue of Ind As 116 - Leases

"Ind AS 116 will supercede the current Ind AS on Leases Ind AS 17 and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March, 2019 to show the impact of adopting Ind AS 116."

(b) Amendments to Existing issued IndAS

- i. Ind AS 101- First Time Adoption of Financial Statements.
- ii. Ind AS 103- Share Based Payments
- iii. Ind AS 104- Insurance Contracts
- iv. Ind AS 107 - Financial Instruments Disclosures
- v. Ind AS 109 - Financial Instruments
- vi. Ind AS 113- Fair Value Measurement
- vii. Ind AS 115- Revenue From Contracts with Customers
- viii. Ind AS 12- Income Taxes
- ix. Ind AS 19- Employee Benefits

Note: Application of Above Standards are not expected to have any significant impact on the Company's Financial Statements.

Notes to the Financial Statements

5.01 Property, Plant & Equipment

(all fig. in ₹)

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2018	Addition During the Year	Deduction During the Year	As at 31/03/2019	Upto 01/03/2018	For the year	Deductions	Upto 31/03/2019	As at 31/03/2019
Leased Asset									
Leasehold Land	36,05,63,856	-	-	36,05,63,856	7,53,788	3,76,894	-	11,30,682	35,94,33,174
Owned Assets									
Office Buildings	3,27,00,458	48,72,870	-	3,75,73,328	22,55,243	10,36,795	-	32,95,038	3,42,76,290
Factory Building	73,52,795	-	-	73,52,795	1,913	2,32,691	-	2,34,604	71,18,191
Plant and Equipment	2,25,88,793	17,44,000	-	2,43,32,793	30,02,010	17,15,919	-	47,17,929	1,96,14,864
Furniture and Fixtures	4,41,705	77,500	-	5,19,205	98,342	50,192	-	1,48,534	3,70,671
Vehicles	1,87,11,868	53,51,208	40,10,988	2,00,52,066	47,58,288	24,29,043	18,49,538	55,37,793	1,45,14,283
Goods Transport Vehicles	5,20,443	-	-	5,20,443	77,482	-	-	2,30,450	2,87,993
Office Equipments	3,00,802	7,70,050	-	10,70,852	1,84,013	46,198	-	2,32,211	8,36,641
Electrical Installations	8,47,640	3,94,388	-	12,42,028	1,01,220	1,09,896	-	2,11,116	10,30,912
Computers	10,74,963	1,63,008	-	12,37,971	3,53,220	2,44,603	-	5,97,823	6,40,148
Borewell	7,893	-	-	7,893	-	-	-	-	7,893
TOTAL	44,51,11,214	1,33,73,024	40,10,988	45,44,73,250	1,16,63,005	63,24,713	16,49,538	1,63,38,160	43,81,35,070

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2017	Addition During the Year	Deduction During the Year	As at 31/03/2018	Upto 31/03/2017	For the year	Deductions	Upto 31/03/2018	As at 31/03/2018
Leased Asset									
Leasehold Land	36,05,63,856	-	-	36,05,63,856	3,76,894	3,76,894	-	7,53,788	35,98,10,068
Owned Assets									
Office Buildings	2,63,30,396	63,70,062	-	3,27,00,458	8,62,582	13,72,661	-	22,55,243	3,04,45,215
Factory Building	-	73,52,795	-	73,52,795	-	1,913	-	1,913	73,50,882
Plant and Equipment	2,24,68,591	1,20,202	-	2,25,88,793	12,97,038	17,04,972	-	30,02,010	1,95,86,783
Furniture and Fixtures	3,81,705	60,000	-	4,41,705	49,010	49,332	-	98,342	3,43,363
Vehicles	1,67,74,257	33,01,810	3,64,201	1,87,11,868	24,18,226	24,70,892	1,30,830	47,58,288	1,39,53,578
Goods Transport Vehicles	5,20,443	-	-	5,20,443	77,482	77,488	-	1,54,968	3,65,475
Office Equipments	2,67,023	33,779	-	3,00,802	1,37,787	46,228	-	1,84,013	1,16,789
Electrical Installations	3,50,823	4,97,017	-	8,47,840	50,414	50,808	-	1,01,220	7,46,420
Computers	5,36,218	5,38,745	-	10,74,963	1,40,491	2,12,729	-	3,53,220	7,21,743
Borewell	7,893	-	-	7,893	-	-	-	-	7,893
TOTAL	42,72,01,905	1,82,74,410	3,64,201	44,51,11,214	54,29,824	63,63,911	1,30,830	1,16,63,005	43,34,48,209

Note: Property, plant and equipment of the company are charged against various loan facilities availed by the company from Banks. The complete details in this regard are given in Note No. 5.21 to the financial statements.

5.02 Other Intangible Assets

(all fig. in ₹)

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2018	Addition During the Year	Deduction During the Year	As at 31/03/2019	Upto 01/04/2018	For the year	Deductions	Upto 31/03/2019	As at 31/03/2019
Computer Software	28,22,353	-	-	28,22,353	2,55,341	5,30,024	-	7,85,365	20,36,988
Technical Know-how	1,20,42,393	-	-	1,20,42,393	74,08,555	9,77,860	-	83,86,215	38,56,178
TOTAL	1,48,64,746	-	-	1,48,64,746	76,63,896	15,07,884	-	91,71,580	56,93,166

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2017	Addition During the Year	Deduction During the Year	As at 31/03/2018	Upto 31/03/2017	For the year	Deductions	Upto 31/03/2018	As at 31/03/2018
Computer Software	2,99,573	25,22,760	-	28,22,353	1,29,261	1,26,060	-	2,55,341	25,67,012
Technical Know-how	1,20,42,393	-	-	1,20,42,393	69,32,923	4,75,632	-	74,08,555	48,33,838
TOTAL	1,23,41,966	25,22,760	-	1,48,64,746	70,62,184	6,01,712	-	76,63,896	72,00,850

5.03 Investments

Particulars	Face value per share (₹)	31/03/2019		31/03/2018	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Non Current					
In others					
(i) Investments in Equity Instruments carried at fair value through other comprehensive income (FVOCI)					
A. Quoted (Fully paid up, unless otherwise stated)					
Alfred Herbert (India) Limited	10	5	3,224	5	4,425
BF Investment Limited (Bonus)	5	26	6,904	26	7,285
BF Utilities Limited	5	26	5,086	26	9,923
Bharat Forge Company Limited	2	130	66,508	130	91,020
Bharat Forge Company Limited (Bonus)	2	130	66,508	130	91,020
Dynematic Technologies Limited	10	40	64,798	40	68,414
E.C.E. Industries Limited	10	30	8,080	30	8,622
Elcher Motors Limited	10	1	20,538	1	28,337
Elecon Engineering Co. Limited (Including Bonus)	2	360	22,770	360	27,702
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	781	1	560
Jyoti Limited	10	50	545	50	3,283
Kulkarni Power Tools Limited	5	200	12,520	200	11,690
Larsen and Tubro Limited	2	256	3,54,317	256	3,35,846
Larsen and Tubro Limited (Bonus)	2	320	4,42,896	320	4,19,808
LML Limited	10	27	99	27	160
Mahindra and Mahindra Limited	5	52	34,934	52	38,490
Mahindra and Mahindra Limited (Bonus)	5	52	34,934	52	38,490
Manugraph Industries Limited	2	240	6,624	240	10,992
Nesco Limited (New Standard Engineering Company Limited)	2	200	96,400	200	1,10,380
Scooters India Limited	10	50	1,655	50	3,023
Tata Motors Limited	2	115	20,045	115	37,857
Tata Motors Limited	2	15	2,615	15	4,912
Texmaco Rail Engineering Limited	1	100	6,900	100	-
Ultratech Cement (Bonus)	10	51	2,03,952	51	2,01,340
Voitas Limited	1	150	94,568	150	93,090
Best and Crompton Engineering Private Limited	10	105	380	105	-
Easton Fluid Power Limited	10	24	240	24	-
UT Limited	10	100	657	100	-
			15,79,438		16,46,469
B. Unquoted (Fully paid up, unless otherwise stated)					
Belgaum Coal and Coke Consumer Co-op Ass. Limited	100	4	37,794	4	38,224
Belgaum Manufacturers Co-op Industrial Estate Limited	100	40	4,08,085	40	4,03,804
WG Forge and Allied Industrial Limited	10	50	-	50	-
Saraswat Co-operative Bank Limited	10	783	1,24,977	783	1,72,976
Elcher Tractors Limited	10	4	-	4	-
			5,71,856		6,15,004
IN SUBSIDIARY					
(ii) Other Investments					
In Membership Share in LLP (Measured at Amortised Cost)					
Bemco Fluidtechnik LLP			65,000		65,000
			65,000		65,000
TOTAL			22,16,294		23,26,473
Aggregate amount of quoted investments			15,79,438		16,46,469
Aggregate market value of quoted investments			15,79,438		16,46,469
Aggregate amount of unquoted investments			6,36,856		6,80,004
Aggregate amount of Impairment in value of Investments			-		-

5.04 Loans

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Unsecured, Considered Good		
- Security Deposits (Refer Note (ii) below)	15,99,130	12,11,700
	15,99,130	12,11,700

Note: (i) No loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The above security deposits consists of namely Earnest Money deposits made for Government tenders, Deposits for Lease Rental arrangements and Electricity deposits and are interest free.

5.05 Other Financial Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Fixed Deposits		
- Bank Deposits with original maturity of more than 12 months	1,40,59,533	43,98,096
Advances to Workers/ Employees	7,43,419	8,06,407
	1,48,02,952	52,04,503

Note: (i) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.06 Other Non-Current Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Capital Advances	13,53,748	2,90,000
	13,53,748	2,90,000

5.07 Inventories

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
(At lower of cost and net realisable value)		
Raw Materials	2,31,99,059	1,51,48,454
Intermediate and Components	2,81,24,137	1,57,69,290
Stores and Spares	31,63,350	24,58,218
Work-in-Progress	9,49,15,000	15,26,94,000
Finished Goods	2,45,13,432	24,39,145
(At estimated realisable value)		
Scrap	43,680	4,320
	17,39,58,658	18,85,13,427

Note: (i) The mode of valuation of inventories has been stated in Note 2.07.

(ii) The Loans from Banks are secured by pari passu charge on all groups of inventories (Also Refer Note 5.21)

(iii) No inventories as on 31.03.2019 were in Transit.

5.08 Trade Receivables

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Unsecured, Considered Good		
(a) Trade Receivables (Refer Note Below)	13,77,10,968	10,45,29,385
Unsecured, Considered Doubtful		
(b) Trade Receivables	18,47,181	24,21,213
Less: Allowance for Doubtful Debts & Liquidated Damages	(18,47,161)	(24,21,213)
	13,77,10,968	10,45,29,385

Note: (i) The amount due from Subsidiary i.e. Bemco Fluidtechnik LLP is ₹ 3,11,775 (P.Y ₹ 2,64,074) in which one of the director is also a partner in LLP.

(ii) Other than above, no trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iii) Movement in the expected credit loss allowance

Particulars	Figures as at	
	31/03/2019	31/03/2018
Balance as at the beginning of the year	17,05,703	2,99,030
Add: Provision made during the year	14,29,743	14,06,673
Less: Amount written back / collected during the year	-	-
Balance as at the end of the year	31,35,446	17,05,703

- (iv) Above Trade Receivables have been shown net off Expected Credit Loss allowance at the end of the year as indicated above.
 (v) Borrowing are secured by pari passu charge on Trade receivables. Refer Note 5.21 of the financial statements.

5.09 Cash and Cash Equivalents

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Balances with Banks in current accounts	4,09,248	16,06,491
Cash on hand	1,75,967	1,68,146
	5,85,215	17,74,637

5.10 Bank Balances (Other than Cash & Cash Equivalents)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Bank deposits with original maturity more than 3 months but less than or equal to 12 months	76,39,075	2,06,63,784
	76,39,075	2,06,63,784

Note: (i) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.11 Other Financial Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advances		
Advances to Workers/ Employees	12,54,845	10,39,602
	12,54,845	10,39,602

Note: Included in above is the current portion of the interest free advance lent to employees and workers which is recovered on a monthly basis as a deduction in salary or wages.

5.12 Current Tax Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advance Tax / TDS	21,01,429	8,94,027
Income Tax Refund Receivable (Refer Note Below)	95,834	95,834
	21,97,263	9,89,861

Note: The above amount relates to Income Tax Refund for Assessment Year 2006-07 for which an appeal for rectification under section 154 of Income Tax Act, 1961 has been filed with Hon'ble Assistant Commissioner of Income Tax.

5.13 Other Current Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advances other than capital advances		
- Advances for purchase of goods and services	27,92,777	28,45,652
- Travel advances to employees	5,45,245	10,69,117
- Other Advances (Doubtful) (Refer Note (i) Below)	4,00,000	4,00,000
Less: Provision for Doubtful Advances	(4,00,000)	(4,00,000)
Claims Receivable (Refer Note (ii) Below)	4,01,517	3,98,017
Prepaid Expenses	24,88,335	34,09,007
Balance with Revenue authorities	10,77,478	86,69,632
	73,05,352	1,63,91,425

- Note: (i) "A case was filed for the recovery of the doubtful advance against B. H. Bhatwala ("Respondent") in the court of the Hon'ble Pri. District Judge, Beigum. The order was passed on 30th August, 2011 in favour of Bemco Hydraulics Limited directing the respondent to pay a sum of ₹ 5,00,000 along with interest at 6% per annum amounting to ₹ 2,73,088 i.e. total of ₹ 7,73,088 by delivery of any property specifically decreed or by attachment or sale of Moveable or immovable properties. However, when summons were issued to the respondent it was found that the respondent has passed away and his spouse and legal heirs have not responded to the summons yet. Therefore, on basis of prudence the claim awarded has not been recognised as income neither the provision against the debt has been reversed considering the uncertainty in relation to receipt of the claims."
- (ii) Included in above is amount of ₹ 1,05,343 deposited against the total demand of ₹ 2,09,833 for Entry Tax due under the Karnataka Tax on Entry of Goods Act, 1979 for financial years 2006-07, 2007-08, 2008-09 & 2009-10. An appeal has been preferred with the Hon'ble Joint Commissioner of Commercial Taxes (Appeals), the case is still pending in the forum. Also refer note no. 5.27(a).

5.14 Equity Share Capital

Particulars	31/03/2019		31/03/2018	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
(a) Authorized Share Capital Equity Shares of ₹ 10/- each Preference Share Capital of ₹ 100/- each	40,00,000 4,00,000 44,00,000	4,00,00,000 4,00,00,000 8,00,00,000	40,00,000 4,00,000 44,00,000	4,00,00,000 4,00,00,000 8,00,00,000
(b) Issued Share Capital Equity Shares of ₹ 10/- each	22,22,750 22,22,750	2,22,27,500 2,22,27,500	22,22,750 22,22,750	2,22,27,500 2,22,27,500
(c) Issued, Subscribed and Fully Paid up Capital Equity Shares of ₹ 10/- each Add: Shares Forfeited	21,86,700 - 21,86,700	2,18,67,000 66,500 2,19,33,500	21,86,700 - 21,86,700	2,18,67,000 66,500 2,19,33,500

(d) Reconciliation of Equity Shares of ₹10/- each outstanding at the beginning and at the end of each financial year.

Particulars	31/03/2019		31/03/2018	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Balance as at the beginning of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Add/ (Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500

(e) **Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/- each.**
"The Company has Equity Shares having par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Holders of Equity Shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding."

(f) **Shareholders holding more than 5% of Equity Share Capital.**

Particulars	31/03/2019		31/03/2018	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Mohita Capital Private Limited	6,65,606	30.44%	6,65,606	30.44%
Sri Ramchandra Enterprises Private Limited	3,34,897	15.31%	3,34,897	15.31%
U D Finvest Private Limited	2,18,400	9.99%	2,18,400	9.99%
Urmila Davi Mohita	2,08,668	9.54%	2,08,668	9.54%
Sungrace Finvest Private Limited	1,49,657	6.84%	1,49,657	6.84%

(g) No calls remain unpaid by the Board of Directors and officers of the Company.

5.15 Other Equity

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Capital Reserve Balance at the beginning of the year Add: Reversal of Deferred Tax Liability Less: Transfer to Retained Earnings Balance at the end of the year	27,85,86,777 (7,92,648) (11,69,542) 27,66,24,587	27,87,89,757 86,957 (2,89,937) 27,85,86,777
(a)		
Capital Redemption Reserve Balance at the beginning of the year Add/ (Less): Movement during the year Balance at the end of the year	14,73,200 - 14,73,200	14,73,200 - 14,73,200
(b)		
General Reserve Balance at the beginning of the year Add/ (Less): Movement during the year Balance at the end of the year	70,24,153 - 70,24,153	70,24,153 - 70,24,153
(c)		

Securities Premium		
Balance at the beginning of the year	4,48,31,700	4,48,31,700
Add/ (Less): Movement during the year	-	-
Balance at the end of the year	(d) 4,48,31,700	4,48,31,700
Retained Earnings		
Opening Balance	(1,81,80,790)	(2,89,68,018)
Add: Surplus/(Deficit) for the year	1,82,85,604	1,05,17,291
Add: Transfer From Capital Reserve	11,69,542	2,89,937
Balance at the end of the year	(e) (7,25,644)	(1,81,80,790)
Other Comprehensive Income		
Opening Balance	14,25,624	34,881
Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land)	2,53,195	13,90,943
Balance at the end of the year	(f) 16,78,819	14,25,624
Total (a to f)	33,09,06,815	31,51,80,864

Nature and purpose of reserves:

- Capital Redemption Reserve:**
Capital Redemption Reserve was created on account of redemption for 11% Redeemable Preference Shares at the time of issue of such shares out of the profits made during past years.
- Security Premium:**
Security premium is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium, and company can use this reserve for buy-back of shares.
- Capital Reserve:**
On the date of transition to IndAS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipments as per Previous GAAP has been transfer to the Capital Reserve.

