



# **BEMCO HYDRAULICS LIMITED**

# **65**

# **ANNUAL REPORT & ACCOUNT 2022-2023**

# BEMCO HYDRAULICS LIMITED

\*\*\* SHRI \*\*\*

## DIRECTORS:

URMILA DEVI MOHTA	- CHAIRMAN – NON EXECUTIVE
ANIRUDH MOHTA	- MANAGING DIRECTOR - EXECUTIVE
VIJAY KUMAR 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 BHUJANG SAMBREKAR

EMAIL:- [CFO@BEMCOHYDRAULICS.NET](mailto:CFO@BEMCOHYDRAULICS.NET)

## COMPANY SECRETARY

MS. AMRUTA A. TARALE (ACS 42288)

EMAIL:- [CS@BEMCOHYDRAULICS.NET](mailto:CS@BEMCOHYDRAULICS.NET)

## AUDITOR

M/S A.C. BHUTERIA & CO.  
CHARTERED ACCOUNTANTS  
2, INDIA EXCHANGE PLACE,  
KOLKATA- 700 001

## COST AUDITOR

UMESH NARASIMHA KINI, B. COM, ACMA  
COST ACCOUNTANT,  
SHANTI NIKETAN, BANVASI ROAD,  
SIRSI - 581 401

## INTERNAL AUDITOR

M/S LATKAN & ASSOCIATES.  
CHARTERED ACCOUNTANTS  
VANAPRABHA MANSION, CTS 135, 4<sup>TH</sup> CROSS,  
ADARSH NAGAR, HINDWADI,  
BELGAUM-590011

## TAX AUDITOR

ULHAS KINI & CO- CHARTERED ACCOUNTANTS  
CTS NO.59, 'SNEH VASTU', G-05,  
SOMWAR PETH, TILAKWADI,  
BELGAUM – 590 006

## SECRETARIAL AUDITOR

### SDR AND ASSOCIATES

ANANDI RESIDENCY  
150, BUDHWAR PETH,  
TILAKWADI, BELGAUM- 590006.

## BANKERS:

### BANK OF BARODA

PLOT NO. 39, R.S. NO. 347,  
SAWANT COMPLEX,  
UDYAMBAG, BELGAUM-590008

# BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC0012830)

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

EMAIL: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net) / website: [www.bemcohydraulics.com](http://www.bemcohydraulics.com)

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

# **CONTENTS**

## **ANNUAL REPORT: 2022-23**

<b>PARTICULARS</b>	<b>PAGE NO.</b>
<b>Notice of the 65<sup>th</sup> Annual General Meeting.</b>	<b>1</b>
<b>Directors' Report along with supporting Annexure related thereto.</b>	<b>10</b>
<b>Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2023.</b>	<b>36</b>
<b>Independent Auditor's Report along with Annexure related thereto.</b>	<b>39</b>
<b>Balance Sheet as on 31<sup>st</sup> March, 2023.</b>	<b>52</b>
<b>Statement of Profit &amp; Loss for the year ended 31<sup>st</sup> March, 2023.</b>	<b>53</b>
<b>Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023.</b>	<b>54</b>
<b>Auditors Report on Consolidated Financial Statement as on 31<sup>st</sup> March, 2023.</b>	<b>94</b>
<b>Consolidated Balance Sheet as on 31<sup>st</sup> March, 2023.</b>	<b>103</b>
<b>Consolidated Statement of Profit and Loss as on 31<sup>st</sup> March, 2023.</b>	<b>104</b>
<b>Consolidated Cash Flow Statement as on 31<sup>st</sup> March, 2023.</b>	<b>105</b>
<b>Attendance Slip.</b>	
<b>Proxy Form (Form MGT-11).</b>	

# Annual General Meeting Venue

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

DATE- 26<sup>TH</sup> JULY, 2023

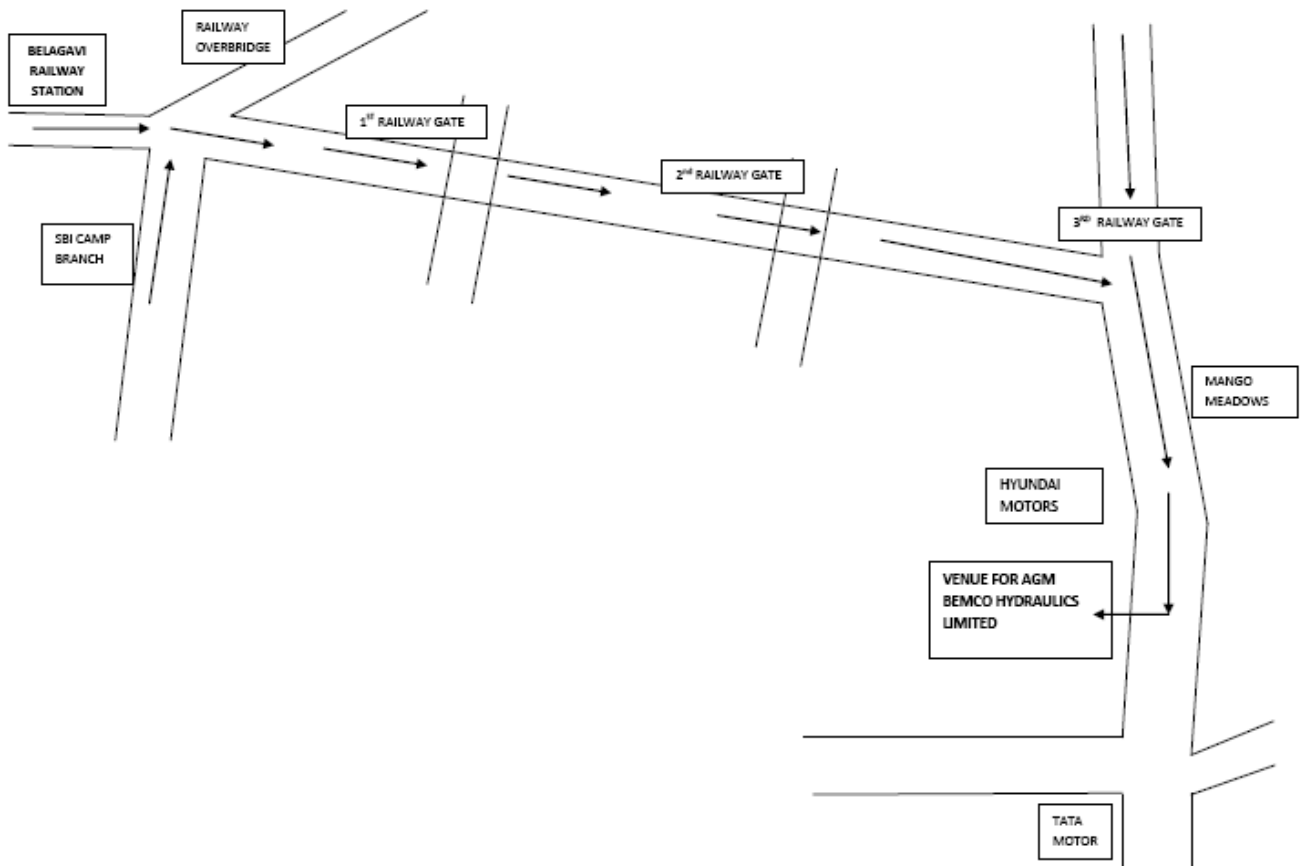
TIME- 03:30 PM

## ROUTE MAP

### ROUTE MAP

### LANDMARK :

HYUNDAI MOTORS  
KHANAPUR ROAD,  
UDYAMBAG  
BELGAUM- 590008



# BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC001283)

Registered Office: Udyambag, Industries Estate, BELGAUM – 590 008

Email: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net) / Website: [www.bemcohydraulics.net](http://www.bemcohydraulics.net)

Phone No 0831- 2441980, Fax No.0831-2441263

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY FIFTH 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 26<sup>TH</sup> JULY, 2023 AT 3.30 P M TO TRANSACT THE FOLLOWING BUSINESSES:

### AS ORDINARY BUSINESS

1. To consider and adopt the audited Standalone financial statement of the Company for the financial year ended March 31<sup>st</sup>, 2023, the reports of the Board of Directors and Auditors thereon.
2. To consider and adopt the audited consolidated financial statement of the Company for the financial year ended March 31<sup>st</sup>, 2023, the reports of Auditors thereon.
3. To Confirm dividend paid on 300000, 11% Cumulative Redeemable Preference shares, paid for the period from April 1, 2022 up 31<sup>st</sup> March, 2023.
4. To appoint a Director in place of Smt. Urmila Devi Mohta (DIN 00068906), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-election.