5.16 Borrowings (Non-Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Secured		
Term Loans from Banks		
(i) Specific Purpose Term Loan		
- Plant & Machinery Loans	3,74,889	13,25,737
- Motor Car Loans	43,86,159	31,34,209
Unsecured		
Deferred Payment Liabilities	19,75,500	81,89,000
11% 3,20,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	3,18,21,602	3,18,12,986
	3,85,57,950	4,44,61,932

General Description, details of security and other conditions attaching to:**As at 31-03-2019**

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans Bank of Maharashtra	13,25,737	The sanctioned amount of loan under the consortium of bankers is ₹ 42,50,000/- out of which the Company has drawn ₹ 35,78,000/- for purchase of the current machinery. The loan is repayable in 26 monthly instalments of ₹ 80,000/- each and the last instalment shall be of ₹ 10,000/-.	13.90% p.a.
2. Motor Car Loans State Bank of India	30,45,384	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly instalments. As on 31-03-2019, 263 instalments are due for repayment.	9.16% -10.95% p.a
3. Motor Car Loans YES Bank	27,83,115	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly instalments. As on 31-03-2019, 228 instalments are due for repayment.	9.10% - 9.25% p.a

As at 31-03-2018

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans Bank of Maharashtra	22,68,396	The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,78,000/- for purchase of the current machinery. The loan is repayable in 45 monthly instalments of ₹ 80,000/- each and the last instalment shall be of ₹ 58,000/- As on 31-03-2018, 26 instalments are due for repayment.	14.40% p.a.
2. Motor Car Loans State Bank of India	47,13,845	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly instalments. As on 31-03-2018, 447 instalments are due for repayment.	10% -12% p.a

Redeemable Preference Shares**Rights, Preferences and Restrictions attached to Preference Shares of ₹ 100/- each**

The dividend on preference shares proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. Each holder of Preference Share is entitled to one vote per share. In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital but shall not be entitled to any surplus arising thereto.

The rights of preference shares are further governed by Section 47 of the Companies Act, 2013.

Terms of redemption of Preference Shares of ₹ 100/- each

Particulars	As at 31/03/2019		As at 31/03/2018	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2031.	3,00,000	3,00,00,000	3,00,000	3,00,00,000
ii) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2020.	20,000	20,00,000	20,000	20,00,000

Shareholders holding more than 5% of Preference Share Capital

Particulars	As at 31/03/2019		As at 31/03/2018	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
i) Mohta Capital Private Limited	1,90,000	59.38%	1,90,000	59.38%
ii) U.D. Finvest Private Limited	65,000	20.31%	65,000	20.31%
iii) Sree Ramachandra Capital Consultancy Private Limited	65,000	20.31%	65,000	20.31%

Details of continuing defaults in respect of Deferred Payment Liabilities**Terms of Repayment**

The total outstanding with respect to Deferred Payment Liabilities are 3,75,000/- Euros. The outstanding is repayable by payment of 50,000 Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹2,37,06,000 (Previous Year ₹ 2,04,72,500/-) in respect of deferred payment liabilities as at the balance sheet date which is included in the amount 'Current portion of deferred liability for Intangible Assets' as disclosed under note no. 5.23.

5.17 Other Financial Liabilities (Non-Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Security Deposits	3,98,590	1,56,040
	3,98,590	1,56,040

Note: Above mentioned deposits are taken as security from parties for property leased as an operating lease arrangements and the same are interest free.

5.18 Provisions (Non-Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Provision for Employee Benefits - Provision for Leave Encashment	9,89,957	10,63,797
	9,89,957	10,63,797

5.19 Deferred Tax Liabilities (Net)

Particulars	Balance Sheet Figures as at		Statement of Profit & Loss For the year ended	
	31/03/2019 (₹)	31/03/2018 ₹	31/03/2019 (₹)	31/03/2018 ₹
Deferred tax relates to the following:				
Accelerated Depreciation for Tax Purpose	(37,57,264)	(26,35,225)	(11,22,039)	(13,00,332)
Amortization of Land	(8,37,07,178)	(8,29,14,528)	(7,92,648)	86,957
Measurement of Financial Assets at Amortised Cost	95,435	1,60,345	(64,910)	28,434
Measurement of Financial Liabilities at Amortised Cost	(39,902)	(31,975)	(7,927)	16,717
Unused Tax Losses/ Depreciation	51,71,137	1,32,13,720	(80,42,583)	(53,29,247)
MAT Credit Entitlement	1,15,59,988	56,26,500	59,33,488	56,26,500
Provision for Doubtful Debts & Expected Credit Losses	13,86,162	7,49,495	6,38,667	72,180
Provision for Product Warranties	1,39,114	1,71,228	(32,114)	36,522
Provision for Leave Encashment	15,52,254	20,48,824	(4,96,570)	8,20,235
Foreign Currency Fluctuations	7,07,324	10,63,527	(3,56,203)	12,70,722
Deferred Tax Expense/(Income)	-	-	(43,44,839)	13,26,668
Net Deferred Tax Assets/(Liabilities)	(6,68,92,928)	(6,25,48,089)	-	-

Reflected in the Balance Sheet as follows:

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Deferred Tax Assets	2,06,11,414	2,30,33,639
Deferred Tax Liabilities	(8,75,04,342)	(8,55,81,728)
Deferred Tax Liabilities (Net)	(6,68,92,928)	(6,25,48,089)

Reconciliation of deferred tax liabilities (net):

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Opening balance as at	(6,25,48,089)	(6,38,76,777)
Tax income/(expense) during the period recognised in profit or loss	(35,52,191)	12,41,731
Tax income/(expense) during the period recognised in Capital Reserve	(7,92,648)	86,957
Closing balance as at	(6,68,92,928)	(6,25,48,089)

5.20 Other Non-Current Liabilities

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advances - Security Deposits from Employees	45,91,613	26,40,305
	45,91,613	26,40,305

5.21 Borrowings (Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Secured		
Loans Repayable on Demand:		
- From Banks		
(i) Cash Credit/ Packing Credit	1,99,48,357	5,41,35,633
(ii) Stand By Line Credit	-	50,00,000
(iii) Overdraft	37,09,949	-
- From Others		
(i) Raw Material Assistance Scheme from NSIC	94,45,035	94,70,935
Unsecured		
Loans Repayable on Demand:		
- From Related Parties	3,94,31,903	4,67,92,965
- From Other Parties	25,96,678	50,00,000
	7,51,31,922	12,03,99,533

General Description, details of security and other conditions attaching to:

Bank of Maharashtra:

Loans repayable on demand from Banks represents Cash Credit (CC) facility availed from Bank of Maharashtra with an overall limit of ₹15.5 crore under consortium out of which ₹ 5.5 crore is the cash credit limit sanctioned for meeting working capital requirement. It is secured by Pann Pasu Charge by way of hypothecation of inventory and receivables upto 120 days with a margin of 25%. The rate of interest is 1 year MCLR (8.65%)+BSS (0.25%) + 1.60% i.e. 10.50% p.a.

The Facility also includes Letter of Credit (Inland/Import) with an overall limit of 4 crores under consortium out of which a limit of ₹ 2 crores has been sanctioned for procurement of Raw Materials and Bank Guarantee with overall limit of 18.5 crores out of which a limit of ₹ 8 crores has been sanctioned for Bank Guarantee. The hypothecation charge is on goods under Letter of Credit with a margin of 15% in Banks favour by way of CDR.

Details of Collateral security:

- Equitable mortgage of Factory Land and Building situated at Sy. No. RS No.691, New No.343 at Majgaon, Uyambag, Belgaum and measuring 21,110.08 square meters in the name of the company.
 - 30% Equity Shares of the company.
- Three directors of the company has also given personal guarantees. *

STATE BANK OF INDIA

Cash credit availed from State Bank of India is secured by hypothecation of inventory and receivables upto 150 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 2.75% at monthly rests. Stand by Line of Credit availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 6.00% at monthly rests. The facility has been closed from the current year.

YES BANK

Cash Credit (CC) availed from Yes Bank with an overall limit of ₹ 19.5 crores under consortium as member, secured by hypothecation of Current Assets and Moveable Fixed Assets both present and future and with a margin of 25% of inventory and trade receivables of less than 150 days less any creditors less outstanding with SBI. The

CC is further secured by Equitable mortgage of Industrial Property located at S.No.891, New No.343 at Majagaon Udyambag, Belgaum, Karnataka-590008. The tenure of twelve months subject to payable on demand/ annual review. There is an unconditional and irrevocable personal guarantee of three directors of the company during the tenure of the facility. The facility amount is ₹ 7,00,00,000 with a floating interest rate of (0.35% Margin) over and above Bank's Yearly MCLR. The interest is payable monthly.

Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to ₹ 10,00,000/- . Interest is payable @ 12.50% per annum on amount outstanding. Additional interest at the rate of 0.45% percent per annum is payable if payment is not made within stipulated time limit.

Stand by Line of Credit is availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on Stand by line of Credit is payable at floating rate being base rate of bank plus 3.75% at monthly rests. The same has been terminated from this financial Year

5.22 Trade Payables

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
For Goods purchased and Services received in the normal course of business		
- Due to Micro Enterprises & Small Enterprises	55,41,792	-
- Due to Other than Micro Enterprises & Small Enterprises (Refer Note (iv) Below)	8,45,11,525	8,70,90,470
- Acceptances	3,35,71,166	2,20,27,440
	12,36,24,483	10,91,17,910

Note: (i) The average credit period on purchases of goods and services are within 120 days. The trade payables are non interest bearing.

The amount due to Subsidiary i.e. Bemco Fluidtechnik LLP is ₹4,74,891 (P.Y ₹6,59,447).

(ii) Disclosure of the amounts due to the Micro and Small Enterprises as required by section 22 of Micro and small Enterprises Act, 2006 under the chapter of delayed payments to Micro and Small Enterprises (On the basis of the information & records available with the Management).

Particulars	2018-19 ₹	2017-18 ₹
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.		
*Principal amount	55,41,792	NIL
*Interest there on	NIL	NIL
(ii) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end each accounting year.	NIL	NIL
(v) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises	NIL	NIL

5.23 Other Financial Liabilities

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Current Maturities of Long-term Debt:		
- Plant & Machinery Loan from Banks	9,51,048	9,42,859
- Motor Car Loans from Banks	14,42,340	15,79,636
- Current Portion of Deferred Payment Liabilities	2,76,57,000	2,45,67,000
Interest Accrued:		
- Interest accrued and due on borrowings	2,58,766	3,85,886
Unpaid Dividends on 11% Cumulative Redeemable Preference Shares	2,11,20,000	1,87,20,000
Gratuity Payable to LIC	24,24,800	29,56,117
Guarantee Commission Payable to Related Parties	3,55,506	3,55,506
Credit Balance in Current Account	45,497	-
	5,42,54,957	4,75,05,804

5.24 Other Current Liabilities (Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Revenue Received In Advance:		
- Advance from Customers	3,98,71,376	3,07,82,300
Current portion of Security Deposit from Employees	9,71,025	26,95,125
Liabilities for Expenses	67,53,288	62,93,755
Liabilities for Statutory Dues	1,59,81,151	78,04,711
	6,35,76,840	4,75,75,891

5.25 Provisions

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Provision for Employee Benefits:		
- Provision for Leave Encashment	45,89,676	63,82,278
Provision for Product Warranty	5,00,050	6,21,461
	50,89,726	70,03,737

Note: Disclosures as required by Indian Accounting Standard (IndAS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in Provisions

Nature of Provisions	Leave Encashment		Product Warranty	
	2018-19	2017-18	2018-19	2017-18
Carrying amount at the beginning of the year*	74,36,073	44,59,085	6,21,461	4,88,906
Additional provision made during the year	(67,263)	45,63,664	-	1,32,555
Amounts used during the year	(17,89,177)	(15,86,676)	(1,21,411)	-
Carrying amount at the end of the year*	55,79,633	74,36,073	5,00,050	6,21,461

* The above figures mentioned in opening and closing carrying amount includes long term portion of provisions.

(2) Nature of Provisions

- (a) Product warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on account of rectification/ replacement. The timing of outflows is expected to be within a period of 2 years.
- (b) Provision for Leave Encashment includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

5.26 Current Tax Liabilities

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Provision for Income Tax (Net of Advance Tax/ TDS)	1,05,24,641	52,04,763
	1,05,24,641	52,04,763

Notes:

Income Tax recognised in Profit and Loss

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Current Tax		
Current income tax charge	53,72,682	-
Adjustments in respect of current income tax of previous years	-	53,23,467
Total (A)	53,72,682	53,23,467
Deferred tax:		
Relating to origination and reversal of deductible & taxable temporary differences	35,52,191	(12,41,731)
Total (B)	35,52,191	(12,41,731)
Income Tax expense recognised in the Statement of Profit or Loss (A+B)	89,24,873	40,81,736

Income Tax recognised in Other Comprehensive Income

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Current Tax		
Current income tax charge on remeasurement of defined benefit obligations	(1,40,050)	(3,03,033)
Income Tax expense recognised in Other Comprehensive Income	(1,40,050)	(3,03,033)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Profit before tax	2,51,90,477	1,45,99,027
Applicable Tax Rate	27.82%	27.55%
Computed Tax Expense	70,07,991	40,22,032
Tax Effects:		
Items not chargeable to tax/ exempt	(1,01,969)	(3,19,645)
Expenses disallowed	2,69,888	36,61,726
Net tax on depreciable assets	1,04,852	2,38,765
Effect of brought forward losses and unabsorbed depreciation	(6,56,082)	(19,76,178)
Adjustments for current tax of prior periods	(11,11,928)	-
Others	(1,40,050)	(3,03,033)
Current Tax Provision (A)	53,72,682	53,23,467
Incremental Deferred Tax Liability	35,52,191	(12,41,731)
Deferred Tax Provision (B)	35,52,191	(12,41,731)
Tax Expenses recognised in the Statement of Profit and Loss (A + B)	89,24,873	40,81,736

5.27 Contingent Liabilities and Commitments

CLAIMS AGAINST THE COMPANY /DISPUTED LIABILITIES NOT ACKNOWLEDGED AS DEBTS:

Particulars	31/03/2019 ₹	31/03/2018 ₹
(i) Entry Tax Demand Disputed in Appeal	2,10,686	2,10,686
(ii) "Spl. C. S. No. 546/2016 One of the Parties of the company namely "Maheesh Enterprises" has filed a suit for recovery of ₹69,20,000 in the Hon'ble Civil Court of Nagpur. The case is still pending."		
(iii) A Party of the company namely "D. Khandelwal Steel Corporation Limited" has filed a suit for recovery of ₹1,46,35,625 in the Hon'ble Civil Court of Nagpur. The case is still pending.		

Note: The Company has been advised that the above demands/ cases is likely to be either deleted or substantially reduced and shall not have any material adverse effect on its financial position. Hence, No provision has been created for the same.

5.28 Revenue From Operations

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Sale of Products	45,38,55,326	39,92,00,291
Sale of Services	61,09,861	24,66,070
Other Operating Revenues	1,22,86,868	75,65,007
	47,22,52,055	40,92,31,368

5.29 Other Income

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Interest Income:		
i. Interest on bank deposits carried at amortised cost	17,17,306	16,90,783
ii. Interest on Security Deposits and Others carried at amortised cost	36,701	50,144
Dividend Income on equity investments at FVTOCI	14,798	16,260
Net gain on Sale of Property, Plant & Equipment	85,452	-
Rental Income	14,55,010	8,74,160
Provision for Doubtful Debts and Advances written back	-	11,44,702
Liability No Longer Required Written Back	28,33,218	-
Fluctuation in Foreign Currency	11,03,187	31,807
Excise Duty on Closing Stock written back	-	5,84,745
Interest Income on Income Tax Refund	30,036	-
Miscellaneous Receipts	19,601	61,648
	72,95,309	44,54,249

5.30 Cost of Materials Consumed

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Raw Materials		
Opening Stock	1,51,48,454	2,05,27,444
Add: Purchases	12,06,98,345	8,65,42,259
Less: Closing Stock	(2,31,99,059)	(1,51,48,454)
	(A) 11,26,47,740	9,19,21,249
Intermediates and Components		
Opening Stock	1,57,89,290	1,90,35,752
Add: Purchases	10,22,46,187	9,49,99,680
Less: Closing Stock	(2,81,24,137)	(1,57,89,290)
	(B) 8,99,11,340	8,82,66,142
Packing Materials		
Opening Stock	-	-
Add: Purchases	13,88,899	11,96,318
Less: Closing Stock	-	-
	(C) 13,88,899	11,96,318
Stores and Spares		
Opening Stock	24,58,218	47,12,415
Add: Purchases	1,19,18,248	1,03,45,034
Less: Closing Stock	(31,63,350)	(24,58,218)
	(D) 1,12,13,116	1,25,99,231
TOTAL (A to D)	21,51,41,095	20,39,82,940
Less: Materials consumed on account of warranties	4,74,843	6,00,708
TOTAL	21,46,66,252	20,33,82,232

5.31 Changes In Inventories Of Finished Goods And Work-in-Progress

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Opening Stock		
Work-in-Progress	15,26,94,000	14,31,81,000
Finished Goods	24,39,145	48,10,021
Scrap	4,320	14,580
Total of Opening Stock	(A) 15,51,37,485	14,80,05,601
Closing Stock		
Work-in-Progress	9,49,15,000	15,26,94,000
Finished Goods	2,45,13,432	24,39,145
Scrap	43,880	4,320
Total of Closing Stock	(B) 11,94,72,312	15,51,37,465
"Net changes in inventories of finished goods and work-in-progress [Total (A-B)]"	3,56,65,153	(71,31,864)

5.32 Employee Benefits Expense

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Salaries, Wages, Bonus, etc.	7,58,82,910	7,25,99,614
Contribution to Provident fund & other funds	83,48,599	81,63,671
Staff Welfare Expenses	32,77,265	36,48,053
	8,74,88,774	8,44,11,338

5.33 Finance Costs

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Interest on loan calculated using effective interest rate method	1,54,82,732	1,89,68,835
Interest on Others	9,462	1,58,130
Dividend on Redeemable Preference Shares	44,08,617	28,44,747
Other Borrowing Costs	76,08,371	77,03,840
	2,74,89,182	2,94,75,552

5.34 Depreciation And Amortization Expense

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Depreciation of Property, Plant & Equipment	63,24,713	63,63,911
Amortization of Intangible Assets	15,07,664	6,01,712
	78,32,377	69,65,623

5.35 Other Expenses

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Power & Fuel	38,07,957	36,40,266
Manufacturing Expenses	2,45,37,779	2,60,81,837
Freight & Transportation	1,11,56,822	80,56,627
Product Warranty Expenses	4,36,903	7,95,833
Repairs		
i Buildings	5,70,383	7,32,845
ii Machinery	8,08,275	11,33,010
iii Others	9,23,632	6,87,483
Insurance	6,19,215	5,86,591
Rent	4,74,728	4,90,168
Rates & Taxes	4,84,429	2,45,848
Printing and Stationery	10,04,216	10,98,786
Postage, Telephone & Telegram	10,09,786	7,58,087
Travelling & Conveyance Expenses	1,40,31,088	1,34,79,472
Bad Debts / Advances Written Off	47,93,542	36,64,798
Expected Credit Loss(write back) on Trade Receivables	14,29,743	14,06,673
Provision for Doubtful Debts	9,70,121	-
Advertisement Expenses	1,26,270	8,22,791
Miscellaneous Expenses	72,70,718	49,91,843
Payment to Auditors for:		
i Audit Fees	3,00,000	3,00,000
ii Limited Review Certification charges	1,80,000	1,20,000
iii For Company Law Matters	-	-
iv For Other Services	-	1,41,000
v Reimbursement of Expenses (including ST)	-	90,860
Directors' Sitting Fees	33,000	34,000
Net Loss on Sale of Property, Plant & Equipment	1,08,841	1,00,558
Loss in Foreign Currency Fluctuation (net)	4,97,528	46,12,000
Liquidated Damages	68,80,153	28,98,255
Excise Duty on Sales	-	50,14,098
	8,12,15,129	8,18,83,709

5.36 Other Comprehensive Income

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
(i) Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income	(1,10,179)	2,07,062
- Remeasurement of the Employee Defined Benefit Plans	5,03,424	14,86,914
	3,93,245	16,93,976
(ii) Income tax relating to items that will not be reclassified to profit or loss		
- Income Taxes relating to Remeasurement of Employee Defined Benefit Plans	(1,40,050)	(3,03,033)
	(1,40,050)	(3,03,033)
	2,53,195	13,90,943

5.37 Earnings Per Share:

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Net Profit / (Loss) attributable to Equity Shareholders (₹)	1,62,85,604	1,05,17,291
Weighted average number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earning per Equity Share of ₹ 10/- each		
- Basic	7.44	4.81
- Diluted	7.44	4.81
Face value per Equity Share (₹)	10	10

The Company does not have any outstanding potential dilutive Equity Shares. Consequently the Basic and the Diluted Earnings Per Share of the Company remain the same.

5.38 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS
EMPLOYEE BENEFITS
a) Post Retirement Benefits : Defined Contribution Plans

(Figures in ₹)

Particulars	31/03/2018	
	31/03/2019	31/03/2018
1 Contribution to Employees' Provident Fund	27,17,351	23,13,742
2 Contribution to Employees' Family Pension Fund	25,27,137	23,88,834
3 Contribution to Employees' Superannuation Fund	12,58,023	10,00,501

b) Defined Benefit Plans
(i) Changes in the Present Value of Obligation

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Present Value of Obligation as at opening date	2,39,73,392	2,22,46,707
b. Interest Expense	18,51,007	18,24,560
c. Past Service Cost	-	8,37,882
d. Current Service Cost	16,70,401	13,98,118
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(4,85,056)	(5,86,399)
h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(6,55,123)	(13,52,205)
- experience adjustments	-	(1,95,271)
i. Present Value of Obligation as at closing date	2,83,54,621	2,39,73,392

(ii) Changes in the Fair Value of Plan Assets

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Present Value of Plan Assets as at opening date	2,10,18,275	1,74,16,306
b. Expected Return on Plan Assets (Interest income)	16,96,920	13,77,797
c. Mortality charges and taxes	(1,07,887)	(1,20,410)
d. Actuarial Gain/(Loss)	-	-
- changes in financial assumptions	(1,51,699)	(1,11,713)
- experience adjustments	-	51,151
e. Employers' Contributions	19,59,268	29,91,543
g. Benefits Paid	(4,85,056)	(5,86,399)
h. Fair Value of Plan Assets as at closing date	2,39,29,821	2,10,18,275
i. Actual return on plan assets	15,45,221	13,17,235

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Present Value of Obligation as at the end of the period	2,83,54,621	2,39,73,392
b. Fair Value of Plan Assets as at the end of the period	2,39,29,821	2,10,18,275
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(24,24,800)	(29,55,117)
d. Present Value of unfunded Obligation	-	-
e. Unrecognized Past Service Cost	-	-
f. Unrecognized Actuarial (Gains)/Losses.	-	-
g. Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv) Expenses recognized in the Statement of Profit & Loss Account

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Current Service Cost	16,70,401	13,98,118
b. Past Service Cost	-	8,37,882
c. Interest Cost	1,54,087	16,24,560
d. Expected Return on Plan Assets	-	(13,77,797)
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
h. Employees' Contribution	-	-
i. Total Expenses recognized in the Profit & Loss Account	18,24,488	24,82,763

(v) Expenses recognized in Other Comprehensive Income for the year

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	(5,03,424)	(12,40,492)
c. Actuarial changes arising from changes in experience adjustments	-	(2,46,422)
d. Return on plan assets excluding interest income	-	-
e. Recognised in Other Comprehensive Income	(5,03,424)	(14,86,914)

(vi) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Government of India Securities	-	-
b. Corporate Bonds	-	-
c. Special Deposits Scheme	-	-
d. Equity Shares of Listed Companies	-	-
e. Property	-	-
f. Insurer Managed Funds	100%	100%
g. Others	-	-

(vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

(viii) The Actual Return on Plan Assets is as follows (Rs.)

(Figures in ₹)

Following are the Principal Actuarial Assumptions used as at the balance sheet date:	31/03/2019	31/03/2018
a. Interest Rate	7.80%	7.80%
b. Discount Rate	7.80%	7.80%
c. Expected Rate of Return on Plan Assets	7.40%	7.40%
d. Salary Escalation Rate	6.00%	6.00%
e. Expected Average Remaining Working Lives of Employees	12.90 years	12.64 years

(ix) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

x) Retirement age 60 years or 70 years if extension is given.

xi) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.74 years.

xii) Expected future benefit payments

The following benefits payments, for each of the next five years and the aggregate five years there after, are expected to be paid:

Year ended March 31	Expected Benefit Payment rounded to nearest thousand (in ₹.)
2020	60,68,000
2021	13,73,000
2022	26,91,000
2023	36,14,000
2024	35,74,000
2025-2029	1,59,85,000

xiii) The above cash flows have been arrived at based on the demographic and financial assumptions as mentioned earlier.

xiv) Expected contributions for the next year

The company has contributed ₹ 19,59,268 to its gratuity fund in 2019. The Company intends to contribute ₹ 60,00,000 towards its gratuity fund in 2020.

xv) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

(a) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate Mar-19	Mar-18	Defined Benefit obligation (in ₹)	
		31/03/2019	31/03/2018
6.80%	6.80%	2,81,70,052	2,56,89,894
8.80%	8.80%	2,47,61,742	2,24,65,994

(b) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary Increment rate Mar-19	Mar-18	Defined Benefit obligation (in ₹)	
		31/03/2019	31/03/2018
5.00%	5.00%	2,50,03,818	2,26,84,570
7.00%	7.00%	2,78,64,946	2,54,10,485

(c) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal rate Mar-19		Defined Benefit obligation (in ₹)	
		31/03/2019	31/03/2018
4.00%	4.00%	2,60,71,301	2,37,00,099
6.00%	6.00%	2,66,10,423	2,42,20,541

xvi) Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability risks

(i) Asset-Liability Mismatch Risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements.

(ii) Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

(iii) Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

The company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

5.39 Lease Arrangements

Operating Lease Arrangements

The Company has entered into Lease Arrangements with certain parties including its subsidiary whereby the company has granted to the parties the right to use a part of its factory premises, cumulatively represented by land and building disclosed under Property, Plant and Equipments in lieu of monthly lease rentals. Disclosures pursuant to Ind AS - 17 'Leases' are given below.

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Operating Lease as a Lessee		
Receipt Recognised as Income		
Rental Income	14,55,010	8,74,160
Operating Lease as a Lessor		
Payment Recognised as Expense		
Rental Expenses	4,74,726	2,44,348

The Company does not have any obligation under a non-cancellable lease agreement.

5.40 As per Ind AS 24, the disclosures off transactions with the related parties are given below:

A. List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

- (a) **Subsidiary**
Bemco Fluidtechnik LLP
- (b) **Key Managerial Personnel**
Shri Madan Mohan Mohita - Chairman
Shri Anirudh Mohita - Managing Director
Shri R.M. Shah
Shri N.K. Daga
Shri Dilip Chencak
Shri R.B. Patil (Up to 30/06/2018)
Shri Vijay Sambhakar (From 01/07/2018)
Smt. Annula Taralo
- (c) **Relatives of Key Managerial Personnel:**
Smt. Urmila Devi Mohita
- (d) **Enterprises where key Managerial Personnel have significant influence:**
U. D. Fininvest Pvt Ltd
Mohita Capital Pvt Ltd
Bemco Proctech Pvt Ltd
U.D.Polyproducts Pvt Ltd
Sri Ramachandra Enterprises Private Limited

B. The following related party transactions were carried out during the year in the ordinary course of business.

Nature of Transactions	Subsidiary		Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
	(All Figures in ₹)							
I. Financial Assets								
Trade Receivables								
- Bemco Fluidtechnik LLP	3,11,775	6,35,653	-	-	-	-	-	-
II. Preference Share Capital								
11% Cumulative Redeemable Preference Shares of ₹ 100/- each								
- Mohita Capital Private Limited	-	-	-	-	-	-	1,86,94,076	1,86,98,960
- U.D. Fininvest Private Limited	-	-	-	-	-	-	64,63,763	64,62,013
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	64,63,763	64,62,013
IV. Financial Liabilities								
Short Term Borrowings								
Accrued During the Year								
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	4,50,000	1,00,000
- Mohita Capital Private Limited	-	-	-	-	-	-	2,27,00,000	3,32,00,000
Repaid During the Year (including interest)								
- U.D. Fininvest Private Limited	-	-	-	-	-	-	25,612	82,000
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	97,797	1,01,770
- Bemco Proctech Pvt Ltd	-	-	-	-	-	-	14,866	-
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	-	21,650	-
- Mohita Capital Private Limited	-	-	-	-	-	-	3,27,70,743	2,73,60,000
Balance as at Year End (including interest)								
- U.D. Fininvest Private Limited	-	-	-	-	-	-	2,54,010	2,54,401
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	4,68,609	-
- Mohita Capital Private Limited	-	-	-	-	-	-	3,05,39,269	4,34,72,459
- Bemco Proctech Pvt Ltd	-	-	-	-	-	-	1,45,559	1,45,780
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	-	2,14,871	2,15,197
Trade Payables								
- Bemco Fluidtechnik LLP	4,74,601	9,90,387	-	-	-	-	-	-
V. Other Financial Liabilities								
Guarantee Commission Payable as at Year End								
- Mohita Capital Private Limited	-	-	-	-	-	-	2,06,259	2,06,259
- U.D. Fininvest Private Limited	-	-	-	-	-	-	41,027	41,027
- Sri Ramia Chandra Enterprise Private Limited	-	-	-	-	-	-	1,08,220	1,08,220

(All Figures in ₹)

Nature of Transactions	Subsidiary		Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant Influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
VI. Revenue From Operations								
Sale of Goods								
- Bemco Fluidtechnik LLP	81,311	2,30,846	-	-	-	-	-	-
VII. Other Income								
Lease Rental	1,87,600	1,20,000	-	-	-	-	-	-
VIII. Expenses								
Purchase of Raw Materials	58,58,194	44,50,130	-	-	-	-	-	-
- Bemco Fluidtechnik LLP								
Finance Cost	-	-	-	-	-	-	25,221	-
- U.D. Finvest Private Limited	-	-	-	-	-	-	35,689	-
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	22,96,811	23,07,164
- Mohita Capital Private Limited	-	-	-	-	-	-	14,445	17,350
- Bemco Fluidtechnik Private Limited	-	-	-	-	-	-	21,324	25,605
- U.D. Polyproducts Private Limited	-	-	-	-	-	-	-	-
Employee Benefit Expense	-	-	77,21,742	57,57,482	-	-	-	-
- Shri Anirudh Mohita	-	-	2,70,000	9,22,109	-	-	-	-
- Shri R.B. Puri	-	-	6,71,230	4,58,580	-	-	-	-
- Shri V.B. Sambirewar	-	-	7,000	7,000	-	-	-	-
- Smt Anurita Tarate	-	-	-	-	7,000	7,000	-	-
Other Expenses	-	-	-	-	-	-	-	-
Sitting Fees	-	-	-	-	-	-	-	-
- Shri Madan Mohan Mohita	-	-	-	-	-	-	-	-
- Shri Urmila Devi Mohita	-	-	-	-	-	-	-	-
Guarantee Commission	-	-	-	-	-	-	-	-
- U.D. Finvest Private Limited	-	-	-	-	-	-	91,878	1,94,876
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-	2,41,828	4,87,459
- Mohita Capital Private Limited	-	-	-	-	-	-	4,60,900	9,29,440

C. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

D. Details of any Guarantees Given or Received

Three Directors of the Company including Shri Madan Mohan Mohita (Chairman) and Shri Anirudh Mohita (Managing Director) have given Personal Guarantees for the following Financial Arrangements:

- (i) Cash Credit facility availed from Bank of Maharashtra.
- (ii) Cash Credit facility availed from State Bank of India.
- (iii) Stand by Line Credit availed from State Bank of India on Demand Basis.
- (iv) Cash Credit facility availed from Yes Bank.

Notes: For details of terms and tenure of the above financial Arrangements kindly Refer Note

5.21

E. Compensation of key management personnel of the Group

The remuneration of director and other member of key management personnel during the year as follows:

Particulars	2018-2019	2017-18
	₹	₹
Short-term employee benefits	96,87,386	62,36,401
Post-employment benefits	4,77,329	9,01,770
Other Long Term Benefits	-	-
Termination benefits	-	-
Share Based Payments	-	-
Total compensation paid to key management personnel	91,64,715	71,38,171

F. No Provision for bad and doubtful debts have been recognised during the year against the outstanding balances in relation to the above related parties.

5.41 Foreign Currency Risk

The following table shows foreign currency exposures in Euro on financial instruments at the end of the reporting period.

Particulars	Foreign Currency Exposure	
	As at 31-03-2019 Euro	As at 31-03-2018 Euro
Trade and Other Payables - Deferred Payment Liabilities	3,75,000	4,00,000
Trade & Other Receivables Trade Receivable	-	5,181

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to the currency: EURO

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact of profit or loss and Equity

Particulars	Euro Impact	
	31-03-2019	31-03-2018
Increase in Exchange Rate by 5%	(14,81,250)	(16,57,190)
Decrease in Exchange Rate by 5%	14,81,250	16,57,190

Equity Risk

There is no material equity risk relating to the Company's equity investments which are detailed in note 5.03 "Investments". The Company's equity investments majorly comprises of Long Term Investments rather than trading purpose.