### AS SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without Modification(s), the following resolution as Ordinary resolution:

**Regularization of additional director, Mr. Vijay Kumar Mohta (DIN:00535338), by appointing him as Non Executive Director of the Company:**

RESOLVED THAT pursuant to the provisions of Sections 161 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation by Nomination & Remuneration Committee of the Company, Mr. Vijay Kumar Mohta (DIN:00535338), who was appointed as additional director of the company with on 26<sup>th</sup> May, 2023 and who holds office till the commencement of the forthcoming Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from the Member of the Company, signifying his intention to propose the candidature of Mr. Vijay Kumar Mohta (DIN:00535338), for the office of Director, be and is hereby elected as Non-Executive Director of the Company, whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT, the Board of Directors and /or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

6. To consider and if thought fit, to pass with or without Modification(s), the following resolution as special resolution:

**To re-appoint Mr. Anirudh Mohta (DIN: 00065302) as the Managing Director and fixing his remuneration w.e.f 1<sup>st</sup> April, 2024.**

RESOLVED THAT, 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 (Including any statutory modification(s) and / or re-enactment(s) thereof for the time being in force) and the article of association of the Company, approval of the shareholders of the Company be and is hereby accorded by way of special resolution for the reappointment of Mr. Anirudh Mohta

(DIN:00065302) as the Managing Director of the company, for a period of 5 years to be effective from 01<sup>st</sup> April, 2024 until 31<sup>st</sup> March, 2029 on the terms and conditions set out in the Explanatory statement attached to the notice and with liberty to the board to vary, amend or revise the terms and conditions, remuneration in accordance of the provisions of the Act and the rules made there under, and as may be agreed between the Board of Directors and Mr. Anirudh Mohta.

RESOLVED FURTHER THAT, the Board of Directors and /or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

Place: Belgaum  
Date: 26/05/2023

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](mailto:isc@bemcohydraulics.net)

**Amruta 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 corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing, provided that an instrument of Proxy shall be sufficiently signed by any member who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto and attested by a Judge, Magistrate, Registrar or Sub-Registrar of assurances or Govt. Gazetted officers or any officer of nationalised bank.

Person appointed as the Proxy shall prove his/her identity at the time of attending the meeting and for the purpose such person shall carry proof of his/her identity via PAN Card, Voters ID or 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 **(Thursday) 20<sup>th</sup> July, 2023 to (Wednesday) 26<sup>th</sup> July, 2023**

(Inclusive of Both Days) for determining the names of members eligible for the purposes of Annual General Meeting.

9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.bemcohydraulics.net](http://www.bemcohydraulics.net) under the section 72 of the Companies Act, 2013
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
13. Non-Resident Indian Members are requested to inform Registrar, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 65<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

**The instructions for shareholders voting electronically are as under:**

- I. The voting period begins on **Saturday the 22<sup>nd</sup> July, 2023 at 10.00 am and ends on Tuesday the 25<sup>th</sup> July, 2023 at 05:00 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 the 19<sup>th</sup> July, 2023** 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. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- IV. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>I. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>II. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>III. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p>

	<p>IV. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>V. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>VI. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>VII. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>VIII. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

- IX. Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- X. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**I. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.



2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- II. 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.
- III. 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.
- IV. Mr. S. R. Deshpande, Practicing Company Secretary (CP No. 01865) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- V. 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.
- VI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.bemcohydraulics.net](http://www.bemcohydraulics.net) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

### **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 been 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](http://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, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059 or Email: [info@adroitcorporate.com](mailto: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](mailto:isc@bemcohydraulics.net)

## ANNEXURE TO THE NOTICE

**THE FOLLOWING EXPLANATORY STATEMENTS SETS OUT ALL MATERIAL FACTS RELATING TO RESOLUTIONS SET OUT IN THE NOTICE IN ACCORDANCE WITH SECTION 102 OF THE COMPANIES ACT, 2013.**

**Item no. 5:****Election of Mr. Vijay Kumar Mohta (DIN: 00535338) as Non-Executive Director of the Company**

Mr. Vijay Kumar Mohta (DIN:00535338), on the recommendation of Nomination and Remuneration Committee was appointed as an Additional Director of the Company on 26<sup>th</sup> May, 2023 by the Board. He holds office till the commencement of the forthcoming annual general meeting. However, the Company has received notice under section 161 of the Companies Act, 2013 from a member signifying his intention to propose his candidature as a Director of the Company.

Mr. Vijay Kumar Mohta (DIN:00535338), possesses requisite knowledge, experience and skill for the position of the Director. The Board on receipt of the said notice from the member and on recommendation of Nomination and Remuneration Committee and subject to the approval of members in this Annual general Meeting, has accorded its consent, to appoint Mr. Vijay Kumar Mohta, as Non-Executive Director liable to retire by rotation. Mr. Vijay Kumar Mohta (DIN:00535338), will not be entitled to any remuneration as per the Company policy for non-executive directors except sitting fees for attending Board Meetings.

Other than Mrs. Urmila Devi Mohta and Mr. Anirudh Mohta, None of the Directors, Key managerial Personnel or their Relatives are concerned or interested in the proposed Ordinary Resolution set out in Resolution 5 of the Notice. The Board commends the **Ordinary Resolution** set out at item no. 5 of the notice for approval of the members.

**Item No.6 :****To re-appoint Mr. Anirudh Mohta (DIN: 00065302) as the Managing Director and fixing his remuneration w.e.f 1st April, 2024.**

At the Extra Ordinary General meeting of the company held on 19<sup>th</sup> March, 2019 Mr. Anirudh Mohta was appointed as the Managing Director of the company for a period of 5 years commencing from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.

Mr. Anirudh Mohta is associated with the company since 1994. He joined the company as a director and later was appointed as Joint Managing Director of the company. In the year 2014 he was appointed as Managing Director for a period of 5 years and he was reappointed as managing Director in the year 2019 for the period of 5 years.

Mr. Anirudh Mohta is associated with the company and is involved in day to day business affairs of the company. It is due to his dedication towards his work, focused approach and valuable guidance that today the Company is one of the leading Hydraulics Manufacturing Company involved in manufacture of Hydraulic Presses with core competency in re railing equipment. 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 of Directors in the meeting held on 26<sup>th</sup> May, 2023 based on the recommendation of Nomination and remuneration Committee and subject to approval of members, have approved re-appointment of Mr. Anirudh Mohta as Managing Director of the Company for the further period of 5 years to be effective from 01<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2029 on the terms and conditions mentioned in Annexure B which forms part of this Notice.

The reappointment of Mr. Anirudh Mohta as Managing director of the company shall require the approval of members by way of passing special resolution.

The terms and conditions of the re-appointment of the Managing Director are open for inspection on all working days at the registered office of the Company upto the date of AGM.

Relevant details relating to Re-appointment of Mr. Anirudh Mohta as Managing Director and remuneration as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the Annexure A to the Notice. Envisaging the inadequacy of profits in the next five years base on the audited financial statements for the year ended 31.3.2023, the payment of remuneration in the scale in which it is being proposed demands a special

resolution of the members of the Company as the managerial remuneration is being given in accordance with schedule V of the Companies Act, 2013.

Other than Mrs. Urmila Devi Mohta and Mr. Vijay Kumar Mohta None of the Directors, Key managerial Personnel or their Relatives are concerned or interested in the proposed **Special Resolution** set out in Resolution 6 of the Notice.

The Board commends this special resolution for your approval.

Place: Belgaum  
Date:26/05/2023

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**  
Address: 684, "SAVALI", Saraswati Nagar,  
Ganeshpur Road, Belgaum-591108

### ANNEXURE A TO THE NOTICE

Disclosure required under Section 196(4) of the Companies Act, 2013, Regulation 36(3) of SEBI (LODR) Regulations,2015 and Secretarial Standards -2 of ICSI

Name	Mrs. Urmila devi Mohta	Mr. Vijay Kumar Mohta
<b>Directors Identification Number</b>	00068906	00535338
<b>Date of Birth</b>	01.10.1945	24.11.1961
<b>Date of First Appointment on the Board</b>	30.05.1992	26.05.2023
<b>Experience in Specific Functional Area</b>	Vast Management experience and a Woman Director.	He possess relevant expertise and experience to be an director in the Company
<b>Qualifications</b>	Matriculate	Diploma in Management in small scale industries
<b>Terms and Conditions of Appointment/ Re-appointment.</b>	Reappointed as Director who retire by rotation	Change in designation from additional director to Non executive director
<b>Details of Remuneration sought to be paid.</b>	Not Applicable	Not Applicable
<b>Last Drawn Remuneration</b>	Not Applicable	Not Applicable
<b>Relations with other directors and Key Managerial Personnel</b>	Mrs. Urmila Devi Mohta is related to Company's managing Director Director Mr. Anirudh Mohta belongs to promoter and promoter(s) Group of the Company.	Mr. Vijay Kumar Mohta is related to Company's Women Non Executive Director/ Chairman Mrs. Urmila Devi Mohta and Mr. Anirudh Mohta Managing Director and belongs to promoter and promoter(s) Group of the Company.
<b>Directorship in Companies</b>	Mohta Capital Pvt Ltd Sri Ramachandra Enterprises Pvt Ltd	M/s. Sushen papers private limited M/s. Shri ananth financial services private limited M/s. Shri madangopal financial services private limited
<b>Chairman/ Member in the committees of the Boards of Companies</b>	Chairman- Bemco Hydraulics Ltd Member of Nomination and Remuneration Committee	Not Applicable
<b>No. of Shares held in the Company</b>	20	0
<b>Number of meetings attended during the year</b>	4	Not Applicable