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in Note 5.16, 5.21 and 5.23

Credit Risk

Credit Risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit Risk arises from Company's activities in investments and other receivables from customers. The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Company generally has set a policy of receiving 80 percent of the sale proceeds as an advance after the orders get finalized and remaining 20 percent at the time of dispatch and commissioning.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in Note No. 5.16

Liquidity Risk Table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Less Than 1 year	1-5 years	Total	Carrying Amount
As at 31-03-2019	₹	₹	₹	₹
i) Borrowings	7,51,31,922	47,60,848	7,98,92,770	7,98,92,770
ii) Other Financial Liabilities	23,93,368	3,98,590	27,91,978	27,91,978
	7,75,25,310	8,78,44,186	8,26,84,748	8,26,84,748
As at 31-03-2018				
i) Borrowings	12,03,99,533	44,59,946	12,48,59,479	12,48,59,479
ii) Other Financial Liabilities	25,22,295	1,56,040	26,78,335	26,78,335
	12,29,21,828	46,15,986	12,75,37,814	12,75,37,814

Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Note No. 5.16, 5.21 and 5.23 off set by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements.

The Gearing Ratio at end of the Reporting Period:

Particulars	As at 31-03-2019	As at 31-03-2018
Gross Debt	11,44,12,023	15,95,80,646
Cash and Bank Balances	(82,24,290)	(2,24,38,421)
Net Debt	10,81,87,733	13,71,42,225
Total Equity	35,26,40,315	33,71,14,164
Net Debt to Total Equity	0.30	0.41

Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings, as described in notes 5.16, 5.21 and 5.23.

5.42 Fair value measurements hierarchy

Particulars	As at 31-03-2019			As at 31-3-2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3
Financial Assets						
At Amortised Cost						
Trade Receivables	13,77,10,968	-	-	10,45,29,385	-	-
Cash and Bank Balance	82,24,290	-	-	2,24,38,421	-	-
Loans	15,99,130	-	-	12,11,700	-	-
Other Financial Assets	1,60,57,797	-	-	82,44,105	-	-
At FVTOCI						
Investments	22,16,294	15,79,438	5,71,856	23,28,473	16,46,489	6,15,004
Financial Liabilities						
At Amortised Cost						
Borrowings	11,36,89,872	-	-	16,48,61,465	-	-
Trade Payables	12,36,24,483	-	-	10,81,17,910	-	-
Other Financial Liabilities	5,46,53,547	-	-	4,76,61,844	-	-

There are no transfers between levels 1 and 2 during the year.

Level 1: Quoted Prices in active markets for identical assets;

Level 3: Inputs other than observable market data, are used for deriving fair value.

Disclosure as per PARA 91 of Ind AS 113 "Fair Value Measurements"

- (a) The investments in quoted and unquoted equity shares are measured at fair value on recurring basis. The quoted shares are valued at the closing price available on the recognised stock exchange.
- (b) Break up value (Level III inputs) is used to measure unquoted equity shares on a recurring basis. The difference between the last year fair value and current year is charged to Other Comprehensive Income. (Refer Note 5.36)

5.43 Entity-wide Disclosures as Required by PARA 31 of Ind AS 108 "Operating Segments" are given below:

- (i) Information about revenues from external customers from Products and Services as Required by PARA 32

Name of Products	Amount of Revenue (₹)	Amount of Revenue (₹)
	Current Year*	Previous Year
Hydraulic Presses	19,52,25,773	24,95,41,284
Equipments	4,54,30,102	4,37,16,750
Spares	1,92,78,873	1,12,99,871
Portable Re-Rolling Equipments	19,39,20,578	9,46,45,386
Services	61,09,861	24,66,070
Total Revenue	45,99,85,187	40,16,66,361

- (ii) Information about Geographical Area as Required by PARA 33

(a) Revenues From External Customers

	Amount of Revenue (₹)	
(i) Attributed to the entity's country of domicile	43,08,12,655	(Previous Year: 39,08,85,069)
(ii) Attributed to all foreign countries in total from which the entity derives revenues	2,29,42,671	(Previous Year: 83,15,222)

Note 1: Revenues from external customers attributed to an individual foreign country were not material hence have not been separately disclosed.

Note 2: Revenues from external customers to individual countries are attributed based on the destination of export sales made.

- (b) All Non-Current Assets held by the entity, required to be disclosed as per this para are located in the entity's country of domicile.

- (iii) Information about Major Customers as Required by PARA 34

Revenue from one customer of the company's Re-rolling equipment business represent ₹14,87,58,585 (Previous Year ₹10,28,82,661 including excise duty) of the company's total revenue which is more than 10% of the company's total revenue.

5.44 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. manufacturing and sale of hydraulic press machine and related equipments' which primarily includes Hydraulic Presses, Equipments and Portable re-rolling equipments and the activities incidental thereto, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made locally and hence, no separate reportable geographical segment is identified.

5.45 The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

As Per our Report of Even Date attached

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

For and on behalf of the Board of Directors

Vivek Nawatia
Partner
Membership No.:062636

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarale
Company Secretary
ACS - 42286

M M Mohta
Chairman
DIN: 0068884

Anrudh Mohta
Managing Director
DIN:00065302

Place : Kolkata
Date: 20th May, 2019

Place : Belgaum
Date: 20th May, 2019

S JAYKISHAN**Chartered Accountants**

Suite # 2D,2E & 2F, 12, Ho- Chi-minh Sarani, KOLKATA- 700 071

Phone No – (033) 4003-5801, Fax (033) 4003-5832

Email : info@sjaykishan.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED

Report on Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of Bemco Hydraulics Limited, (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

SI No.	Key Audit Matters	Auditor's Response
1	<p>Appropriateness of the carrying amount of trade receivables (Unsecured & Considered Good) at amortized cost (Refer Note - 5.08 to the standalone financial statements) Trade receivables aggregating to ₹ 13,77,10,968/- as at March 31, 2019 comprise a significant portion of the assets of the Company and serve as security for the Company's short-term debts.</p> <p>Letters have been sent to majority of the debtor for confirmation of balances and reconciliation, in case of differences, but replies have not been received from all.</p> <p>This is determined as a key audit matter as balance confirmation is one of the evidences which establishes the authenticity of the receivables which comprise significant portion of the Assets of the entity.</p>	<p>Our procedures, regarding obtaining the balance confirmation of Trade Receivable and verifying the same</p> <ul style="list-style-type: none"> Designing the external confirmation procedures to obtain additional corroborative information as a response to address the assessed risks of material misstatement, including determining that external confirmation requests are properly addressed and contain return information for responses to be sent directly to the auditor and maintaining control over external confirmation requests Evaluating whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether performing further audit procedures is necessary including in the case of each non-response, perform alternative audit procedures to obtain relevant and reliable audit evidence Evaluating whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether performing further audit procedures is necessary Performing Alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end. <p>Based on the above procedures performed, we did not find any significant exceptions the Balances of trade receivables.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and the subsidiary included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of a Subsidiary, whose financial statements reflect total assets of ₹1,65,61,239/- as at 31st March, 2019, total revenues of ₹1,66,15,533/- and net cash outflows amounting to ₹1,31,670/- for the year ended on that date, as considered in the consolidated financial statements.

These financial statements have been examined by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 184(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 5.27 to the consolidated financial statements.
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

For S JAYKISHAN
Chartered Accountants
(Firm's Registration No. 309005E)

Vivek Newatia
Partner
Membership No. 062636

Place: Kolkata
Date: 20-05-2019

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of BEMCO HYDRAULICS LIMITED ("the Holding Company") which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company which is a company incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S JAYKISHAN
Chartered Accountants
(Firm's Registration No. 309005E)

Vivek Newatia
Partner
Membership No. 062636

Place: Kolkata
Date: 20-05-2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in ₹)

Particulars	Note No.	Figures as at 31/03/2019	Figures as at 31/03/2018
ASSETS			
(1) Non-Current assets			
(a) Property, Plant and Equipment	5.01	44,11,14,521	43,68,31,541
(b) Capital Work In Progress		20,21,988	15,06,309
(c) Other Intangible Assets	5.02	60,16,809	72,28,142
(d) Financial Assets			
(i) Investments	5.03	21,51,294	22,61,473
(ii) Loans	5.04	16,90,530	12,11,700
(iii) Other Financial Assets	5.05	1,48,02,952	52,04,503
(e) Other Non-Current Assets	5.06	13,53,748	3,19,544
		Total Non-Current Assets	48,91,51,840
			45,45,63,212
(2) Current Assets			
(a) Inventories	5.07	18,40,77,598	19,86,96,122
(b) Financial Assets			
(i) Trade Receivables	5.08	13,86,41,614	10,70,96,188
(ii) Cash and Cash Equivalents	5.09	6,21,015	19,42,107
(iii) Bank Balances other than (ii) above	5.10	76,39,075	2,06,83,784
(iv) Other Financial Assets	5.11	13,08,984	10,39,602
(c) Current Tax Assets	5.12	21,97,263	9,89,881
(d) Other Current Assets	5.13	75,46,330	1,67,11,373
		Total Current Assets	34,30,31,859
			34,71,39,047
		Total Assets	81,21,83,699
			80,17,02,259
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	5.14	2,19,33,500	2,19,33,500
(b) Other Equity	5.15	31,47,58,831	30,50,23,032
(c) Non Controlling Interest		-	-
		Total Equity	33,66,92,331
			32,69,56,532
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5.16	6,35,31,971	6,60,74,360
(ii) Other Financial Liabilities	5.17	3,98,590	1,56,040
(b) Provisions	5.18	9,89,957	10,53,797
(c) Deferred Tax Liabilities (Net)	5.19	6,88,92,928	8,25,48,089
(d) Other Non-Current Liabilities	5.20	45,91,613	26,40,305
		Total Non-Current Liabilities	13,64,05,059
			13,24,72,591
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	5.21	7,53,60,922	12,03,99,533
(ii) Trade Payables	5.22		
(a) Total Outstanding Dues of Micro, Medium and Small Enterprises		55,41,792	-
(b) Total outstanding Dues of Other than Micro, Medium and Small Enterprises		12,20,93,777	11,23,85,312
(iii) Other Financial Liabilities	5.23	5,49,22,630	4,81,99,723
(b) Other Current Liabilities	5.24	6,55,52,821	4,90,80,068
(c) Provisions	5.25	50,89,726	70,03,737
(d) Current Tax Liabilities (Net)	5.26	1,05,24,641	52,04,783
		Total Current Liabilities	33,90,86,309
			34,22,73,136
		Total Equity and Liabilities	81,21,83,699
			80,17,02,259
Significant Accounting Policies	2		
See accompanying Notes to Consolidated Financial Statements	1 - 5		

As Per our Report of Even Date attached

For and on behalf of the Board of Directors

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newotia
Partner
Membership No.:062636

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarale
Company Secretary
ACS - 42286

M M Mohta
Chairman
DIN: 0068884

Anrudh Mohta
Managing Director
DIN:00065302

Place: Kolkata
Date: 20-05-2019

Place: Belgaum
Date: 20-05-2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

(Amount in ₹)

Particulars	Note No.	Figures for the year ended	
		31/03/2019	31/03/2018
I REVENUE FROM OPERATIONS	5.27	48,28,47,289	42,26,94,793
II OTHER INCOME	5.28	71,86,503	43,53,988
III TOTAL INCOME (I + II)		49,00,35,792	42,70,48,781
IV EXPENSES			
Cost of Materials Consumed	5.29	21,84,75,549	20,61,47,372
Changes In Inventories Of Finished Goods And Work-in-Progress	5.30	3,56,52,507	(77,70,743)
Employee Benefits Expense	5.31	9,19,56,819	8,67,27,990
Finance Costs	5.32	3,02,76,847	3,18,83,844
Depreciation And Amortization Expense	5.33	83,93,125	74,31,952
Other Expenses	5.34	8,80,80,820	8,83,10,008
TOTAL EXPENSES		47,08,35,667	41,47,30,423
V PROFIT / (LOSS) BEFORE TAX (III - IV)		1,92,00,125	1,23,18,358
VI TAX EXPENSE:			
(i) Current Tax		53,72,682	53,23,467
(ii) Deferred Tax	5.19	35,52,191	(12,41,731)
		89,24,873	40,81,736
VII PROFIT (LOSS) FOR THE YEAR (V - VI)		1,02,75,252	82,36,622
VIII OTHER COMPREHENSIVE INCOME	5.35		
(i) Items that will not be reclassified to profit or loss		3,93,245	16,93,976
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,40,050)	(3,03,033)
IX TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		2,53,195	13,90,943
X TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + VII)		1,05,28,447	96,27,565
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
(a) Owners of the Company		1,02,75,252	1,23,18,358
(b) Non-Controlling Interest		-	-
OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
(a) Owners of the Company		2,53,195	13,90,943
(b) Non-Controlling Interest		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
(a) Owners of the Company		1,05,28,447	96,27,565
(b) Non-Controlling Interest		-	-
XI Earnings Per Equity Share of Face Value of ₹ 10/- each	5.36		
(1) Basic		4.70	3.77
(2) Diluted		4.70	3.77
Significant Accounting Policies	2		
See accompanying Notes to Consolidated Financial Statements	1 - 5		

As Per our Report of Even Date attached

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Nowatia
Partner
Membership No.:062636

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarale
Company Secretary
ACS - 42288

M M Mohta
Chairman
DIN: 0068884

Anirudh Mohta
Managing Director
DIN:00065302

Place: Kolkata
Date: 20-05-2019

For and on behalf of the Board of Directors

Place: Belgaum
Date: 20-05-2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 20189

A. Equity Share Capital		(Amount in ₹)		
Equity Shares of ₹ 10/- each issued, subscribed and fully paid up	Balance as at the end of the reporting period, i.e. 31st March, 2018	Changes in equity share capital during the year 2018-2019	Balance as at the end of the reporting period, i.e. 31st March, 2019	
	2,19,33,500	-	2,19,33,500	
B. Other Equity				
Particulars	Reserves and Surplus			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	
As At 31st March, 2018				
Balance as at 1st April, 2017	27,87,89,757	14,73,200	70,24,153	4,48,31,700
Add/(Less): Movement During The Year	(2,02,980)	-	2,89,937	(19,77,485)
Profit for the year	-	-	87,42,253	-
Other Comprehensive Income for the year	-	-	-	11,83,881
Balance as at 31st March, 2018	27,85,86,777	14,73,200	70,24,153	4,48,31,700
As At 31st March, 2019				
Balance as at 1st April, 2018	27,85,86,777	14,73,200	70,24,153	4,48,31,700
Add/(Less): Movement During The Year	(19,62,190)	-	11,69,542	(7,93,604)
Profit for the year	-	-	1,02,75,252	-
Other Comprehensive Income for the year	-	-	-	3,63,374
Balance as at 31st March, 2019	27,66,24,587	14,73,200	70,24,153	4,48,31,700
Items of Other Comprehensive Income (OCI)				
Particulars	Reserves and Surplus			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	
As At 31st March, 2018				
Balance as at 1st April, 2017	20,12,166	-	-	-
Add/(Less): Movement During The Year	-	-	-	-
Profit for the year	2,07,062	-	-	-
Other Comprehensive Income for the year	-	-	-	7,93,604
Balance as at 31st March, 2018	22,19,228	-	-	-
As At 31st March, 2019				
Balance as at 1st April, 2018	22,19,228	-	-	-
Add/(Less): Movement During The Year	-	-	-	-
Profit for the year	(1,10,179)	-	-	-
Other Comprehensive Income for the year	-	-	-	4,30,230
Balance as at 31st March, 2019	21,09,049	-	-	-

For and on behalf of the Board of Directors

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:082536

Vijay Sambhakar
CFO
PAN:BGLPS8409M

Amruta Tarale
Company Secretary
ACS - 42288

M M Mohita
Chairman
DIN: 0088864

Aniludh Mohita
Managing Director
DIN:00065302

Place: Kolkata
Date: 20-05-2019

Place: Belgium
Date: 20-05-2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	31/03/209	31/03/2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Exceptional Items and Tax	1,92,00,125	1,23,18,358
Adjustments For :		
Loss on Sale of Property, Plant & Equipment	1,08,841	1,00,558
Provision for doubtful debts and advances Provided	9,70,121	-
Liability no Longer Required Written Back	(28,40,149)	(11,44,702)
Bad Debt and advances written off	48,09,709	38,05,842
Expected Credit Loss	14,79,248	15,59,244
Finance Cost	3,02,76,847	3,18,83,844
Depreciation and Amortization expense	83,93,125	74,31,952
Unrealised Foreign Exchange (Gain) / Loss (net)	5,03,595	46,12,000
Provision for Warranty Made/ (written back)	(1,21,411)	1,32,555
Dividend from Non-Current/ Long Term Investments	(14,798)	(16,260)
Interest Income	(17,54,007)	(17,40,927)
Lease/ Rental Income from Others	(12,67,410)	(7,54,160)
Excess & Short Provision	10,501	-
Operating Profit Before Working Capital Changes	5,97,54,337	5,81,88,304
Movements in Working Capital		
Decrease/ (Increase) in Trade and Other Receivables	(3,02,36,715)	1,95,65,211
Decrease/ (Increase) in Inventories	1,46,18,524	21,03,352
Increase/ (Decrease) in Trade and Other Payables	3,29,77,757	(2,26,57,217)
Cash Generated From Operations	7,71,13,904	5,71,99,650
Direct Taxes Paid (Net)	39,91,921	(2,16,852)
Net Cash Flow From (Used In) Operating Activities	(A) 8,11,05,825	5,69,82,798
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment (incl. Capital Advances)	(2,63,64,842)	(2,31,07,290)
Sale of Property, Plant & Equipment	1,24,530	1,32,813
Investment in Fixed Deposits	1,03,49,726	(9,38,948)
Dividend from Non-Current/ Long Term Investments	14,798	16,260
Interest Received	16,65,862	14,80,375
Lease/ Rental Income from Others	12,67,410	7,54,160
Net Cash Flow From (Used In) Investing Activities	(B) (1,29,42,518)	(2,16,62,630)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	59,71,593	56,11,000
Repayment of Long term Borrowings	(34,66,746)	(48,61,378)
Proceeds/(Repayment) of Short term Borrowings(net)	(4,53,96,289)	(87,74,582)
Interest Paid	(2,85,47,482)	(2,90,44,009)
Net Cash Flow From (Used In) Financing Activities	(C) (6,94,38,904)	(3,70,68,969)
Net Increase in Cash & Cash Equivalents	(A+B+C) (12,75,595)	(17,48,801)
Cash & Cash Equivalents at the beginning of the Year	19,42,107	36,90,908
Cash & Cash Equivalents at the end of the Year²	6,66,512	19,42,107

Notes:

- (1) Cash Flow Statement has been prepared under indirect method in accordance with Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".
- (2) Represents Cash & Cash Equivalents as indicated in Note No. 5.09 & 5.23 to the Financial Statements as under:

	31.03.2019	31.03.2018
Cash and Cash Equivalent	6,21,015	19,42,107
Credit Balance in Current Account	45,497	-
	6,66,512	17,42,107

(3) Debt Reconciliation Statement in accordance with IND AS 7 as under:

	31.03.2019 (₹)	31.03.2018 (₹)
Opening Balances		
Long Term Borrowings	6,13,50,314	6,06,87,708
Short Term Borrowings	12,03,99,533	12,91,43,439
Movements		
Long Term Borrowings	35,50,593	42,13,199
Short Term Borrowings	(4,49,93,114)	(87,43,906)
Closing Balances		
Long Term Borrowings	6,49,00,907	6,13,50,314
Short Term Borrowings	7,54,06,419	12,03,99,533

As Per our Report of Even Date attached

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:062636

Place: Kolkata
Date: 20-05-2019

Vijay Sambrekar
CFO
PAN:BGLPS8409M

Amruta Tarale
Company Secretary
ACS - 42286

M M Mohta
Chairman
DIN: 0068884

Anrudh Mohta
Managing Director
DIN:00065302

Place: Belgaum
Date: 20-05-2019

For and on behalf of the Board of Directors

Summary of Significant Accounting Policies and Notes to the Consolidated Financial Statements For the Year Ended 31st March 2019

1. Corporate Information

The Consolidated Financial Statements comprise the Standalone Financial Statements of "Bemco Hydraulics Limited" ("the Holding Company") and its Subsidiary Bemco FluidTechnik LLP (hereinafter referred to as "the Group") for the year ended 31st March, 2019.

The principal activities of the Group, consists of manufacture of wide range of Portable re-railing equipment, Hydraulic Press, and High Performance Hydraulic components and systems.

Apart from the principal place of business the Group has branches in Chennai, Delhi and Kolkata. The Company caters to both domestic and international markets.

The Holding Company's equity shares are listed on the Bombay Stock Exchange (BSE Ltd.) since the 05th day of November, 2001, having its registered office at Udyambag Industrial Estate, Belgaum, Karnataka-590 008.

The Financial Statement for the financial year ended 31st March, 2019 were approved by the Board of Directors and authorised for issue on 20th May, 2019.

2. Significant Accounting Policies

2.01 Statement of Compliance

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") notified under section 133 of the Companies Act, 2013, other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

2.02 Basis of Preparation and Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value amount:

- Certain financial assets and financial liabilities; and
- Defined Benefit Plan's - Plan Assets.

The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting Standards ("Ind AS"), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements comprises of Bemco Hydraulics Limited and its subsidiary Bemco Fluidtechnik LLP the entity that it controls. Controls are assessed in accordance with the requirement of Ind AS 110-Consolidated Financial Statements.

The Company's consolidated financial statement are presented in Indian Rupees (₹).

2.03 Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Holding Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- The carrying amount of the Parent's investment in the subsidiary is offset (eliminated) against the parent's share in the Partner's Fund of the subsidiary.
- Non Controlling interest's share in profit / loss of subsidiary for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Holding Company.
- Non Controlling interest's share in net assets of the subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Holding Company's shareholders.
- Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests ("NCI"). Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the NCI. In case of loss in subsidiary the loss is attributed to NCI to the extent of its Share, the rest of the loss is attributed to the Holding Company.
- The audited/unaudited financial Statement of Subsidiary considered for the purpose of consolidation is the converged Ind AS financial Statements, it has been converged from Generally Accepted accounting Principles Accepted in India ("Previous GAAP") to Ind AS.
- The consolidated financial statements have been prepared using uniform accounting policies between The Holding Company and its subsidiary for like transactions and other events in similar circumstances.

2.04 Summary of Significant Accounting Policies

These are set out in Note 2 "Summary of Significant Accounting Policies" in the Company's standalone financial statements.

3 Critical Accounting Judgements & Key Sources of Estimation Uncertainty

The preparation of the Group's financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions about future developments, however, it may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An



actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit plan is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingencies & Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company do not expect them to have a materially adverse impact on our financial position or profitability.

Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

Provision for Liquidated Damages

Provision for liquidated damages are recognised on contracts for which revenue has been recognised during the reporting period and the delivery dates are exceeded as per the terms of the contract on a reasonable basis. The negotiations with the customers on the percentage deduction / non-deduction of liquidated damages impacts the profitability in the period in which such negotiations are finalised.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Warranty Provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

4 Standards issued but not Effective

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 "Leases" and certain amendments to existing Ind AS. These amendments shall be applicable to the entity from 1st April, 2019.

(a) Issue of Ind As 116- Leases

Ind AS 116 will supersede the current Ind AS on Leases Ind AS 17 and related interpretations.

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Presently, the Company is in the process of evaluating the impact that application of Ind AS 116 is expected to have on its financial statements. The Company intends to apply simplified transition approach and will not restate comparative information in the financial statements for the year ending 31 March, 2019 to show the impact of adopting Ind AS 116.

(b) Amendments to Existing Issued Ind AS

- i. Ind AS 107 - Financial Instruments Disclosures
- ii. Ind AS 109 - Financial Instruments
- iii. Ind AS 113- Fair Value Measurement
- iv. Ind AS 115- Revenue From Contracts with Customers
- v. Ind AS 12- Income Taxes
- vi. Ind AS 19- Employee Benefits

Note: Application of Above Standards are not expected to have any significant impact on the Company's Financial Statements.

5.01 Property, Plant & Equipment

(all fig. in ₹)

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2018	Addition During the Year	Deduction During the Year	As at 31/03/2019	Upto 01/04/2018	For the year	Deductions	Upto 31/03/2019	As at 31/03/2019
Leased Asset									
Leasehold Land	36,05,63,856	-	-	36,05,63,856	7,53,788	3,76,894	-	11,30,682	35,94,33,174
Owned Assets									
Office Buildings	3,27,00,458	48,72,870	-	3,75,73,328	22,55,243	10,39,795	-	32,95,038	3,42,78,290
Factory Building	73,52,795	-	-	73,52,795	1,913	2,32,691	-	2,34,604	71,18,191
Plant and Equipment	2,52,19,988	18,79,000	-	2,70,98,988	32,08,368	18,68,985	-	50,77,363	2,20,21,625
Moulds, Dies and Patterns	7,09,173	-	-	7,09,173	3,76,528	2,24,119	-	6,00,645	1,08,528
Furniture and Fixtures	7,96,811	87,499	-	8,74,310	1,58,101	50,192	-	2,06,293	6,66,017
Vehicles	1,87,11,866	53,51,208	40,10,988	2,00,52,086	47,58,288	24,84,327	18,48,538	55,73,077	1,44,79,009
Goods Transport Vehicles	5,20,443	-	-	5,20,443	1,54,968	77,482	-	2,32,450	2,87,963
Office Equipments	3,09,206	7,70,050	-	10,79,256	1,86,945	48,198	-	2,35,143	8,44,113
Electrical Installations	8,47,840	3,94,388	-	12,42,028	1,01,220	1,13,620	-	2,14,840	10,27,188
Computers	16,09,672	1,63,008	-	17,72,680	5,52,900	3,77,260	-	9,30,180	8,42,500
Borewell	7,893	-	-	7,893	-	-	-	-	7,893
TOTAL	44,83,39,891	1,35,18,023	40,10,988	45,88,46,836	-	68,73,593	16,40,538	1,77,32,315	44,11,14,521

Particulars	Gross Block			Depreciation			Net Block		
	As at 01/04/2017	Addition During the Year	Deduction During the Year	As at 31/03/2018	Upto 31/03/2017	For the year	Deductions	Upto 31/03/2018	As at 31/03/2018
Leased Asset									
Leasehold Land	36,05,63,856	-	-	36,05,63,856	3,76,894	3,76,894	-	7,53,788	35,98,10,068
Owned Assets									
Office Buildings	2,83,30,396	63,70,062	-	3,27,00,458	8,82,592	13,72,661	-	22,55,243	3,04,45,215
Factory Building	-	73,52,795	-	73,52,795	-	1,913	-	1,913	73,50,882
Plant and Equipment	2,50,99,786	1,20,202	-	2,52,19,988	14,30,396	17,77,972	-	32,06,368	2,20,11,620
Moulds, Dies and Patterns	6,93,328	15,845	-	7,09,173	1,43,835	2,32,691	-	3,76,526	3,32,647
Furniture and Fixtures	7,21,951	64,860	-	7,86,811	75,113	82,988	-	1,56,101	6,28,710
Vehicles	1,57,74,257	33,01,810	3,64,201	1,87,11,866	24,18,228	24,70,892	1,30,830	47,58,288	1,39,53,578
Goods Transport Vehicles	5,20,443	-	-	5,20,443	77,482	77,486	-	1,54,968	3,65,475
Office Equipments	2,74,227	34,979	-	3,09,206	1,39,247	47,698	-	1,86,945	1,22,261
Electrical Installations	3,50,823	4,97,017	-	8,47,840	50,414	50,806	-	1,01,220	7,46,420
Computers	9,95,990	6,13,712	-	16,09,672	2,26,341	3,26,559	-	5,52,900	10,56,772
Borewell	7,893	-	-	7,893	-	-	-	-	7,893
TOTAL	43,13,32,720	1,83,71,262	3,64,201	44,93,39,801	58,29,530	68,16,560	1,30,830	1,25,08,280	43,68,31,541

Note: Property, plant and equipment of the company are charged against various loan facilities availed by the company from Banks. The complete details in this regard are given in Note No. 5.21 to the financial statements.

5.04 Loans

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Unsecured, Considered Good		
- Security Deposits (Refer Note below)	16,90,530	12,11,700
	16,90,530	12,11,700

Note: (i) No loans are due from directors or other officers of the Holding company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The above security deposits consists of namely Earnest Money deposits made for Government tenders, Deposits for Lease Rental arrangements and Electricity deposits and are interest free.

5.05 Other Financial Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Fixed Deposits		
- Bank Deposits with original maturity of more than 12 months	1,40,59,533	43,98,096
Advances to Workers/ Employees	7,43,419	8,06,407
	1,48,02,952	52,04,503

Note: (i) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.06 Other Non-Current Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Capital Advances	13,53,748	3,14,544
Advances Other than Capital Advances		
- Deposits with Govt., Public and Other Bodies	-	5,000
	13,53,748	3,19,544

5.07 Inventories

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
(At lower of cost and net realisable value)		
Raw Materials	2,34,82,227	1,51,48,454
Intermediate and Components	2,81,24,137	1,57,69,290
Stores and Spares	1,03,42,089	99,96,726
Work-in-Progress	9,75,71,833	16,35,78,316
Finished Goods	2,45,13,432	41,99,016
(At estimated realisable value)		
Scrap	43,880	4,320
	18,40,77,598	19,86,96,122

Note: (i) The mode of valuation of inventories has been stated in Standalone Financial Statement in Note No. 2.07.

(ii) The Loans from Banks are secured by pari passu charge on inventories (including raw material, finished goods and work in progress) and book debts. Refer Note 5.21

(iii) No Inventories as on 31st March, 2019 are in Transit.

5.08 Trade Receivables

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Unsecured, Considered Good		
Trade Receivables (Refer Notes Below)	13,96,41,614	10,70,96,198
Unsecured, Considered Doubtful		
Trade Receivables	18,47,161	39,80,457
Less: Allowance for Doubtful Debts & Liq. Damages	(18,47,161)	(39,80,457)
	13,96,41,614	10,70,96,198

Note: (i) No trade or other receivable are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5.03 Investments

Particulars	Face value per share (₹)	31/03/2019		31/03/2018	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Non Current					
(I) Investments in Equity Instruments carried at fair value through other comprehensive income (FVOCI)					
A. Quoted (Fully paid up, unless otherwise stated)					
Alfred Herbert (India) Limited	10	5	3,224	5	4,425
BF Investment Ltd (Bonus)	5	26	6,904	26	7,285
BF Utilities Limited	10	26	5,086	105	9,923
Bharat Forge Company Limited	5	130	66,508	26	91,020
Bharat Forge Company Limited (Bonus)	5	130	66,508	26	91,020
Dynatonic Technologies Limited	2	40	64,798	130	68,414
E.C.E. Industries Limited	2	30	8,050	130	8,622
Eicher Motors Ltd	10	1	20,538	30	28,337
Elecon Engineering Co. Limited (Including Bonus)	10	360	22,770	24	27,702
GKW Limited (Formerly, Guest Kean Williams Limited)	10	1	781	1	560
Jyoti Limited	2	50	545	380	3,283
Kulkarni Power Tools Limited	10	200	12,520	1	11,690
Larsen and Tubro Limited	10	258	3,54,317	50	3,35,846
Larsen and Tubro Limited (Bonus)	5	320	4,42,896	200	4,19,808
LML Limited	2	27	99	256	160
Mahindra and Mahindra Limited	2	52	34,934	320	38,490
Mahindra and Mahindra Limited (Bonus)	10	52	34,934	27	38,490
Manugraph Industries Limited	5	240	6,624	52	10,992
Nesco Ltd (New Standard Engineering Company Limited)	5	200	96,400	52	1,10,380
Scooters India Limited	2	50	1,655	240	3,023
Tata Motors Ltd	2	115	20,045	200	37,657
Tata Motors Ltd	10	15	2,615	50	4,912
Texmaco Rail Engineering Limited	2	100	6,900	115	-
Ultratech Cement (Bonus)		51	2,03,952	51	2,01,340
Volvo Limited	10	150	94,568	150	83,080
Best and Crompton Engineering Private Limited		105	380	105	-
Easton Fluid Power Limited		24	240	24	-
UT Limited		100	657	100	-
			15,79,438		16,46,469
B. Unquoted (Fully paid up, unless otherwise stated)					
Belgaum Coal and Coke Consumer Co-op Ass. Ltd.	100	4	37,794	4	38,224
Belgaum Manufacturers Co-op Industrial Estate Ltd.	100	40	4,09,085	40	4,03,804
WG Forge and Allied Industrial Limited	10	50	-	50	-
Saraswat Co-operative Bank Limited	10	783	1,24,977	783	1,72,978
Eicher Tractors Limited	10	4	-	4	-
			5,71,856		6,15,004
TOTAL			21,51,294		22,61,473
Aggregate amount of quoted investments			15,79,438		16,46,469
Aggregate market value of quoted investments			15,79,438		16,46,469
Aggregate amount of unquoted investments			5,71,856		6,15,004
Aggregate amount of impairment in value of investments			-		-

5.04 Loans

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Unsecured, Considered Good		
- Security Deposits (Refer Note below)	16,90,530	12,11,700
	16,90,530	12,11,700

Note: (i) No loans are due from directors or other officers of the Holding company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) The above security deposits consists of namely Earnest Money deposits made for Government tenders, Deposits for Lease Rental arrangements and Electricity deposits and are interest free.

5.05 Other Financial Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Fixed Deposits		
- Bank Deposits with original maturity of more than 12 months	1,40,59,533	43,98,096
Advances to Workers/ Employees	7,43,419	8,06,407
	1,48,02,952	52,04,503

Note: (i) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.06 Other Non-Current Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Capital Advances	13,53,748	3,14,544
Advances Other than Capital Advances		
- Deposits with Govt., Public and Other Bodies	-	5,000
	13,53,748	3,19,544

5.07 Inventories

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
(At lower of cost and net realisable value)		
Raw Materials	2,34,82,227	1,51,48,454
Intermediate and Components	2,81,24,137	1,57,69,290
Stores and Spares	1,03,42,089	99,96,726
Work-in-Progress	9,75,71,833	16,35,78,316
Finished Goods	2,45,13,432	41,99,016
(At estimated realisable value)		
Scrap	43,880	4,320
	18,40,77,598	19,86,96,122

Note: (i) The mode of valuation of inventories has been stated in Standalone Financial Statement in Note No. 2.07.

(ii) The Loans from Banks are secured by pari passu charge on inventories (including raw material, finished goods and work in progress) and book debts. Refer Note 5.21

(iii) No Inventories as on 31st March, 2019 are in Transit.