## ANNEXURE B TO THE NOTICE

Disclosure required under Section 196(4) of the Companies Act, 2013, Regulation 36(3) of SEBI (LODR) Regulations, 2015, Secretarial Standards -2 of ICSI and Statement of particulars pursuant to schedule V of The Companies Act, 2013

<b>Name</b>	<b>Mr. Anirudh Mohta</b>
<b>Directors Identification Number</b>	00065302
<b>Date of Birth</b>	16/09/1975
<b>Date of First Appointment on the Board</b>	18/08/1994
<b>Experience in Specific Functional Area/ Nature of Industry</b>	Vast Experience in Hydraulic Industry
<b>Qualifications</b>	Bachelor of Engineering (Industrial Production)
<b>Terms and Conditions of Appointment/ Re-appointment.</b>	Re-appointed as Managing Director
<b>Last Drawn Remuneration</b>	Rs. 7,00,000/- pm
<b>Relations with other directors and Key Managerial Personnel</b>	Mr. Anirudh Mohta is related to Company's Women Non Executive Director Mrs. Urmila Devi Mohta and belongs to promoter and promoter(s) Group of the Company.
<b>Directorship in Companies</b>	Bemco Hydraulics Limited, Sri Ramachandra Enterprises Private Limited, Mohta Capital Pvt Ltd,
<b>Chairman/ Member in the committees of the Boards of Companies</b>	Member of Audit Committee and Stakeholders Relationship Committee
<b>No. of Shares held in the Company</b>	397819
<b>Number of meetings attended during the year</b>	4

## Remuneration, Terms and Conditions for re-appointment of Mr. Anirudh Mohta as Managing Director

<b>Duties and Responsibilities</b>	To look after whole and substantially whole of the affairs of the Company including day today affairs, subject to the control, supervision and superintendence of the Board of Directors.
<b>Tenure</b>	Five years i.e. from 1st April 2024 to 31st March 2029
<b>Remuneration for the period of 3 years.</b>	w.e.f 01/04/2024 Rs. 7,50,000/- per month and thereafter in the time scale of Rs. 7,50,000/- - 50,000 - 8,00,000/- - 50,000 - 8,50,000/- per month
<b>Perquisites and allowances</b>	1. Leave Travel Allowance: Leave Travel Allowance in respect of himself and family not exceeding one month's salary per annum as per the rules of the Company. 2. Other Allowances: Club Membership Fees for 2 Clubs. 3. Medical Reimbursement: Reimbursement of actual medical expenses incurred as per the rules of the Company, namely not exceeding one month's salary per year. 4. Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below, the Managing Director may be given other allowances, benefits and perquisites as the Board of Directors may decide from time to time. Explanation: Perquisites shall be evaluated as per Income-tax Rules, 1962 wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
<b>Others including Retrials:</b>	1. Contribution to Provident Fund: Company's contribution to Provident Fund to the extent the same is not taxable under the Income-tax Act, 1961. 2. Gratuity: Gratuity payable to the extent permitted under the Payment of Gratuity Act, 1972. 3. Leave: Leave with full pay or encashment thereof as per the Rules of the Company. 4. Conveyance: He shall be entitled to a chauffeur driven car. 5. Communication: Reimbursement of residential telephone expenses and cell phones. 6. Other Facilities: Reimbursement of uniform expenses and books and periodicals expenses as per the rules of the Company.
<b>Overall remuneration</b>	The aggregate of salary and perquisites in any financial year shall be governed by the provisions of Part II of Schedule V to the Companies Act, 2013, (as amended) including any statutory modification(s) or re-enactment thereof as may, for the time being, be in force; and Other Terms and Conditions: Other terms and conditions of appointment of Mr Anirudh Mohta, the Managing Director are as under: The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. In the event of either Managing Director desires to resign or the Company seeks his termination, Three month notice or salary in lieu thereof from either side shall be applicable.

## Statement of particulars pursuant to schedule V of The Companies Act, 2013

## 1. GENERAL INFORMATION

<b>1.</b>	<b>Nature of Industry</b>	Manufacturing of Hydraulics Presses
<b>2.</b>	<b>Date or Expected date of Commencement of Business</b>	Bemco Hydraulics Ltd is an existing Company incorporated in the year 1957.
<b>3.</b>	<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	NA
<b>4.</b>	<b>Financial performance based on given indicators</b>	Financial highlights for the past three years, namely, Turn over, profit before tax, profit after tax, paid up capital reserves, earning per share, market value of share
<b>5.</b>	<b>Foreign investments or collaborations, if any.</b>	NIL

## 2. INFORMATION ABOUT THE APPOINTEE

1.	<b>Background details</b>	Mr. Anirudh Mohta is associated with the company since 1994 as an Executive Director, then as the Joint Managing Director upto 31.3.2014 and from 1.4.2014 till date as the Managing director. He holds a qualified degree as Bachelor of Engineering in Industrial Production
2.	<b>Past remuneration</b>	During the present tenure as Managing Director minimum remuneration was paid to Mr. Anirudh Mohta for the financial year 2022-23 as per the limit prescribed in Schedule V of The Companies Act, 2013
3.	<b>Remuneration proposed</b>	As mentioned in Above Statement
4.	<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	The proposed Remuneration is the Minimum remuneration as per Schedule V of the Companies Act, 2013 which is comparable with the companies of the same size and profitability.
5.	<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</b>	Mr. Anirudh Mohta is related to Company's Women Non Executive Director Mrs. Urmila Devi Mohta and belongs to promoter and promoter(s) Group of the Company.

## 3. OTHER INFORMATION:

1.	<b>Reasons of loss or inadequate profits</b>	Although the Company has profits, but then the managerial remuneration in the scale in which it is proposed to be given does not fit within eleven per cent of the net profits, hence inadequacy of profit arises. The managerial remuneration at the rate of Rs. 7,50,000/- per month with annual increment of Rs. 50,000/- is most reasonable in the context of more than 20 years post qualification experience of the appointee Managing director Mr Anirudh Mohta, who holds a degree in Industrial production and on the job experience right from shop floor to Board for the last 25 years.
2.	<b>Steps taken or proposed to be taken for improvement</b>	The Board desires to enhance the company's turn over and profitability so that no question of inadequacy of profits arises.
3.	<b>Expected increase in productivity and profits in measurable terms</b>	It is difficult to forecast the productivity and profitability in measurable term. However, the company expects that productivity and profitability may improve and would be comparable with the industry average.

## BOARD OF DIRECTOR'S REPORT

### To the Members,

The Directors have pleasure in presenting their 65<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 of the company and its subsidiary are prepared with comparative data, in compliance with Ind AS.

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue From Operations	4605.25	6225.37	4843.63	6550.78
Other Income	50.34	62.78	46.09	59.06
<b>Total Income</b>	<b>4655.59</b>	<b>6288.15</b>	<b>4889.72</b>	<b>6609.84</b>
<b>Profit / (loss) before exceptional items &amp; tax</b>	<b>540.83</b>	<b>749.94</b>	<b>463.04</b>	<b>806.72</b>
Exceptional Items	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>540.83</b>	<b>749.94</b>	<b>463.04</b>	<b>806.72</b>
Tax Expense/(Credit) net	73.65	227.37	73.65	227.37
<b>Profit / (Loss) for the period from continuing operations</b>	<b>467.18</b>	<b>522.57</b>	<b>389.39</b>	<b>579.35</b>
Other Comprehensive Income	3.78	7.70	3.78	7.70
<b>Total Comprehensive Income/ (loss) for the period</b>	<b>470.96</b>	<b>530.27</b>	<b>393.17</b>	<b>587.05</b>

#### Standalone

The company has achieved turnover of Rs. 4655.59/- Lakhs as against Rs. 6288.15/- Lakhs for the previous year. The Total comprehensive income for the year works out to Rs. 470.96/- Lakhs as against Rs. 530.27/- 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. 4889.72/-Lakhs as against Rs. 6609.84/- Lakhs for the previous year. The consolidated Total comprehensive profit for the year is of Rs. 393.17/- Lakhs as against Rs. 587.05/- lakhs for the previous year.

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

Subsequent to the date of Financial Statements (i.e. after 31<sup>st</sup> March 2023), no significant event has occurred.

### 3. CHANGE IN THE NATURE OF BUSINESS:

During the year under operation there was no change in the nature of business.

### 4. SHARE CAPITAL

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

### 5. ANNUAL RETURN:

The annual return e- form MGT-7 for the financial year 2022-23 is available on the website [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

### 6. DIVIDEND:

#### Equity Shares:

As the company's profit amounts to Rs. 467.18/- lakhs the board decided to retain the amount for the expansion of the business and therefore no dividend is proposed for the financial year 2022-23.