5.08 Trade Receivables

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Unsecured, Considered Good		
Trade Receivables (Refer Notes Below)	13,96,41,614	10,70,96,198
Unsecured, Considered Doubtful		
Trade Receivables	18,47,161	39,80,457
Less: Allowance for Doubtful Debts & Liq. Damages	(18,47,161)	(39,80,457)
	13,96,41,614	10,70,96,198

Note: (i) No trade or other receivable are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Movement in the expected credit loss allowance

Particulars	Figures as at	
	31/03/2019	31/03/2018
Balance as at the beginning of the year	23,63,904	8,04,680
Add: Provision made during the year	14,79,248	15,59,244
Less: Amount written back / collected during the year	-	-
Balance as at the end of the year	38,43,152	23,63,904

(iii) Above Trade Receivables have been shown net off Expected Credit Loss allowance at the end of the year as indicated above.

(iv) Borrowing are secured by pari passu charge on Trade receivables. Refer Note 5.21 of the financial statements.

5.09 Cash and Cash Equivalents

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Balances with Banks in current accounts	4,43,800	17,70,730
Cash on hand	1,77,215	1,71,377
	6,21,015	19,42,107

5.10 Bank Balances (Other than Cash & Cash Equivalents)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Bank deposits with original maturity more than 3 months but less than or equal to 12 months	76,39,075	2,06,63,784
	76,39,075	2,06,63,784

Note: (i) Above mentioned bank deposits are held as margin money with banks against bank guarantees, letter of credit and other commitments and includes interest accrued thereon.

5.11 Other Financial Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advances		
Advances to Workers/ Employees	13,08,964	10,39,602
	13,08,964	10,39,602

Note: Included in above is the current portion of the interest free advance lent to employees and workers which is recovered on a monthly basis as a deduction in salary or wages.

5.12 Current Tax Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advance Tax / TDS	21,01,429	8,94,027
Income Tax Refund Receivable (Refer Note Below)	95,834	95,834
	21,97,263	8,89,861

Note: The above amount relates to Income Tax Refund for Assessment Year 2006-07 for which an appeal for rectification under section 154 of Income Tax Act, 1961 has been filed with Hon'ble Assistant Commissioner of Income Tax.

5.13 Other Current Assets

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Advances other than capital advances		
- Advances for purchase of goods and services	30,07,805	30,66,025
- Advances to Employees (Others)	-	34,890
- Travel advances to employees	5,53,417	10,69,117
- Other Advances	-	93,569
- Other Advances (Doubtful) (Refer Note(i) Below)	4,00,000	4,00,000
Less: Provision for Doubtful Advances	(4,00,000)	(4,00,000)
Claims Receivable (Refer Note (ii) Below)	4,01,517	3,98,017
Prepaid Expenses	24,88,335	34,09,007
Balance with Revenue authorities	10,95,258	86,40,948
	75,46,330	1,67,11,373

- Note: (i) *A case was filed for the recovery of the doubtful advance against B. H. Bhattiwala ("Respondent") in the court of the Hon'ble Prf. District Judge, Belgaum. The order was passed on 30th August, 2011 in favour of Bemco Hydraulics Limited directing the respondent to pay a sum of ₹ 5,00,000 along with interest at 6% per annum amounting to ₹ 2,73,088 i.e. total of ₹ 7,73,088 by delivery of any property specifically decreed or by attachment or sale of Moveable or immovable properties. However, when summons were issued to the respondent it was found that the respondent has passed away and his spouse and legal heirs have not responded to the summons yet. Therefore, on basis of prudence the claim awarded has not been recognised as income neither the provision against the debt has been reversed considering the uncertainty in relation to receipt of the claims.
- (ii) Included in above is amount of ₹ 1,05,343 deposited against the total demand of ₹ 2,09,633 for Entry Tax due under the Karnataka Tax on Entry of Goods Act, 1979 for financial years 2006-07, 2007-08, 2008-09 & 2009-10. An appeal has been preferred with the Hon'ble Joint Commissioner of Commercial Taxes (Appeals), the case is still pending in the forum. Also refer note no. 5.27(a).

5.14 Equity Share Capital

Particulars	31/03/2019		31/03/2018	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
(a) Authorized Share Capital Equity Shares of ₹ 10/- each Preference Share Capital of ₹ 100/- each	40,00,000 4,00,000 44,00,000	4,00,00,000 4,00,00,000 8,00,00,000	40,00,000 4,00,000 44,00,000	4,00,00,000 4,00,00,000 8,00,00,000
(b) Issued Share Capital Equity Shares of ₹ 10/- each	22,22,750 22,22,750	2,22,27,500 2,22,27,500	22,22,750 22,22,750	2,22,27,500 2,22,27,500
(c) Issued, Subscribed and Fully Paid up Capital Equity Shares of ₹ 10/- each Add: Shares Forfeited	21,86,700 - 21,86,700	2,18,67,000 66,500 2,19,33,500	21,86,700 - 21,86,700	2,18,67,000 66,500 2,19,33,500
(d) Reconciliation of Equity Shares of ₹10/- each outstanding at the beginning and at the end of each financial year.				
Particulars	31/03/2019		31/03/2018	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Balance as at the beginning of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
Add/ (Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	21,86,700	2,19,33,500	21,86,700	2,19,33,500
(e) Rights, Preferences and Restrictions attached to Equity Shares of ₹ 10/- each. *The Company has Equity Shares having per value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. Holders of Equity Shares are entitled to dividend, in proportion to the paid up amount, proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.*				
(f) Shareholders holding more than 5% of Equity Share Capital.				
Particulars	31/03/2019		31/03/2018	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Mohita Capital Private Limited	6,65,606	30.44%	6,65,606	30.44%
Sri Ramchandra Enterprises Private Limited	3,34,697	15.31%	3,34,697	15.31%
U D Finvest Private Limited	2,18,400	9.99%	2,18,400	9.99%
Urmila Devi Mohita	2,08,668	9.54%	2,08,668	9.54%
Sungrace Finvest Private Limited	1,49,657	6.84%	1,49,657	6.84%

- (g) No calls remain unpaid by the Board of Directors and officers of the Company.

5.15 Other Equity

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Capital Reserve Balance at the beginning of the year Add: Reversal of Deferred Tax Liability Less: Transfer to Retained Earnings Balance at the end of the year	27,85,86,777 (7,92,648) (11,69,542) 27,66,24,587	27,87,89,757 86,957 (2,89,937) 27,85,86,777
(a)		
Capital Redemption Reserve Balance at the beginning of the year Add/ (Less): Movement during the year Balance at the end of the year	14,73,200 - 14,73,200	14,73,200 - 14,73,200
(b)		
General Reserve Balance at the beginning of the year Add/ (Less): Movement during the year Balance at the end of the year	70,24,153 - 70,24,153	70,24,153 - 70,24,153
(c)		

Securities Premium		
Balance at the beginning of the year	4,48,31,700	4,48,31,700
Add/ (Less): Movement during the year	-	-
Balance at the end of the year	(d) 4,48,31,700	4,48,31,700
Retained Earnings		
Opening Balance	(2,83,18,422)	(3,73,50,612)
Add: Surplus/(Deficit) for the year	1,02,75,252	87,42,253
Add: Transfer From Capital Reserve	11,69,542	2,89,937
Balance at the end of the year	(e) (1,68,73,628)	(2,83,18,422)
Other Comprehensive Income		
Opening Balance	14,25,624	34,681
Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land)	2,53,195	13,90,943
Balance at the end of the year	(f) 16,78,819	14,25,624
Total (a to f)	31,47,58,831	30,50,23,032

Nature and purpose of reserves:

- Capital Redemption Reserve:**
Capital Redemption Reserve was created on account of redemption for 11% Redeemable Preference Shares at the time of issue of such shares out of the profits made during past years.
- Security Premium account:**
Security premium is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium, and company can use this reserve for buy-back of shares.
- Capital Reserve:**
On the date of transition to IndAS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipment as per Previous GAAP has been transfer to the Capital Reserve.

5.16 Borrowings (Non-Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Secured		
Term Loans from Banks		
(i) Specific Purpose Term Loan		
- Plant & Machinery Loans	3,74,689	13,25,737
- Motor Car Loans	43,86,159	31,34,209
Unsecured		
Deferred Payment Liabilities	19,75,500	81,89,000
Loan From Related Parties		
- Mohta Capital Private Limited	2,49,74,021	2,16,12,428
11% 3,20,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	3,18,21,602	3,18,12,986
	6,35,31,971	6,60,74,360

General Description, details of security and other conditions attaching to:
As at 31-03-2019

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans Bank of Maharashtra	13,25,737	The sanctioned amount of loan under the consortium of bankers is ₹ 42,50,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 26 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 10,000/-.	13.90% p.a.
2. Motor Car Loans State Bank of India	30,45,384	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 31-03-2019, 263 installments are due for repayment.	9.16% -10.95% p.a
3. Motor Car Loans YES BANK	27,83,115	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 31-03-2019, 228 installments are due for repayment.	9.10% - 9.25% p.a
4. Working Capital Loan Mohta Capital Private Limited	2,56,24,086	Unsecured working capital loan has been obtained from a related party under a loan agreement. The loan is repayable on demand after 30.06.2021.	12% p.a.

As at 31-03-2018

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
1. Plant & Machinery Loans Bank of Maharashtra	22,68,396	The sanctioned amount of loan under the consortium of bankers is ₹ 85,00,000/- out of which the Company has drawn ₹ 35,76,000/- for purchase of the current machinery. The loan is repayable in 45 monthly installments of ₹ 80,000/- each and the last installment shall be of ₹ 56,000/- . As on 30-09-2018, 22 installments are due for repayment.	14.47% p.a.
2. Motor Car Loans State Bank of India	47,13,845	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in in equated monthly installments. As on 31-03-2018, 447 installments are due for repayment.	10% -12% p.a
3. Working Capital Loan Mohta Capital Private Limited	2,16,12,428	Unsecured working capital loan has been obtained from a related party under a loan agreement. The loan is repayable on demand after 31.03.2021.	12% p.a.

Rights, Preferences and Restrictions attached to Preference Shares of ₹ 100/- each

The dividend on preference shares proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. Each holder of Preference Share is entitled to one vote per share. In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital but shall not be entitled to any surplus arising thereto. The rights of preference shares are governed by Section 47 of the Companies Act, 2013.*

Terms of redemption of Preference Shares of ₹ 100/- each

Particulars	As at 31/03/2019		As at 31/03/2018	
	Quantity (Nos.)	Amount (₹)	Quantity (Nos.)	Amount (₹)
i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2031.	3,00,000	3,00,00,000	3,00,000	3,00,00,000
ii) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2020.	20,000	20,00,000	20,000	20,00,000

Shareholders holding more than 5% of Preference Share Capital

Particulars	As at 31/03/2019		As at 31/03/2018	
	Quantity (Nos.)	Percentage (%)	Quantity (Nos.)	Percentage (%)
Mohla Capital Private Limited	1,90,000	59.38%	1,90,000	59.38%
U.D. Finvest Private Limited	65,000	20.31%	65,000	20.31%
Sree Ramachandra Capital Consultancy Private Limited	65,000	20.31%	65,000	20.31%

Details of continuing defaults in respect of Deferred Payment Liabilities**Terms of Repayment**

The total outstanding with respect to Deferred Payment Liabilities are 3,75,000/- Euros. The outstanding is repayable by payment of 50,000 Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹2,37,06,000 (Previous Year ₹ 2,04,72,500/-) in respect of deferred payment liabilities as at the balance sheet date which is included in the amount 'Current portion of deferred liability for Intangible Assets' as disclosed under note no. 5.23.

5.17 Other Financial Liabilities (Non-Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Security Deposits	3,98,590	1,56,040
	3,98,590	1,56,040

Note: Above mentioned deposits are taken as security from parties for property leased as an operating lease arrangements and the same are interest free.

5.18 Provisions (Non-Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Provision for Employee Benefits - Provision for Leave Encashment	9,89,957	10,53,797
	9,89,957	10,53,797

5.19 Deferred Tax Liabilities (Net)

Particulars	Balance Sheet Figures as at		Statement of Profit & Loss For the year ended	
	31/03/2019 (₹)	31/03/2018 ₹	31/03/2019 (₹)	31/03/2018 ₹
Deferred tax relates to the following:				
Accelerated Depreciation for Tax Purpose	(37,57,264)	(26,35,225)	11,22,039	(13,00,332)
Amortization of Land	(8,37,07,178)	(8,29,14,528)	7,92,648	86,957
Measurement of Financial Assets at Amortised Cost	95,435	1,60,345	64,910	28,434
Measurement of Financial Liabilities at Amortised Cost	(39,902)	(31,975)	7,927	16,717
Unused Tax Losses/ Depreciation	51,71,137	1,32,13,720	80,42,583	(53,29,247)
MAT Credit Entitlement	1,15,59,988	56,26,500	(59,33,488)	56,26,500
Provision for Doubtful Debts & Advances	13,86,162	7,49,495	(6,36,667)	72,180
Provision for Product Warranties	1,39,114	1,71,228	32,114	36,522
Provision for Leave Encashment	15,52,254	20,48,824	4,96,570	8,20,235
Foreign Currency Fluctuations	7,07,324	10,63,527	3,56,203	12,70,722
Deferred Tax Expense/(Income)	-	-	43,44,839	13,28,688
Net Deferred Tax Assets/(Liabilities)	(6,68,92,928)	(6,25,48,089)	-	-

Reflected in the Balance Sheet as follows:

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Deferred tax assets (continuing operations)	(6,25,48,089)	(6,38,76,777)
Deferred tax liabilities:	(35,52,191)	12,41,731
Continuing operations	(7,92,648)	86,957
Deferred tax liabilities, net	(6,68,92,928)	(6,25,48,089)

Reconciliation of deferred tax liabilities (net):

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Opening balance as at	(6,25,48,089)	(6,38,76,777)
Tax income/(expense) during the period recognised in profit or loss	(35,52,191)	12,41,731
Tax income/(expense) during the period recognised in Capital Reserve	(7,92,648)	86,957
Closing balance as at	(6,68,92,928)	(6,25,48,089)

5.20 Other Non-Current Liabilities

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
- Security Deposits from Employees	45,91,613	26,40,305
	45,91,613	26,40,305

5.21 Borrowings (Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Secured		
Loans Repayable on Demand:		
- From Banks		
(i) Cash Credit/ Packing Credit	1,99,48,357	5,41,35,633
(ii) Stand By Line Credit	-	50,00,000
(iii) Overdraft	37,09,949	-
- From Others		
(i) Raw Material Assistance Scheme from NSIC	94,45,035	94,70,935
Unsecured		
Loans Repayable on Demand:		
- From Related Parties	3,96,80,903	4,67,92,965
- From Other Parties	25,96,678	50,00,000
	7,53,60,922	12,03,99,533

General Description, details of security and other conditions attaching to:

Bank of Maharashtra:

Loans repayable on demand from Banks represents Cash Credit (CC) facility availed from Bank of Maharashtra with an overall limit of ₹15.5 crore under consortium out of which ₹ 5.5 crore is the cash credit limit sanctioned for meeting working capital requirement. It is secured by Pann Pannu Charge by way of hypothecation of inventory and receivables upto 120 days with a margin of 25%. The rate of interest is 1 year MCLR (8.65%)+BSS (0.25%) + 1.60% i.e. 10.50% p.a. The Facility also includes Letter of Credit (Inland/Import) with an overall limit of 4 crores under consortium out of which a limit of ₹ 2 crores has been sanctioned for procurement of Raw Materials and Bank Guarantee with overall limit of 18.5 crores out of which a limit of ₹ 8 crores has been sanctioned for Bank Guarantee. The hypothecation charge is on goods under Letter of Credit with a margin of 15% in Banks favour by way of CDR. Details of Collateral security:

- Equitable mortgage of Factory Land and Building situated at Sy. No. RS No.691, New No.343 at Majgaon, Uyambag, Belgaum and measuring 21,110.08 square meters in the name of the company.
- 30% Equity Shares of the company.

Three directors of the company has also given personal guarantees.

STATE BANK OF INDIA

Cash credit availed from State Bank of India is secured by hypothecation of inventory and receivables upto 160 days as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 2.75% at monthly rests. Stand by Line of Credit availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on cash credit is payable at floating rate being base rate of bank plus 6.00% at monthly rests. The facility has been closed from the current year.

YES BANK

Cash Credit (CC) availed from Yes Bank with an overall limit of 19.5 crores under consortium as member, secured by hypothecation of Current Assets and Moveable Fixed Assets both present and future and with a margin of 25% of Inventory with addition of receivables of less than 150 days less any creditors less outstanding with SBI. The CC is further secured by Equitable mortgage of Industrial Property located at S.No.691, New No.343 at Majgaon Udyambag, Belgaum, Kamalaka-590008. The

tenure of twelve months subject to payable on demand/ annual review. There is an unconditional and irrevocable personal guarantee of three directors of the company during the tenure of the facility. The facility amount is for 7,00,00,000 with a floating interest rate of (0.35% Margin) over and above Bank's Yearly MCLR. The interest is payable monthly.

Raw Material Assistance Scheme availed from NSIC is secured by bank guarantee amounting to ₹ 10,000,000/-. Interest is payable @ 12.50% per annum on amount outstanding. Additional interest at the rate of 0.45% percent per annum is payable if payment is not made within stipulated time limit.

Stand by Line of Credit is availed from State Bank of India on Demand basis for a maximum period of 90 days and extendable upto another 90 days and is secured by hypothecation of inventory and receivables as primary security and equitable mortgage of factory land and building and personal guarantee of three directors of the Company. Interest on Stand by line of Credit is payable at floating rate being base rate of bank plus 3.75% at monthly rests. The facility has been closed from the current year.