#### PREFERENCE SHARES:

The Board wishes to explain that the dividend on 300000 preference shares were in arrears for the financial year 2022-23, the Company has paid the 11% cumulative dividend on 300000 preference shares for the financial year 2022-23 which amounts to an outflow of Rs.33,00,000/-, after taking approval of the Board of directors in the meeting held on 26<sup>th</sup> May, 2023, and further shall confirm the same in the forthcoming 65<sup>th</sup> Annual General meeting.

F. Y. ended on	No. of Preference Shares	Amount of Dividend in Rs.
31 <sup>st</sup> March 2021	3,00,000	2,64,09,093/-
31 <sup>st</sup> March 2022	3,00,000	1,65,18,734/-
31 <sup>st</sup> March 2023	3,00,000	33,29,445/-

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

as under:

1. MOHTA CAPITAL PRIVATE LIMITED
2. SRI RAMACHANDRA ENTERPRISES PRIVATE LIMITED

As Dividend is paid on 3,00,000 preference shares for F. Y., 2022-23, the Preference Share holders would not get voting rights on par with equity share holders, in terms of the provisions of Section 47 of the Companies Act 2013 on and after in the forthcoming AGM.

## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

There is no change in the composition of Board of Directors of the Company during the year under report:

### DIRECTORS

- |                           |   |
|---------------------------|---|
| 1. MRS. URMILA DEVI MOHTA | - Chairman – Non Executive              |
| 2. MR. ANIRUDH MOHTA      | - Managing Director – Executive         |
| 3. MR. VIJAY KUMAR 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 |

We regret to inform you the sad demise of Mr. Madan Mohan Mohta (DIN: 00068884) Chairman/ Promoter Director of the Company on Wednesday 29th March, 2023.

Mr. Madan Mohan Mohta Chairman/ Promoter Director joined the company as a Vice president and later was appointed as Chairman and Managing Director of the company in the year 1991. In the year 2014 he resigned from the post of Managing director and presently was holding position of Non Executive Chairman of the Company. He was Managing Director in Mohta Capital Pvt Ltd and was also holding directorship in other private Companies. He had a rich varied Experience and expertise in the field of general management and he has been an asset to the Company.

Mr. Madan Mohan Mohta sudden passing away is an irreparable loss to the company and all the directors and employees of the company convey deep sympathy, sorrow and condolences to his family.

Mrs. Urmiladevi Mohta Promoter/Director of the company was elected as the chairman to the board in the board of Directors meeting held on 26<sup>th</sup> May, 2023.

Mr. Vijay Kumar Mohta was appointed as an additional director of the Company in the board of Directors meeting held on 26<sup>th</sup> May, 2023 and who holds office till the commencement of the forthcoming Annual General Meeting of the Company.

### KEY MANAGERIAL PERSONNEL – KMP

1. MR. ANIRUDH MOHTA – Managing Director
2. MR. VIJAY SAMBREKAR – Chief Finance Officer
3. MS. AMRUTA A. TARALE – Company Secretary

## 8. COMPOSITION OF COMMITTEES:

### a. AUDIT COMMITTEE

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

### b. NOMINATION AND REMUNERATION COMMITTEE

Chairman: Mr. R. M. Shah – Independent Director  
 Other Members: Mr. Dilip Chandak – Independent Director  
 Mr. N K Daga – Independent Director  
 Mrs. Urmiladevi 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 HARASSMENT OF WOMAN AT WORKPLACE/ INTERNAL COMPLAINTS COMMITTEE**

Chairman: Mr. S M Naik- Company Employee  
 Other Members: Mrs. Vaishali gaurav- Member  
 Ms. Amruta Tarale- Member  
 Ms. Kirti Ramchandra Devale – Member  
 Mr. Rajshekhar lakkashetti- Member  
 Mr. Arvind Palkar- Member

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

		ANNEXURE	PAGE NO
a.	Number of meetings of the board	ANNEXURE- I	15
b.	a. Directors responsibility Statement b. details in respect of fraud reported by auditors under sub section (12) of section 143 other than those which are reportable to the central government	ANNEXURE- I	15
c.	A statement on declaration given by independent directors under sub-section (6) of section 149.	ANNEXURE- II	16
d.	Companies policy on directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters provided under sub-section (3) of section 178 Ratio of remuneration to each directors	ANNEXURE- II	16
e.	Qualification and remarks	ANNEXURE- III	18
f.	Particulars of loan, guarantees or investment under section 186.	ANNEXURE- III	18
g.	Particulars of Subsidiary Company AOC-1	ANNEXURE- IV	20
h.	Particulars of contracts or arrangement with related parties referred to in Sub-section 1 of section 188- AOC-2	ANNEXURE- V	21
i.	The conservation of energy technology absorption, foreign exchange earnings and outgo.	ANNEXURE- VI	23
j.	A statement indicating development and implementation of a risk management Policy for the company including identification therein of elements of risk, if any which in the opinion of the board may threaten the existence of the company.	ANNEXURE- VII	25
k.	The details of the policy developed and implemented by the company on corporate social responsibilities taken during the year.	ANNEXURE- VII	25
l.	A statement indicating the manner in which formal annual evaluation has been made by the board of its own performance and that of its committees and individual directors.	ANNEXURE- VII	25
m.	Report Corporate Social Responsibilities Activities	ANNEXURE- VIII	27
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	31

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

At Bemco, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, color, 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 2022-23 as borne out by following table.

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



**11. STATUTORY AUDITOR**

The members at the 64<sup>th</sup> Annual General meeting of the company held on July 29<sup>th</sup>, 2022 had appointed /s A C Bhuteria & Co, a firm of Chartered Accountants (Firm Registration number 303105E) 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 69<sup>th</sup> Annual General Meeting of the Company to be held in 2027.

**12. AUDIT REPORTS**

The audit conducted by M/s A C Bhuteria & Co, a firm of Chartered Accountants (Firm Registration number 303105E) for financial year 2022-23 contains a qualification remark w.r.t Goods and service tax and the boards explanation for the same is mentioned in Annexure III. The Auditors' Report is enclosed with the financial statements in this Annual Report and it is self explanatory.

**13. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company in the board meeting held on 23<sup>rd</sup> May, 2022 had appointed M/s SDR & ASSOCIATES, a Firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2023. The Secretarial Audit Report issued in this regard is enclosed to this Report.

**14. INTERNAL AUDIT:**

In the Board of Directors meeting held on 23<sup>rd</sup> May, 2022 M/s Latkan & Associates were appointed to undertake internal audit of the Company for the financial year ending 31<sup>st</sup> March, 2023, as required under section 138 read with rule 13 of companies (Accounts) Rules, 2014. The internal audit report given by the auditor for the financial year 2022-23 does not contain any qualification remark.

**15. DISCLOSURE ABOUT COST AUDIT**

In pursuance of Section 148 of Companies Act 2013 read with Rule 5(1) of Companies (Cost Record and Audit) Amendment Rules 2014. Mr Umesh Kini, Cost Accountant was appointed to carry out cost compliance certification for the financial year 2022-23. The Company is not covered by Cost Audit, nonetheless, the company is maintaining Cost Records on routine basis and the Company obtains Cost Compliance report from a practicing Cost Accountant as a matter of good corporate practice and to instill cost consciousnesses at all level of operations.

**16. RELATED PARTY TRANSACTIONS**

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

**17. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

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

**18. VIGIL MECHANISM:**

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

**19. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

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

**20. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

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

Moreover:

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

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

**21. LISTING WITH STOCK EXCHANGE:**

The company is listed in Bombay Stock Exchange and The Company has paid the Annual Listing Fees for the year 2023-24 to Bombay Stock Exchange where the Company's Shares are listed.

**22. ANNUAL REPORT:**

Securities and Exchange Board of India (SEBI) has issued circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/4 dated January 5, 2023 regarding relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, requirement of sending physical copies of annual report to shareholders are dispensed with for listed entities who conduct their AGM till December 31, 2023.

We request the shareholders to download the 65<sup>th</sup> Annual Report which is uploaded on our website [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

**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, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059 or Email: [info@adroitcorporate.com](mailto: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](mailto: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 - 26<sup>TH</sup> MAY, 2023

PLACE - BELGAUM

**URMILADEVI MOHTA**

Chairman

DIN-00068906

2 Mohanam, 10th Cross, Bhagya Nagar,

Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director

DIN-00065302

2 Mohanam, 10<sup>th</sup> Cross, Bhagya Nagar,

Belgaum, 590006, Karnataka.

## ANNEXURE-I

(Annexure to director's report- statutory Disclosures)

### NUMBER OF MEETINGS OF THE BOARD

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

Sr.No	Date of Meeting	Board Strength	No. of Directors Present
1	23/05/2022	6	6
2	12/08/2022	6	6
3	11/11/2022	6	6
4	03/02/2023	6	5

### DIRECTORS' 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 – 26<sup>th</sup> May, 2023  
Place- BELGAUM

**URMILADEVI MOHTA**

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

## ANNEXURE - II

(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(6) 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.

- i). Qualification, expertise and experience of the Directors in their respective fields
- ii). Personal, Professional or business standing
- iii). 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 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 2 .				
(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;	<b>Name</b>	<b>Designation</b>	<b>2022-23</b>	<b>2021-22</b>	<b>Incr. %</b>
	Anirudh Mohta	MD	85,59,607/-	80,47,058/-	6.37
	Amruta Tarale	CS	7,09,128/-	5,67,328/-	24.99
	Vijay Sambrekar	CFO	9,57,788/-	7,89,329/-	21.34
(iii) the percentage increase in the median remuneration of employees in the financial year;	2021-22	2022-23	Incr. %		
	123696	115624	-6.52		

(iv) the number of permanent employees on the rolls of company;	296
(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;	1. Average Percentile Increase already made in the salaries of employees other than managerial in the last Financial year = 17.40 2. percentile increase in the managerial remuneration = 8.75
(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:

(i) designation of the employee;	None of the Employee of the Company including Managing Director is in receipt of Remuneration exceeding Rs. one crore two Lakhs per annum or at the said rate for any part of the year.
(ii) remuneration received;	
(iii) nature of employment, whether contractual or otherwise;	
(iv) qualifications and experience of the employee;	
(v) date of commencement of employment;	
(vi) the age of such employee;	
(vii) the last employment held by such employee before joining the company;	
(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	
(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:	
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;	
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;	
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.	

DATE - 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANNEXURE-III**

(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—

By the statutory auditor in his report:	There are no undisputed amount payable in respect of applicable statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which were in arrears as at 31.03.2023 for a period of more than six months from the date they became payable except as stated below:								
	<table border="1"> <thead> <tr> <th>Name of the Statute</th> <th>Nature of the Dues</th> <th>Amount (₹)</th> <th>Period to which the amount relates (Financial year)</th> </tr> </thead> <tbody> <tr> <td>Goods and Service Tax Act</td> <td>GST</td> <td>6,31,952/-</td> <td>2017-18</td> </tr> </tbody> </table>	Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates (Financial year)	Goods and Service Tax Act	GST	6,31,952/-	2017-18
Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates (Financial year)						
Goods and Service Tax Act	GST	6,31,952/-	2017-18						
Explanation by the Board	<p>At the time of Audit is seen that the Company has claimed excess by mistake in the year 2017-18 for IGST for Rs. 27162/-, CGST for Rs. 3,02,395/- SGST for Rs. 3,02,395/-.</p> <p>Thus to nullify the effect of the same in the books of accounts after GST audit, if demand comes then, the Board decided to pay off the same, so that our books and GST ledger, no more shows balance payable</p>								
By the Secretarial Auditor in their Secretarial Audit report:	NIL								

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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 During the year the company has not made any Loans, or given guarantee and 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.
- The company has not given any guarantee as per section 185 and section 186 of the Companies Act, 2013.

**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:**

BEMCO FLUIDTECHNIK LLP, a Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 on 27<sup>th</sup> February, 2017.

The Limited Liability Partnership agreement was executed between the partners on 17<sup>th</sup> March, 2017 and subsequently amended on 01<sup>st</sup> April, 2022. The partners to the LLP are:

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

All the partners of the LLP are appointed as designated partners.

#### FINANCIAL STATEMENTS:

The financial statement for the year ended 31st March, 2023 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 136 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](http://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 - 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

#### URMILADEVI MOHTA

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

#### ANIRUDH MOHTA

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANNEXURE - IV**

(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
2.	Reporting Period:	2022-23
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. (2,86,82,371)/-
5.	Total Current Assets:	Rs. 2,53,50,500/-
6.	Total Current Liabilities:	Rs. 5,65,63,377/-
7.	Investment:	-
8.	Turnover:	Rs. 2,76,08,683/-
9.	Profit before taxation:	Rs. 54,92,829/-
10.	Provision for taxation:	-
11.	Profit / Loss after taxation:	Rs. (76,23,827)/-
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 - 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.



## ANNEXURE - V (Annexure to director's report- statutory Disclosures)

### FORM NO. AOC.2

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

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.

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

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

(a)	Name(s) of the related party and nature of	<b>BEMCO FLUIDTECHNIK LLP, BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM-590008.</b> Son Mr. Anirudh Mohta and Mother Mrs. Urmila Devi Mohta are directors of the Company.	<b>L &amp; G STEEL AND COMMODITIES (P) LTD-PLOT NO.3, DEFENCE COLONY, R. C. NAGAR, 2ND STAGE, BELGAUM-590008</b> Daughter & Grandson of Mr. M. M. Mohta & Mr. Urmila Devi Mohta are Director of this Company	<b>SREE RAM STEELS BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM-590008.</b> Grandson of Mr. M. M. Mohta & Mr. Urmila Devi Mohta are Director of this Company
(b)	Nature of contracts/arrangements/transactions	Purchase of goods, and Renting of Immovable property	Purchase of steel and Lease Rent	Purchase of goods and Renting of Immovable property
(c)	Duration of the contracts/arrangements/transactions	For F Y 2022-23	For F Y 2022-23	For F Y 2022-23
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1) Purchase of goods worth Rs. 94.51/- 2) Sale of Materials Rs. 37.68/- 3) Lease rent Rs. 5.06/-	1) Purchase of goods worth Rs. 313.55 /- Sales Rs. 4.91/- 2) Lease rent Rs.33.28 /-	1) Lease rent Rs. 0.45/-
(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 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:	Rs. 34.81/-	Nil	NIL

(a)	<b>MOHTA CAPITAL PRIVATE LIMITED</b> <b>BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM-590008.</b> Son Mr. Anirudh Mohta and and father Mr. M M Mohta are directors of the Company.	<b>SRI RAMACHANDRA ENTERPRISES PRIVATE LIMITED</b> Son Mr. Anirudh Mohta and Mother Mrs. Urmila Devi Mohta and father Mr. M M Mohta are directors of the Company.	<b>SRI RAMACHANDRA CAPITAL CONSULTANCY PRIVATE LIMITED</b> <b>BEMCO PREMISES KHANAPUR ROAD UDYAMBAG BELGAUM- 590008.</b> <b>Promoter Group Companies.</b>
(b)	Renting of Immovable property	Renting of Immovable property	Renting of Immovable property
(c)	For F Y 2022-23	For F Y 2022-23	For F Y 2022-23
(d)	1) Lease rent Rs.0.14 /-	1) Lease rent Rs. 0.14/-	1) Lease rent Rs. 0.14/-
(e)	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)	<b>NIL</b>	Nil	Nil

DATE – 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**  
Chairman  
DIN-00068906  
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- VI**

(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**

<b>Particulars</b>	<b>2022-23 Rs.</b>	<b>2021-22 Rs.</b>
i). C.I.F. Value of Imports: Raw Materials And Components	2,32,73,736/-	2,39,11,309/-
ii). Expenditure in Foreign Currency:(paid/payable)		
Traveling	NIL	NIL
Technical Know How (Paid/Payable)	2,52,96,600/-	2,47,32,300/-
Technical Assistance	NIL	NIL
Exhibition Expenses	NIL	NIL
iii). Earnings in Foreign Exchange: FOB value of Exports	47,51,012/-	3,47,69,804/-

**25. 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 – 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

## ANNEXURE- VII

(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 9001-2015 & ISO 14001-2015 and strictly follow all the norms and procedures to overcome the various risk factors.

### CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Companies Act, 2013, Schedule VII read with the Rule 5 of the Companies (Corporate Social Responsibility) Rules, 2014, Company having Net Worth of Rupees Five hundred crore or more, or Turnover of Rupees One thousand crore or more or a Net Profit of Rupees Five crore or more during any financial year shall constitute Corporate Social responsibility Committee and shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its Corporate social responsibility Policy.

As per section 198 of the companies Act, 2013, the company has made a net profit of Rs.749.94/- lakhs for the financial year ending 31st March, 2022, and therefore, the provisions of section 135 of the Companies Act, 2013 are applicable. The average net profits of the company made during the three immediately preceding financial years amounts to Rs. 571.69/- lakhs and the 2 % of the average net profits amounts to Rs. 11.43/- lakhs.

Pursuant to the provisions of section 135 of the companies Act, 2013, the 2 % of the average net profits amounts to Rs. 11.43/- lakhs, the constitution of social responsibility committee was not required and the Board of Directors has approved the Policy and contributions to be made.

The contributions shall be made in accordance with Schedule VII of the Companies Act, 2013 and the same shall be done by the company individually, through group of Companies or through registered public trust having CSR Registration Number. The activities undertaken by the company under corporate social responsibilities are given in Annexure –VIII.