5.22 Trade Payables

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
For Goods purchased and Services received in the normal course of business		
- Due to Micro Enterprises & Small Enterprises	55,41,792	-
- Due to Other than Micro Enterprises & Small Enterprises (Refer Note (ii) Below)	8,85,22,611	9,03,57,872
- Acceptances	3,35,71,166	2,20,27,440
	12,76,35,569	11,23,85,312

Note: (i) The average credit period on purchases of goods and services are within 120 days. The trade payables are non interest bearing.

(ii) Disclosure of the amounts due to the The Micro and Small Enterprises as required by section 22 of Micro and small Enterprises Act, 2006 under the chapter of delayed payments to Micro and Small Enterprises (On the basis of the information & records available with the Management).

Particulars	2018-19 ₹	2017-18 ₹
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.		
*Principal amount	55,41,792	NIL
*Interest there on	NIL	NIL
(ii) The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end each accounting year.	NIL	NIL
(v) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises	NIL	NIL

5.23 Other Financial Liabilities

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Current Maturities of Long-term Debt:		
- Plant & Machinery Loan from Banks	9,51,048	9,42,859
- Motor Car Loans from Banks	14,42,340	15,79,636
- Current Portion of Deferred Payment Liabilities	2,76,57,000	2,45,67,000
Interest Accrued:		
- Interest accrued and due on borrowings	9,08,831	10,21,805
Unpaid Dividends on 11% Cumulative Redeemable Preference Shares	2,11,20,000	1,87,20,000
Gratuity Payable to LIC	24,24,800	29,56,117
Guarantee Commission Payable to Related Parties	3,55,506	3,55,506
Lease Rent Payable	17,608	58,000
Credit Balances In Current Account	45,497	-
	5,49,22,830	4,81,99,723

5.24 Other Current Liabilities (Current)

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Revenue Received In Advance:		
- Advance from Customers	4,03,40,412	3,07,82,300
Current portion of Security Deposit from Employees	9,71,025	26,95,125
Employees and Other Related Dues	7,29,188	10,28,143
Liabilities for Expenses	67,53,288	62,93,755
Liabilities for Statutory Dues	1,67,58,908	82,80,745
	6,55,52,821	4,98,80,068

5.25 Provisions

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Provision for Employee Benefits: - Provision for Leave Encashment Provision for Product Warranty	45,89,676 5,00,050	63,82,278 6,21,461
	50,89,726	70,03,737

Note: Disclosures as required by Indian Accounting Standard (IndAS) 37 Provisions, Contingent Liabilities and Contingent Assets:

(1) Movement in Provisions

Nature of Provisions	Leave Encashment		Product Warranty	
	2018-19	2017-18	2018-19	2017-18
Carrying amount at the beginning of the year*	74,36,073	44,59,085	6,21,461	4,88,906
Additional provision made during the year	(67,263)	45,63,664	-	1,32,555
Amounts used during the year	(17,89,177)	(15,86,676)	(1,21,411)	-
Carrying amount at the end of the year*	55,79,633	74,36,073	5,00,050	6,21,461

* The above figures mentioned in opening and closing carrying amount includes long term portion of provisions.

(2) Nature of Provisions

- (a) Product warranties: The Holding Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provisions made represents the amount of the expected cost of meeting such obligation on account of rectification/ replacement. The timing of outflows is expected to be within a period of 2 years.
- (b) Provision for Leave Encashment includes annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

5.26 Current Tax Liabilities

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Provision for Income Tax (Net of Advance Tax/ TDS)	1,05,24,641	52,04,763
	1,05,24,641	52,04,763

Notes:

Income Tax recognised in Profit and Loss

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Current Tax		
Current income tax charge	53,72,682	-
Adjustments in respect of current income tax of previous years	-	53,23,467
Total (A)	53,72,682	53,23,467
Deferred tax:		
Relating to origination and reversal of deductible & taxable temporary differences	35,52,191	(12,41,731)
Total (B)	35,52,191	(12,41,731)
Income Tax expense recognised in the Statement of Profit or Loss (A+B)	89,24,873	40,81,736

Income Tax recognised in Other Comprehensive Income

Particulars	Figures as at	
	31/03/2019 ₹	31/03/2018 ₹
Current Tax		
Current income tax charge on remeasurement of defined benefit obligations	(1,40,050)	(3,03,033)
Income Tax expense recognised in Other Comprehensive Income	(1,40,050)	(3,03,033)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Profit before tax	1,92,00,125	1,23,18,358
Applicable Tax Rate	27.82%	27.55%
Computed Tax Expense	53,41,475	33,93,708
Tax Effects:		
Items not chargeable to tax/ exempt	(1,01,989)	(3,19,845)
Expenses disallowed	2,89,888	36,61,726
Net tax on depreciable assets	1,04,852	2,38,765
Adjustment of current tax for prior periods	(11,11,928)	-
Effect of brought forward losses and unabsorbed depreciation	10,10,434	(13,47,854)
Others	(1,40,050)	(3,03,033)
Current Tax Provision (A)	53,72,682	53,23,467
Incremental Deferred Tax Liability	35,52,191	(12,41,731)
Deferred Tax Provision (B)	35,52,191	(12,41,731)
Tax Expenses recognised in the Statement of Profit and Loss (A + B)	89,24,873	40,81,736

5.27 Revenue From Operations

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Sale of Products	48,31,09,071	41,26,63,716
Sale of Services	74,51,350	24,66,070
Other Operating Revenues	1,22,86,868	75,65,007
	48,28,47,289	42,26,94,793

5.28 Other Income

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Interest Income:		
i. Interest on bank deposits carried at amortised cost	17,17,306	16,90,783
ii. Interest on Security Deposits and Others carried at amortised cost	36,701	50,144
iii. Interest on Income Tax Refund	30,036	-
Dividend Income on equity investments at FVTOCI	14,798	16,260
Net gain on Sale of Property, Plant & Equipment	85,452	-
Rental Income	12,67,410	7,54,160
Liability no longer required written back	28,40,149	11,44,702
Fluctuation in Foreign Currency (Net)	11,03,187	31,807
Excise Duty on Closing Stock written back	-	5,84,745
Miscellaneous Receipts	19,601	81,387
Packing and Forward Charges Collected	73,863	-
	71,88,503	43,53,988

5.29 Cost of Materials Consumed

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Raw Materials		
Opening Stock	1,51,48,454	2,05,27,444
Add: Purchases	12,22,93,350	8,65,42,259
Less: Closing Stock	(2,34,82,227)	(1,51,48,454)
	(A) 11,39,59,577	9,19,21,249
Intermediates and Components		
Opening Stock	1,57,89,290	1,90,35,752
Add: Purchases	10,22,46,187	9,49,99,680
Less: Closing Stock	(2,81,24,137)	(1,57,69,290)
	(B) 8,98,91,340	9,82,66,142
Packing Materials		
Opening Stock	-	-
Add: Purchases	13,88,899	11,96,318
Less: Closing Stock	-	-
	(C) 13,88,899	11,96,318
Stores and Spares		
Opening Stock	99,96,726	1,09,82,756
Add: Purchases	1,20,55,939	1,43,68,341
Less: Closing Stock	(1,03,42,089)	(99,96,726)
	(D) 1,17,10,576	1,53,64,371
TOTAL (A to D)	21,69,50,392	20,67,48,080
Less: Materials consumed on account of warranties	4,74,843	6,00,708
TOTAL	21,64,75,549	20,61,47,372

5.30 Changes In Inventories Of Finished Goods And Work-in-Progress

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Opening Stock		
Intermediate Goods	-	14,17,890
Work-in-Progress	15,35,78,316	14,33,25,400
Finished Goods	41,99,016	54,85,852
Scrap	4,320	(2,18,033)
Total of Opening Stock (A)	15,77,81,652	15,06,10,909
	15,77,81,652	15,00,10,909
Closing Stock		
Intermediate Goods	-	5,89,066
Work-in-Progress	9,75,71,833	15,29,89,250
Finished Goods	2,45,13,432	41,99,018
Scrap	43,880	4,320
Total of Closing Stock (B)	12,21,29,145	15,77,81,652
Net changes in inventories of finished goods and work-in-progress [Total (A-B)]	3,56,52,507	(77,70,743)

5.31 Employee Benefits Expense

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Salaries, Wages, Bonus, etc.	7,99,11,769	7,68,63,315
Contribution to Provident fund & other funds	87,46,089	81,63,671
Staff Welfare Expenses	32,98,961	37,01,004
	9,19,56,819	8,87,27,990

5.32 Finance Costs

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Interest on loan calculated using effective interest rate method	1,54,62,732	1,89,68,835
Interest on Others	27,97,127	25,66,422
Dividend on Redeemable Preference Shares	44,08,617	26,44,747
Other Borrowing Costs	78,08,371	77,03,840
	3,02,76,847	3,18,83,844

5.33 Depreciation And Amortization Expense

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Depreciation of Property, Plant & Equipment	68,73,582	68,18,560
Amortization of Intangible Assets	15,19,533	6,13,392
	83,93,125	74,31,952

5.35 Other Expenses

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Power & Fuel	38,07,957	38,40,266
Manufacturing Expenses	2,53,90,528	2,73,35,653
Freight & Transportation	1,14,12,691	83,97,256
Partner's Contribution	24,00,000	24,00,000
Product Warranty Expenses	4,36,903	7,95,833
Marketing Expenses	7,28,492	-
Repairs		
i Buildings	5,70,383	7,32,845
ii Machinery	8,06,275	11,33,010
iii Computers	-	3,31,805
iv Others	9,24,412	3,94,827
Insurance	6,19,215	5,88,591
Rent	5,85,503	4,28,668
Rates & Taxes	4,64,429	2,48,348

Printing and Stationery	10,32,876	11,09,807
Postage, Telephone & Telegram	10,16,069	7,59,904
Travelling & Conveyance Expenses	1,45,68,382	1,40,67,597
Bad Debts / Advances Written Off	48,09,709	38,05,842
Expected Credit Loss on Financial Assets	14,79,248	15,59,244
Provision for Bad and Doubtful debts	9,70,121	-
Advertisement Expenses	1,26,270	-
Miscellaneous Expenses	87,35,666	71,69,187
Payment to Auditors for:		
i Audit Fees	3,50,000	3,50,000
ii Limited Review Certification charges	1,80,000	1,20,000
iii For Company Law Matters	-	-
iv For Other Services	55,100	1,41,000
v Reimbursement of Expenses (including ST)	-	90,860
Directors' Sitting Fees	33,000	34,000
Net Loss on Sale of Property, Plant & Equipment	1,08,841	1,00,558
Loss in Foreign Currency Fluctuation (net)	5,03,585	46,12,000
Liquidated Damages	56,60,153	28,98,255
Prior Period Adjustments	-	52,554
Excise Duty on Opening & Closing Stock(net)	-	50,14,098
Sales Commission	1,92,395	-
Telephone Expenses	19,100	-
Web Service Charges	70,851	-
Goods and Services Tax Paid	20,816	-
	8,80,60,820	8,83,10,008

5.35 Other Comprehensive Income

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
(i) Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income	(1,10,179)	2,07,062
- Remeasurement of the Employee Defined Benefit Plans	5,03,424	14,86,914
	3,93,245	16,83,976
(ii) Income tax relating to items that will not be reclassified to profit or loss		
- Income Taxes relating to Remeasurement of Employee Defined Benefit Plans	(1,40,050)	(3,03,033)
	(1,40,050)	(3,03,033)
	2,53,195	13,80,943

5.36 Earnings Per Share:

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Net Profit / (Loss) attributable to Equity Shareholders (₹)	1,02,75,252	82,36,622
Weighted average number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earning per Equity Share of ₹ 10/- each		
- Basic	4.70	3.77
- Diluted	4.70	3.77
Face value per Equity Share (₹)	10	10

The Group does not have any outstanding potential dilutive Equity Shares. Consequently the Basic and the Diluted Earnings Per Share of the Group remain the same.

5.37 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS
EMPLOYEE BENEFITS
a) Post Retirement Benefits : Defined Contribution Plans

(Figures in ₹)

Particulars	31/03/2019	31/03/2018
1 Contribution to Employees' Provident Fund	29,58,793	23,13,742
2 Contribution to Employees' Family Pension Fund	25,27,137	23,68,634
3 Contribution to Employees' Superannuation Fund	12,58,023	10,00,501

b) Defined Benefit Plans
(i) Changes in the Present Value of Obligation

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Present Value of Obligation as at opening date	2,39,73,392	2,22,48,707
b. Interest Expense	18,51,007	18,24,560
c. Past Service Cost	-	8,37,882
d. Current Service Cost	16,70,401	13,98,118
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(4,85,056)	(5,86,399)
h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(6,55,123)	(13,52,205)
- experience adjustments	-	(1,95,271)
i. Present Value of Obligation as at closing date	2,63,54,621	2,39,73,392

(ii) Changes in the Fair Value of Plan Assets

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Present Value of Plan Assets as at opening date	2,10,18,275	1,74,16,306
b. Expected Return on Plan Assets (Interest Income)	16,98,920	13,77,797
c. Mortality charges and taxes	(1,07,887)	(1,20,410)
d. Actuarial Gain/(Loss)	-	-
- changes in financial assumptions	(1,51,899)	(1,11,713)
- experience adjustments	-	51,161
e. Employers' Contributions	19,59,268	29,91,543
g. Benefits Paid	(4,85,056)	(5,86,399)
h. Fair Value of Plan Assets as at closing date	2,39,29,821	2,10,18,275
i. Actual return on plan assets	15,45,221	13,17,235

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Present Value of Obligation as at the end of the period	2,63,54,621	2,39,73,392
b. Fair Value of Plan Assets as at the end of the period	2,39,29,821	2,10,18,275
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(24,24,800)	(29,55,117)
d. Present Value of unfunded Obligation	-	-
e. Unrecognized Past Service Cost	-	-
f. Unrecognized Actuarial (Gains)/Losses.	-	-
g. Unfunded Net Liability recognized in the Balance Sheet	-	-

(iv) Expenses recognized in the Statement of Profit & Loss Account

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Current Service Cost	16,70,401	13,98,118
b. Past Service Cost	-	-
c. Interest Cost	1,54,087	18,24,560
d. Expected Return on Plan Assets	-	(13,77,797)
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
h. Employees' Contribution	-	-
i. Total Expenses recognized in the Profit & Loss Account	18,24,488	16,44,881

(v) Expenses recognized in Other Comprehensive Income for the year

(Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	(5,03,424)	(12,40,492)
c. Actuarial changes arising from changes in experience adjustments	-	(2,46,422)
d. Return on plan assets excluding interest income	-	-
e. Recognised in Other Comprehensive Income	(5,03,424)	(14,86,914)

(vi) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date (Figures in ₹)

Particulars	Gratuity Funded	
	31/03/2019	31/03/2018
a. Government of India Securities	-	-
b. Corporate Bonds	-	-
c. Special Deposits Scheme	-	-
d. Equity Shares of Listed Companies	-	-
e. Property	-	-
f. Insurer Managed Funds	100%	100%
g. Others	-	-

(vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

(viii) The Actual Return on Plan Assets is as follows (Rs.) (Figures in ₹)

Following are the Principal Actuarial Assumptions used as at the balance sheet date:	31/03/2019	31/03/2018
a. Interest Rate	7.80%	7.80%
b. Discount Rate	7.80%	7.80%
c. Expected Rate of Return on Plan Assets	7.40%	7.40%
d. Salary Escalation Rate	6.00%	6.00%
e. Expected Average Remaining Working Lives of Employees	12.90 years	12.64 years

(ix) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

x) Retirement age considered is 60 years and if extension is taken it is taken as 70 years.

xi) Average Duration

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 10.74 years.

xii) Expected future benefit payments

The following benefits payments, for each of the next five years and the aggregate five years there after, are expected to be paid:

Year ended March 31	Expected Benefit Payment rounded to nearest thousand (in ₹.)
2020	60,68,000
2021	13,73,000
2022	26,91,000
2023	36,14,000
2024	35,74,000
2025-2029	1,59,85,000

xiii) The above cash flows have been arrived at based on the demographic and financial assumptions as mentioned earlier.

xiv) Expected contributions for the next year

The Holding company has contributed Rs. 19,59,268 to its gratuity fund in 2019. The Company intends to contribute Rs. 60,00,000 towards its gratuity fund in 2020.

xv) Sensitivity Analysis

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Defined benefit obligation (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

(a) Impact of change in discount rate when base assumption is decreased/increased by 100 basis point

Discount rate Mar-19	Mar-18	Defined Benefit obligation (in ₹)	
		31/03/2019	31/03/2018
6.80%	6.80%	2,81,70,052	2,56,89,894
8.80%	8.80%	2,47,61,742	2,24,65,994

(b) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary increment rate Mar-19	Mar-18	Defined Benefit obligation (in ₹)	
		31/03/2019	31/03/2018
5.00%	5.00%	2,50,03,818	2,26,84,570
7.00%	7.00%	2,78,64,946	2,54,10,485

(c) Impact of change in withdrawal rate when base assumption is decreased/increased by 100 basis point

Withdrawal rate Mar-19	Mar-18	Defined Benefit obligation (in ₹)	
		31/03/2019	31/03/2018
4.00%	4.00%	2,60,71,301	2,37,00,099
6.00%	6.00%	2,66,10,423	2,42,20,541

xvi) **Risk exposure and asset liability matching**

Provision of a defined benefit scheme poses certain risks, some of which are detailed here under, as companies take on uncertain long term obligations to make future benefit payments.