The policy on the corporate social responsibility of Bemco hydraulics limited has been adopted by the board of directors and the same has been uploaded on the website of the company, [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

### 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 - 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANNEXURE- VIII**

(Annexure to director's report- statutory Disclosures)

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES****[Pursuant to Section 134(3) (o) & 135 of the Companies Act 2013 and Companies (Accounts) Rules, 2014 & Companies (Corporate Social Responsibility) Rules 2014]****1. Brief outline on CSR Policy of the Company.**

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Bemco Hydraulics Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

**Policy Objectives:**

The objective of the CSR Policy is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the company relating to Corporate Social Responsibility within the meaning of the section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules, 2014.

**Applicability:**

The CSR Policy will be applicable to all CSR activities of the company whether carried by it or through any implementation agency.

**CSR Committee:**

Pursuant to the provision of section 135 of the Companies Act, 2013, if the amount to be spent by the company does not exceed fifty lakh Rupees, the requirement of constituting Corporate social responsibility committee shall not be applicable and the functions of this committee provided under this section are discharged by the board of directors of the company.

**CSR Activities:**

We will undertake/fund any or all projects, programs or activities of following nature as approved by the board in line with items (i) to (x) of Schedule VII of the Companies Act, 2013.

- 1) Eradication hunger, poverty and malnutrition, promoting prevention health care and sanitation and making available safe drinking water.
- 2) Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects;
- 3) Promoting gender equality, empowering women, setting up of homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 4) Ensuring environmental stability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 5) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and work of art; setting up public libraries; promoting and development of traditional arts and handicrafts;
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents
- 7) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports
- 8) Contribution to prime minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- 9) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 10) Rural Development projects.

The above points are not binding but will be liberally interpreted by the Company while planning is CSR Activities so as to capture the essence of subject enumerated in the Schedule VII of the Companies Act, 2013.

**Monitoring and Reporting Process:**

The Company's CSR programs are classified and implemented according to the Board's approval. The Company continuously enhances its monitoring and assessment system, however it ensures that every program has:

- Clearly defined objectives;
- Detailed progress monitoring system;
- Impact assessment;
- Ensure maximum involvement and participation of employees; and
- Reporting framework and system in line with the Act and Rules.

**Amendments of policy:**

The CSR Policy of the company may be amended at any time by the board of company.

**2. Composition of CSR Committee:**

As the amount to be spent by the company on CSR does not exceed 50 lakhs rupees, the requirement for constitution of CSR committee shall not be applicable and the functions of such committee provided under section 135 shall, in such cases, be discharged by the Board Of Directors of the company.

- Web-link for CSR Policy approved by the board are disclosed on the website of the company [www.bemcohydraulics.net](http://www.bemcohydraulics.net)
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). NOT APPLICABLE
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL
- Average net profit of the company as per section 135(5)

Years	Profit as per Section 198 of the companies Act, 2013 (In Lakhs)
2019-20	Rs. 190.19/-
2020-21	Rs.742.02/-
2021-22	Rs. 782.88/-
<b>Total</b>	Rs.1715.09/-
<b>Average of the three</b>	<b>Rs.571.69/-</b>
<b>2 per cent thereof that needs to be spent</b>	<b>Rs.11.43/-</b>
Actual spent on CSR	Rs. 11.50/-
Unspent balance of CSR- 2022-23	NIL

- Two percent of average net profit of the company as per section 135(5) : Rs. **11.43/-** lakhs
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL
  - Amount required to be set off for the financial year, if any: NIL
  - Total CSR obligation for the financial year (7a+7b-7c): Rs. **11.43/- lakhs**
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name	Fund Amount	Date of transfer
Rs. 11.50/-	NIL	NIL	PM Cares	Rs.0.65/-	31/03/2023



(b) Details of CSR amount spent against **ongoing projects** for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				Dist.	State						Name	CSR Regn.No.
NIL												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				Dist.	State			Name	CSR Regn.No.
1.	Shahapur Lions Charitable Foundation	Health care	Yes	Belgaum	Karnataka	5,04,000/-	Direct	-	CSR00011634
2.	Aswasth sant Seva Trust	Health care	No	Ayodhya	Uttar Pradesh	2,50,000/-	Direct	-	CSR00030459
3.	Kiaan a childrens home	Health care	Yes	Belgaum	Karnataka	65,000/-	Through implementing agency	MM Mohta Charitable Trust	CSR00022024
4.	Shree vakpati pita trust	Health care	No	vadodra	Gujarat	31,000/-	Through implementing agency	MM Mohta Charitable Trust	CSR00022024
5.	Madhyamik vidyalay jamboti	Health and Education	Yes	Belgaum	Karnataka	1,36,700/-	Direct	-	-
6.	Karalaya chikitsha adhakari prabhari samudayak swastha kendra	Health care	No	Pushkar	Rajasthan	1,00,800/-	Direct	-	-
7.	PM Cares					62,500/-	Direct	-	-

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NOT APPLICABLE

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.11.50/- lakhs

(g) Excess amount for set off, if any - NIL

Sl. No.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 11.43/-
(ii)	Total amount spent for the Financial Year	Rs. 11.50/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

1. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
NOT APPLICABLE							

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
NIL								
<b>Total</b>		<b>NIL</b>						

2. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL
3. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Nil

#### CERTIFICATE ON COMPLIANCE WITH CSR FUNDS

I Vijay Sambrekar, Chief Financial Officer, hereby confirm that the Company has utilized the CSR funds for the purpose and manner as approved by the board and as per the policy of the company, for the financial year 2022-23.

Vijay Sambrekar

DATE – 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**  
Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure & 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 breath 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 8 – 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 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 under takings. 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.

#### **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.

#### **ESTIMATES FOR THE FINANCIAL YEAR 2023-24:**

During the financial year 2022-23 it was quite challenging to the company to achieve the expected turnover due to severe rise in the commodity prices which are our main inputs like aluminum, steel and oil and the Government sanctions and budgetary quotations affected the same, the company could not complete the order by the end of the financial year 2023, due to which there is an impact on the turnover of the company as to previous year turnover .the company shall complete and diapatch the same in the first quarter of the financial year 2023-24. However as the year stands out here on, We shall surpass last year sales and we expect a strong rebond in business and it is our endeavor to marginally surpass the performance and to achieve the turnover of Rupees seventy five crore plus..

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 previous year and has a favorable response for the same.

To sum up, the outlook for the next year looks cautiously optimistic.

#### **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 financial statement for the year ended 31st March, 2023 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 2022-23, 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 2015-16. 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 31<sup>st</sup> March, 2023 was 296.

#### Analytical Ratios:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Change	Reason of Change if more than 25%
Current Ratio	Current Assets	Current Liabilities	1.60	1.43	11.79%	NA
Debt-Equity Ratio	Total Debt	Shareholders Equity	0.20	0.21	-2.49%	NA
Debt Service Coverage Ratio	Earnings Available for debt Services	Debt Service	0.67	1.03	-34.76%	Decrease in Revenue and profit
Return on Equity Ratio	Net Profit After Tax less Preference Dividend	Average Shareholders Equity	0.10	0.12	-20.01%	NA
Inventory Turnover Ratio	Cost of Goods Sold (COGS)	Average Inventory	1.00	2.47	-59.63%	Increase in Inventory and decrease in profit
Trade Receivables turnover Ratio	Net Credit Sales	Average Accounts Receivable	2.56	3.62	-29.34%	Decrease in sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	2.28	2.56	-10.94%	NA
Net Capital Turnover Ratio	Net Sales	Working Capital	2.59	4.78	-45.95%	Decrease in sales and increase in working capital
Net Profit Ratio (%)	Net profit after Tax	Net Sales	10.03%	8.31%	20.75%	Increase in contribution to sales
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	14.29%	22.74%	-37.16%	Decrease in sales and profit
Return on Investment (%)	Income Generated from Invested Funds	Average Invested Funds in Treasury Investments	18.47%	20.61%	-10.39%	NA

For and on behalf of the Board of Directors.

DATE – 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**URMILADEVI MOHTA**

Chairman  
DIN-00068906  
2 Mohanam, 10th Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**ANIRUDH MOHTA**

Managing Director  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> 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 – 26<sup>TH</sup> MAY, 2023  
PLACE- BELGAUM

**ANIRUDH MOHTA**

Managing Director/CEO  
DIN-00065302  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

**VIJAY SAMBREKAR**

CFO  
PAN: BGLPS8409M  
Plot No 33, New Shivaji  
Colony, Tilakwadi Belagavi  
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-590008

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-590008 (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](http://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 **31<sup>st</sup> March, 2023<sup>1</sup>** 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.	URMILA DEVI MOHTA	00068906	30/05/1992
3.	RAMESH MANICKCHAND SHAH	00068653	05/01/1988
4.	NAWAL KISHORE DAGA	00142170	17/04/1998
5.	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. My responsibility is to express an opinion on these based on my 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.

Place: BELGAUM  
Date : 19/05/2023  
UDIN: F003077E000339644

Name: S.R. DESHPANDE  
Membership No.: 3077  
CP No.: 1865  
Peer Review No: I1991KR036900  
Peer Review Certificate No:1526/2021

<sup>1</sup> Attention is invited to the fact that MR. MADAN MOHAN MOHTA, a promoter/Director, DIN:00068884, expired on 29/03/2023.

FORM MR 3  
**SECRETARIAL AUDIT REPORT**

For the financial year ended 31<sup>st</sup> March, 2023  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) 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 BEMCO HYDRAULICS LIMITED 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 31<sup>st</sup> March 2023, 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 31<sup>st</sup> March 2023, 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 thereunder 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 2015,
    - c. The Securities and Exchange Board of India (Issue of capital and Disclosure of requirements) Regulations, 2018 - **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, 1998- **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

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**

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

UDIN: F010814E000360933

PR No. : 3275/2023

Place - Belgaum

Date - 23-05-2023

## Annexure – A to Secretarial Audit Report dated 31<sup>st</sup> March, 2023

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  
NO/CP.NO            32941, 12146**

**ADDRESS            190/11,     KHANAPUR  
                              CROSS ROAD. NEAR  
                              RPD COLLEGE GROUND,  
                              TILAKWADI, BELGAUM  
                              – 590006**

UDIN: F010814E000360933  
PR No. : 3275/2023  
Place – Belgaum  
Date – 23-05-2023

**A.C.BHUTERIA & CO**  
**CHARTERED ACCOUNTANTS**

**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 31<sup>st</sup> March 2023, 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 (The 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements 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 on standalone financial statements.

**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:-

SI No.	Key Audit Matters	Auditor's Response
1	<p><b>Appropriateness of the carrying amount of trade receivables (Unsecured &amp; Considered Good) at amortized cost</b> (Refer Note – 5.08 to the standalone financial statements)</p> <p>Trade receivables aggregating to ₹1726.42 Lakhs as at March 31, 2023 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 establish the authenticity of the receivables which comprise significant portion of the Assets of the entity.</p>	<p><b>Our procedures, regarding obtaining the balance confirmation of Trade Receivable and verifying the same</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Performing Alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end.</li> </ul> <p>Based on the above procedures performed, we did not find any significant exceptions to 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, consolidated 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 during the course of our 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 and presentation 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 with reference financial statements 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.

### **Other Matter**

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2022, were audited by another auditor whose report dated 23<sup>rd</sup> May, 2022, expressed an unqualified opinion on those financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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. 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.

3. 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, as amended.
- v) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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 with reference to the financial statements 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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.
  - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;  
  
(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and  
  
(iii) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that the representations made by the management as stated in (i) and (ii) herein above, contain any material misstatement.
  - e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **A.C. Bhuteria & Co.**  
Chartered Accountants  
Firm's Registration No. 303105E

**Mohit Bhuteria**  
**Partner**  
**Membership No.: 056832**  
**UDIN: 23056832BGXQMP6293**

**Place: Kolkata**  
**Date: 26-05-2023**



**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)

(a) (A) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is maintaining proper records showing full particulars of intangible assets.

(b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment 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 property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not revalued any class of its Property, Plant and Equipment during the year. The Company has not revalued its Intangible Assets. The Company does not have any Right of Use assets.

(e) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, para 3(i)(e) of the order is not applicable.

(ii)

(a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, physical verification of inventories have been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

(b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Company has no borrowings from financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are not in agreement with the books of accounts of the Company. Details are as follows:

Quarter	Name of the Bank	Particulars	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/statement (₹ in Lakhs)	Amount of Difference (₹ in Lakhs)
June, 2022	Bank of Baroda	Inventories	1626.50	1863.64	(237.14)

- (iii) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not made any investments during the year. The Company has not granted any loans or provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly Para (iii) (a), (c), (d), (e) and (f) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the investments made are not prejudicial to the company's interest.
- (iv) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not given any loans/guarantees/security to or on behalf of any party referred to in Section 185 of the Companies Act 2013. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made. The Company has not given any loan, guarantee or provided any security in connection with a loan to anybody corporate or any other person.
- (v) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not accepted deposits or amounts which are deemed to be 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. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, 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) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authority.
- There are no undisputed amount payable in respect of applicable statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which were in arrears as at 31.03.2023 for a period of more than six months from the date they became payable except for a sum of ₹ 6,31,952/- on account of Goods and Service Tax.
- (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, there are no dues of Income tax, Sales tax, Value Added Tax, Service Tax, Custom duty, Excise duty or Goods and Services Tax

(GST)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) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, there are no transactions that are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).Accordingly, para 3(viii) of the Order is not applicable.
- (ix)
- In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Further, deferred payment liabilities are not considered borrowings/dues to a lender and hence not commented upon.
  - In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
  - In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has applied the term loans for the purpose for which those were obtained.
  - In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, and on overall examinations of the Balance Sheet of the company,funds raised on short term basis have not been utilised for long term purposes by the company.
  - In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The company does not have any associate or joint ventures. Accordingly, para 3(ix)(e) of the order is not applicable.
  - In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies. Accordingly, para 3(ix)(f) of the order is not applicable.

- (x)
- (a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3(x)(a) of the order is not applicable.
  - (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, para 3(x)(b) of the order is not applicable.
- (xi)
- (a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no fraud by the company or on the Company has been noticed or reported during the year. Accordingly, para 3(xi)(a) of the order is not applicable.
  - (b) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no report under Section 143(12) of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, para 3(xi)(b) of the order is not applicable.
  - (c) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, no whistle-blower complaint has been received by the Company during the year. Accordingly, para 3(xi)(c) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company is not a Nidhi Company. Accordingly, paragraphs 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) The reports of the Internal Auditors for the period under audit were considered by us during the course of the audit.
- (xv) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not entered into any non-cash transaction with directors or persons connected with him as specified under Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi)
- (a) In our opinion and according to the information and explanation given to us and examination of books and records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Finance Company. Accordingly, para 3(xvi)(a) of the Order are not applicable.
  - (b) In our opinion and according to the information and explanation given to us and examination of books and records, the company has not conducted any Non-Banking Financial activities or any Housing Finance activities. Accordingly, para 3(xvi)(b) of the Order are not applicable.

- (c) In our opinion and according to the information and explanation given to us and examination of books and records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanation given to us and examination of books and records, there is no Core Investment Company (CIC) in the group.
- (xvii) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, the Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) In our opinion and according to the information and explanations given to us and based on examination of records we considered necessary, there has been no resignation of the statutory auditors during the year.
- (xix) In our opinion and according to the information and explanation given to us and examination of books and records we consider necessary, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanation given to us and examination of books and records we considered necessary, the Company does not have any ongoing projects and neither has any unspent amount for the current financial year ended March 31, 2023 required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013. In respect of amount remaining unspent for the financial year ended March 31, 2022, the same has been transferred to a fund specified in Schedule VII of the Companies Act, 2013.

**For A.C. Bhuteria & Co.**  
Chartered Accountants  
Firm's Registration No. 303105E

**Mohit Bhuteria**  
**Partner**  
**Membership No.: 056832**  
**UDIN: 23056832BGXQMP6293**

**Place: Kolkata**  
**Date: 26-05-2023**

## **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 with reference to the financial statements of **BEMCO HYDRAULICS LIMITED**("the Company") as of 31st March 2023 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 with reference to the financial statements 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 with reference to the financial statements 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with reference to the financial statements.

#### **Meaning of Internal Financial Controls with reference to the financial statements**

A company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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 With reference to the Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements 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 with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March 2023, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to the financial statements issued by the Institute of Chartered Accountants of India.