1) **Liability risks**

(i) **Asset-Liability Mismatch Risk**

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Holding company is successfully able to neutralize valuation swings caused by interest rate movements.

(ii) **Discount Rate Risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

(iii) **Future Salary Escalation and Inflation Risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) **Asset Risks**

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has an sovereign guarantee and has been providing consistent and competitive returns over the years.

The Holding company has opted for a traditional fund where in all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

5.38 **Disclosures as required as per Ind As 17 "Leases" is given below:**

Operating Lease Arrangements

The Group has entered into Lease Arrangements with certain parties including its subsidiary whereby the Holding company has granted to the parties the right to use a part of its factory premises, cumulatively represented by land and building disclosed under Property, Plant and Equipments in lieu of monthly lease rentals. Disclosures pursuant to Ind AS - 17 'Leases' are given below.

Particulars	Figures for the year ended	
	31/03/2019 ₹	31/03/2018 ₹
Operating Lease as a Lessee		
Receipt Recognised as Income		
Rental Income	12,67,410	3,37,080
Payment Recognised as Expense		
Rental Expenses	5,85,503	2,44,348

The Group does not have any obligation under non-cancellable lease agreement.

5.39 As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

- (a) **Key Managerial Personnel (KMP)**
 Shri Madan Mohan Mohita - Chairman
 Shri Anilnath Mohita - Managing Director
 Shri R.M. Shah
 Shri N.K. Daga
 Shri Dilip Chandak
 Shri R. B. Pali (Up to 30/06/2018)
 Shri V. B. Sambekar (From 01/07/2018)
 Smt. Annada Tarale
- (b) **Relatives of Key Managerial Personnel (KMP):**
 Smt. Urmila Devi Mohita
- (c) **Enterprises where Key Managerial Personnel (KMP) have significant influence:**
 U.D. Fininvest Pvt.Ltd
 Mohita Capital Pvt.Ltd
 Bemco Precltech Pvt.Ltd
 U.D.Polyproducts Pvt.Ltd
 Sri Ramachandra Enterprises Private Limited

The following related party transactions were carried out during the year.

(All Figures in ₹)

Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Preference Share Capital						
11% Cumulative Redeemable Preference Shares of ₹ 100/- each	-	-	-	-	1,88,90,760	1,88,88,690
- Mohita Capital Private Limited	-	-	-	-	64,62,628	64,62,013
- U.D. Fininvest Private Limited	-	-	-	-	64,62,628	64,62,013
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	-
Financial Liabilities						
Short Term Borrowings						
Accepted During the Year	-	-	-	-	4,50,000	1,00,000
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	2,27,00,000	3,32,00,000
- Mohita Capital Private Limited	-	-	-	-	-	-
Repaid During the Year (Including Interest)						
- U.D. Fininvest Private Limited	-	-	-	-	25,612	82,000
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	97,797	1,01,720
- Mohita Capital Private Limited	-	-	-	-	3,27,70,743	2,73,60,000
- Bemco Precltech Private Limited	-	-	-	-	14,666	-
- U.D.Polyproducts	-	-	-	-	21,650	-
Balance as at Year End (Including Interest)						
- U.D. Fininvest Private Limited	-	-	-	-	2,54,401	2,54,401
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	4,88,808	-
- Mohita Capital Private Limited	-	-	-	-	6,35,13,250	6,50,84,887
- Bemco Precltech Pvt.Ltd	-	-	-	-	1,45,559	1,46,780
- U.D.Polyproducts Pvt.Ltd	-	-	-	-	2,14,871	2,15,197
Other Financial Liabilities						
Guarantee Commission Payable as at Year End	-	-	-	-	2,08,259	2,06,259
- Mohita Capital Private Limited	-	-	-	-	41,027	41,027
- U.D. Fininvest Private Limited	-	-	-	-	1,08,220	1,08,220
- Sri Rama Chandra Enterprise Private Limited	-	-	-	-	-	-

(All Figures in ₹)

Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant influence	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
Expenses						
Finance Cost						
- U.D. Finnvest Private Limited	-	-	-	-	25,221	-
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	35,689	-
- Mohia Capital Private Limited	-	-	-	-	22,85,811	23,07,164
- Bemco Preditach Private Limited	-	-	-	-	14,445	17,350
- U.D. Polyproducts Private Limited	-	-	-	-	21,324	25,605
Employee Benefit Expense						
- Shri Anirudh Mohia	77,21,742	57,57,482	-	-	-	-
- Shri RB Patil	2,70,000	9,22,109	-	-	-	-
- Shri VS Sambarekar	6,71,230	-	-	-	-	-
- Smt. Amruta Tarale	5,01,743	4,58,580	-	-	-	-
Other Expenses						
Sitting Fees						
- Shri Madan Mohan Mohia	7,000	7,000	-	-	-	-
- Smt. Urmila Devi Mohia	-	-	7,000	-	-	-
- Shri R.M. Shah	6,000	6,000	-	-	-	-
- Shri N.K. Daga	7,000	7,000	-	-	-	-
- Shri Dilip Chavdak	6,000	7,000	-	-	-	-
Guarantee Commission						
- U.D. Finnvest Private Limited	-	-	-	-	91,678	1,84,876
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	2,41,826	4,87,459
- Mohia Capital Private Limited	-	-	-	-	4,60,900	9,28,440

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Details of any Guarantees Given or Received

Three Directors of the Holding Company including Shri Madan Mohan Mohia (Chairman) and Shri Anirudh Mohia (Managing Director) have given Personal Guarantee for the following Financial Arrangements:

- (i) Cash Credit facility availed from Bank of Maharashtra.
- (ii) Cash Credit facility availed from State Bank of India.
- (iii) Stand by Line Credit availed from State Bank of India on Demand Basis.
- (iv) Cash Credit facility availed from Yes Bank.

5.21

Compensation of key management personnel of the Group

The remuneration of director and other member of key management personnel during the year as follows:

Particulars	2018-2019 ₹	2017-18 ₹
Short-term employee benefits	88,87,386	62,38,401
Post-employment benefits	4,77,329	9,01,770
Other Long Term Benefits	-	-
Termination benefits	-	-
Share Based Payments	-	-
Total compensation paid to key management personnel	91,64,715	71,38,171

No Provision for bad and doubtful debts have been recognised during the year against the outstanding balances in relation to the above related parties.

5.40 Foreign Currency Risk

The following table shows foreign currency exposures in Euro on financial instruments at the end of the reporting period.

Particulars	Foreign Currency Exposure	
	As at 31-03-2019 Euro	As at 31-03-2018 Euro
Trade and Other Payables - Deferred Payment Liabilities	3,75,000	4,00,000
Trade & Other Receivables Trade Receivable	-	5,181

Foreign Currency Sensitivity Analysis

The Company is mainly exposed to the currency: EURO

The following table details the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key managerial personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact of profit or loss and Equity

Particulars	Euro Impact	
	31-03-2019	31-03-2018
Increase in Exchange Rate by 5%	(14,81,250)	(16,57,190)
Decrease in Exchange Rate by 5%	14,81,250	16,57,190

Equity Risk

There is no material equity risk relating to the Groups' equity investments which are detailed in note 5.03 "Investments". The Groups' equity investments majority comprises of Long Term Investments rather than trading purpose.

Interest Risk

There is no material interest risk relating to the Company's financial liabilities which are detailed in Note 5.16, 5.21 and 5.23.

Credit Risk

Credit Risk is the risk that a customer or counter party to a financial instrument fails to perform or pay the amounts due causing financial loss to the Group. Credit Risk arises from Groups' activities in investments and other receivables from customers. The Group has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The Group generally has set a policy of receiving 80 percent of the sale proceeds as an advance after the orders get finalized and remaining 20 percent at the time of dispatch and commissioning.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Holding Company, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturities of non current liabilities are disclosed in Note No. 5.16

Liquidity Risk Table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Less Than 1 year	1 -5 years	Total	Carrying Amount
As at 31-03-2019	₹	₹	₹	₹
i) Borrowings	7,53,80,922	47,80,848	8,01,21,770	8,01,21,770
ii) Other Financial Liabilities	23,93,388	3,98,590	27,91,978	27,91,978
	7,77,54,310	51,59,438	8,29,13,748	8,29,13,748
As at 31-03-2018				
i) Borrowings	12,03,89,533	44,59,946	12,48,59,479	12,48,59,479
ii) Other Financial Liabilities	25,22,295	1,56,040	26,78,335	26,78,335
	12,29,21,828	46,15,986	12,75,37,814	12,75,37,814

Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in note 5.16, 5.21 and 5.23 off set by cash and bank balances) and total equity of the Group. The Group is not subject to any externally imposed capital requirements.

Gearing Ratio

Particulars	As at 31-03-2019	As at 31-03-2018
Gross Debt	14,02,82,717	18,18,86,993
Cash and Bank Balances	(82,14,583)	(2,26,05,891)
Net Debt	13,20,68,124	15,92,81,102
Total Equity	33,86,92,331	32,88,56,532
Net Debt to Total Equity	0.39	0.49

Debt is defined as long-term borrowings, short-term borrowings and current maturity of long-term borrowings, as described in notes 5.16, 5.21 and 5.23.

5.41 Fair value measurements hierarchy as required by IND AS 113 "Fair Value Measurement"

Particulars	As at 31-03-2019			As at 31-3-2018		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3
Financial Assets						
At Amortised Cost						
Trade Receivables	13,96,41,614	-	-	10,70,96,198	-	-
Cash and Bank Balance	82,14,593	-	-	2,26,05,891	-	-
Loans	16,90,530	-	-	12,11,700	-	-
Other Financial Assets	1,61,11,916	-	-	62,44,105	-	-
At FVOCI						
Investments	21,51,294	15,79,438	5,71,856	22,61,473	16,46,469	6,15,004
Financial Liabilities						
At Amortised Cost						
Borrowings	13,86,92,893	-	-	18,64,73,893	-	-
Trade Payables	12,76,35,568	-	-	11,23,85,312	-	-
Other Financial Liabilities	5,53,21,220	-	-	4,83,55,763	-	-

There are no transfers between levels 1 and 2 during the year.

Level 1: Quoted Prices in active markets for identical assets;

Level 3: Inputs other than observable market data, are used for deriving fair value.

Disclosure as per PARA 91 of Ind As 113 "Fair Value Measurements"

- (a) The investments in quoted and unquoted equity shares are measured at fair value on recurring basis. The quoted shares are valued at the closing price available on the recognised stock exchange.
- (b) Break up value (Level III inputs) is used to measure unquoted equity shares on a recurring basis. The difference between the last year fair value and current year is charged to Other Comprehensive Income.

5.42 Entity-wide Disclosures as Required by PARA 31 of Ind AS 108 "Operating Segments" are given below:

(i) Information about revenues from external customers from Products and Services as Required by PARA 32

Name of Products	Amount of Revenue (₹)	Amount of Revenue (₹)
	Current Year*	Previous Year
Hydraulic Presses	19,52,25,773	24,95,41,284
Equipments	4,54,30,102	4,37,16,750
Spare	1,92,78,873	1,12,96,871
Portable Re-Railing Equipments	19,39,20,578	9,46,45,386
Manifolds	5,92,531	85,92,625
Spare	4,61,653	86,215
Valve	58,98,739	52,59,636
Power Pack	64,35,945	24,40,273
Pump	6,42,412	18,53,990
Cylinder	11,61,970	-
Services	74,51,350	24,66,070
Total Revenue	47,64,99,926	41,96,99,100

(ii) Information about Geographical Area as Required by PARA 33

(a) Revenues From External Customers

	Amount of Revenue (₹)	
(I) Attributed to the entity's country of domicile	43,09,12,655	(Previous Year: 39,08,85,069)
(II) Attributed to all foreign countries in total from which the entity derives revenues	2,29,42,671	(Previous Year: 83,15,222)

Note 1: Revenues from external customers attributed to an individual foreign country were not material hence have not been separately disclosed.

Note 2: Revenues from external customers to individual countries are attributed based on the destination of export sales made.

(b) All Non-Current Assets held by the entity, required to be disclosed as per this para are located in the entity's country of domicile.

(iii) Information about Major Customers as Required by PARA 34

Revenue from one customer of the company's Rerailing equipment business represent ₹14,87,58,565 (Previous Year ₹ 10,28,82,661 including excise duty) of the company's total revenue, which is more than 10% of the company's total revenue.

(b) Segment Information

"Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Holding Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Holding Company. The Group operates in manufacturing and sale of hydraulic press machine, Portable Re-Railing Equipments, advanced high performance components and Systems. The Sale and manufacture of this products are identified as one business segment by the Group, hence no disclosures are provided for any reportable Segments as per IndAS 108 "Operating Segments".

No separate reportable geographical segments are identified as export sales are insignificant."

5.43 Enterprises consolidated as subsidiary in accordance with Indian Accounting Standards 110- Consolidated Financial Statements

Name of the enterprise	Proportion of Ownership Interest
Bemco Fluidtechnik LLP	100%

5.44 Disclosures as Required by Ind AS 112 "Disclosures of Interests in Other Entities" have been given below:

Information in relation to interest in Subsidiaries

The composition of the group consists of the Holding Company and its subsidiary i.e. Bemco Fluidtechnik LLP in which the holding company is a partner having 65% share of profits/loss.



Disclosures as required by PARA 12
The Interests that Non-controlling Interest have in the Groups activities and cash flows

Particulars	Current Year		Previous Year	
	Amount (₹)	% of consolidated net assets	Amount (₹)	% of consolidated net assets
(a) Name of Subsidiary			Bemco Fluid Technik LLP	
(b) Principle Place of Business			Bemco Premises, Camp Belgauim, Kametika	
(c) Proportion of ownership interest held by Non-controlling Interest			35% share in profit/(Loss)	
(d) Profit/loss allocated to Non-controlling Interest during reporting period			NIL	
(e) Accumulated Non Controlling Interest at end of reporting period			NIL	
(f) Summarized Financial Information in relation to Subsidiary				
(i) Total Assets of Subsidiary	1,85,61,239	104.80%	1,80,72,763	156.90%
(ii) Total Partner's Fund and Liabilities of Subsidiary	1,85,61,239	-4.80%	1,80,72,763	-58.90%
(iii) Total Comprehensive Income	(59,90,355)	0.00%	(22,80,869)	0.00%

5.45 Additional Information Pursuant to para 2 of General Instructions for Preparation of Consolidated Financial Statements.

Name of the Entity	Net Assets		Share in Profit & Loss (P & L)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	as % of consolidated net assets	Amount (₹)	as % of consolidated profit & loss	Amount (₹)	% of consolidated total comprehensive income	Amount (₹)	% of consolidated total comprehensive income	Amount (₹)
Parent - Bemco Hydraulics Limited	104.80%	35,28,40,315	158.30%	1,62,65,607	100%	2,53,195	156.90%	1,85,18,802
Subsidiary - Bemco Fluidtechnik LLP	-4.80%	(1,61,47,984)	-58.30%	(59,90,355)	0%	-	-58.90%	(59,90,355)
Non Controlling Interests	0.00%	-	0.00%	-	0%	-	0.00%	-
Total	100.00%	33,66,92,331	100.00%	1,62,75,252	100.00%	2,53,195	100.00%	1,05,28,447

5.46 The financial statements of the subsidiary company have been prepared on the going concern assumption despite complete erosion of net worth based on the future viability, expectations to infuse funds, increase sales in future, profits etc.

5.47 The Ind AS Financial Statements of Bemco Fluid Technik LLP ("the LLP") a subsidiary, have been converged from Accounting Standards as prescribed in Companies (Accounting Standard) Rules, 2006 (as amended from time to time) to Indian (Accounting Standard) Rules, 2015 (as amended from time to time) notified by MCA only for the purposes of consolidation. The accounting policies followed by the LLP is in line with the accounting policies followed by the Holding Company for like items.

5.48 Contingent Liabilities and Commitments
Description of Contingent Liabilities
CLAIMS AGAINST THE COMPANY/ DISPUTED LIABILITIES NOT ACKNOWLEDGED AS DEBTS:

Particulars	31/03/2019	31/03/2018
(i) Entry Tax Demand Disputed In Appeal	2,10,686	2,10,686

(i) "Spl. C. S. No. 548/2016
(ii) One of the Parties of the Holding company namely "Mahesh Enterprises" has filed a suit for recovery of ₹ 69,20,000 in the Hon'ble Civil Court of Nagpur. The case is still pending.
(iii) A Party of the holding company namely "D. Kharelwal Steel Corporation Limited" has filed a suit for recovery of ₹ 1,46,35,625 in the Hon'ble Civil Court of Nagpur. The case is still pending.

Note: The Holding Company has been advised that the above demands/ cases is likely to be either deleted or substantially reduced and shall not have any material adverse effect on its financial position. Hence, No provision has been created for the same.

5.49 The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

As Per our Report of Even Date attached

For S JAYKISHAN
Chartered Accountants
Firm Regn. No.:309005E

Vivek Newatia
Partner
Membership No.:062636

Amruta Tarale
Company Secretary
ACS - 42288

Vijay Sambrekar
CFO
PAN:BG LPSB409M

M M Mohta
Chairman
DIN: 0068884

Anurudh Mohita
Managing Director
DIN:00066302

Place: Kolkata
Date: 20-05-2019

Place: Belgauim
Date: 20-05-2019

For and on behalf of the Board of Directors





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