**For A.C. Bhuteria & Co.**  
Chartered Accountants  
Firm's Registration No. 303105E

**Mohit Bhuteria**  
**Partner**  
**Membership No.: 056832**  
**UDIN: 23056832BGXQMP6293**

**Place: Kolkata**  
**Date: 26-05-2023**

# BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.  
CIN : L51101KA1957PLC001283



## BALANCE SHEET AS ON 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Note No.	Figures as at 31-03-2023	Figures as at 31-03-2022
<b>ASSETS</b>			
<b>(I) Non-Current assets</b>			
(a) Property, Plant and Equipment	5.01	4,311.77	4,369.39
(b) Capital Work In Progress	5.02	-	-
(c) Other Intangible Assets	5.03	2.03	14.94
(d) Financial Assets			
(i) Investments	5.04	32.43	28.29
(ii) Other Financial Assets	5.05	52.68	40.07
(e) Other Non-Current Assets	5.06	4.36	4.36
<b>Total Non-Current Assets</b>		<b>4,403.27</b>	<b>4,457.05</b>
<b>(II) Current Assets</b>			
(a) Inventories	5.07	2,598.09	1,379.40
(b) Financial Assets			
(i) Trade Receivables	5.08	1,725.41	1,618.80
(ii) Cash and Cash Equivalents	5.09	10.14	890.06
(iii) Bank Balances other than (ii) above	5.10	233.99	267.41
(iv) Other Financial Assets	5.11	17.82	9.60
(c) Current Tax Assets	5.12	-	0.96
(d) Other Current Assets	5.13	171.13	161.87
<b>Total Current Assets</b>		<b>4,756.58</b>	<b>4,328.10</b>
<b>TOTAL ASSETS (I TO II)</b>		<b>9,159.85</b>	<b>8,785.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(I) Equity</b>			
(a) Equity Share Capital	5.14	219.34	219.34
(b) Other Equity	5.15	4,788.65	4,316.80
<b>Total Equity</b>		<b>5,007.99</b>	<b>4,536.14</b>
<b>Liabilities</b>			
<b>(II) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	5.16	319.48	324.84
(ii) Other Financial Liabilities	5.17	3.99	3.99
(b) Provisions	5.18	4.97	11.88
(c) Deferred Tax Liabilities (Net)	5.19	825.74	836.64
(d) Other Non-Current Liabilities	5.20	21.79	44.65
<b>Total Non-Current Liabilities</b>		<b>1,175.97</b>	<b>1,222.00</b>
<b>(III) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	5.21	693.84	616.45
(ii) Trade Payables	5.22		
(a) Total Outstanding Dues of Micro and Small Enterprises		169.29	165.52
(b) Total Outstanding Dues of Other than Micro and Small Enterprises		1,188.83	1,284.72
(iii) Other Financial Liabilities	5.23	50.97	193.42
(b) Other Current Liabilities	5.24	694.89	548.87
(c) Provisions	5.25	98.36	82.68
(d) Current Tax Liabilities (Net)	5.26	79.71	135.35
<b>Total Current Liabilities</b>		<b>2,975.89</b>	<b>3,027.01</b>
<b>TOTAL EQUITY AND LIABILITIES (I TO III)</b>		<b>9,159.85</b>	<b>8,785.15</b>
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 A.C.BHUTERIA & CO.

Chartered Accountants

Firm Regn. No.: 303105E

Mohit Bhuteria  
Partner  
Membership No.: 056832  
Place : Kolkata  
Date: 26-05-2023

Vijay Sambrekar  
CFO  
PAN: BGLPS8409M

Amruta Tarale  
Company Secretary  
ACS - 42288

Urmila Devi Mohta  
Chairman  
DIN: 00068906  
Place : Belgaum  
Date: 26-05-2023

Anirudh Mohta  
Managing Director  
DIN: 00065302



# BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Note No.	Figures for the year ended	
		31-03-2023	31-03-2022
<b>I REVENUE FROM OPERATIONS</b>	<b>5.28</b>	4,605.25	6,225.37
<b>II OTHER INCOME</b>	<b>5.29</b>	50.34	62.78
<b>III TOTAL INCOME (I + II)</b>		<b>4,655.59</b>	<b>6,288.15</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	5.30	3,117.19	3,242.51
Changes in Inventories of Finished Goods and Work-In-Progress	5.31	(1,136.60)	300.92
Employee Benefits Expense	5.32	1,091.90	937.61
Finance Costs	5.33	140.92	220.77
Depreciation and Amortization Expense	5.34	81.87	90.37
Other Expenses	5.35	819.48	746.03
<b>TOTAL EXPENSES</b>		<b>4,114.76</b>	<b>5,538.21</b>
<b>V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)</b>		540.83	749.94
<b>VI EXCEPTIONAL ITEMS</b>		-	-
<b>VII PROFIT BEFORE TAX (V+VI)</b>		540.83	749.94
<b>VIII TAX EXPENSE:</b>			
(i) Current Tax	5.26	157.09	157.31
(ii) Income Tax for Earlier Years	5.26	(71.98)	3.84
(iii) Deferred Tax Charged/(Credited)	5.19	(11.46)	66.22
		<b>73.65</b>	<b>227.37</b>
<b>IX PROFIT / (LOSS) FOR THE YEAR (V - VI)</b>		<b>467.18</b>	<b>522.57</b>
<b>X OTHER COMPREHENSIVE INCOME</b>	<b>5.36</b>		
(i) Items that will not be reclassified to profit or loss		5.59	6.53
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.81)	1.17
<b>Other Comprehensive Income for the year</b>		<b>3.78</b>	<b>7.70</b>
<b>XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII + IX)</b>		<b>470.96</b>	<b>530.27</b>
<b>XII Earnings Per Equity Share of Face Value of ₹ 10/- each</b>	<b>5.37</b>		
(1) Basic		21.36	23.90
(2) Diluted		21.36	23.90
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>See accompanying Notes to Financial Statements</b>	<b>1 - 5</b>		

As Per our Report of Even Date attached.

For A.C.BHUTERIA & CO.

Chartered Accountants

Firm Regn. No.: 303105E

Mohit Bhuteria

Partner

Membership No.: 056832

Place : Kolkata

Date: 26-05-2023

Vijay Sambrekar

CFO

PAN: BGLPS8409M

Amruta Tarale

Company Secretary

ACS - 42288

Urmila Devi Mohta

Chairman

DIN: 00068906

Place : Belgaum

Date: 26-05-2023

Anirudh Mohta

Managing Director

DIN: 00065302

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023**

(Rs. in lakhs)

Particulars	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Exceptional Items and Tax	540.83	749.94
Adjustments For :		
Loss/(Profit) on Sale of Property, Plant & Equipment	(0.32)	(2.82)
Expected Credit Loss Allowances/ Doubtful (Net)	58.55	13.88
Liability No Longer Required Written Back	(0.13)	(0.02)
Bad Debt and Advances Written Off	3.23	0.60
Finance Cost	140.92	220.77
Depreciation and Amortization Expense	81.87	90.37
Unrealised Foreign Exchange (Gain) / Loss (net)	4.26	-
Provision for Warranty Made/ (Written Back)	4.01	2.19
Provision for Leave Encashment	11.67	15.53
Provision for Gratuity	22.32	21.55
Dividend from Non-Current/ Long Term Investments	(0.29)	(0.16)
Interest Income	(14.52)	(17.51)
Lease/ Rental Income	(34.48)	(36.82)
Excess & Short Provision	2.64	-
<b>Operating Profit Before Working Capital Changes</b>	<b>820.56</b>	<b>1,057.50</b>
<b>Movements in Working Capital</b>		
Decrease/ (Increase) in Trade and Other Receivables	(201.12)	(4.14)
Decrease/ (Increase) in Inventories	(1,218.69)	113.66
Increase/ (Decrease) in Trade and Other Payables	2.08	245.38
<b>Cash Generated From Operations</b>	<b>(597.17)</b>	<b>1,412.40</b>
Direct Taxes Paid (Net)	(139.52)	(175.72)
<b>Net Cash Flow From (Used In) Operating Activities (A)</b>	<b>(736.69)</b>	<b>1,236.68</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (incl. Capital Advances)	(10.28)	(135.67)
Sale of Property, Plant & Equipment	3.02	11.50
Investment in Fixed Deposits	34.44	(18.16)
Dividend from Non-Current/ Long Term Investments	0.29	0.16
Interest Received	13.23	14.48
Lease/ Rental Income	34.48	36.82
<b>Net Cash Flow From (Used In) Investing Activities (B)</b>	<b>75.18</b>	<b>(90.87)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(9.32)	(193.04)
Proceeds/(Repayment) of Short Term Borrowings(net)	72.77	(41.34)
Interest Paid	(281.86)	(324.01)
<b>Net Cash Flow From (Used In) Financing Activities (C)</b>	<b>(218.41)</b>	<b>(558.39)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(879.92)</b>	<b>587.42</b>
<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	<b>890.06</b>	<b>302.64</b>
<b>Cash &amp; Cash Equivalents at the end of the Year<sup>2</sup></b>	<b>10.14</b>	<b>890.06</b>

**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 to the Financial Statements.
- (3) Debt Reconciliation Statement in accordance with IND AS 7 as under:

(Rs. in lakhs)

	31.03.2023	31.03.2022
	(` in Lakhs)	(` in Lakhs)
<b>Opening Balances</b>		
Long Term Borrowings	324.84	507.82
Short Term Borrowings	616.45	637.72
<b>Movements(Net)</b>		
Long Term Borrowings	(5.36)	(182.98)
Short Term Borrowings	77.39	(21.27)
<b>Closing Balances</b>		
Long Term Borrowings	319.48	324.84
Short Term Borrowings	693.84	616.45

As Per our Report of Even Date attached.

For and on behalf of the Board of Directors

For A.C.BHUTERIA & CO.  
Chartered Accountants  
Firm Regn. No.: 303105E

Mohit Bhuteria  
Partner  
Membership No.: 056832

Vijay Sambrekar  
CFO  
DIN: 00065302

Amruta Tarale  
Company Secretary  
ACS - 42288

Urmila Devi Mohta  
Chairman  
DIN: 00068906

Anirudh Mohta  
Managing Director  
DIN: 00065302

Place : Kolkata  
Date: 26-05-2023

Place : Belgaum  
Date: 26-05-2023

## BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023



#### A. Equity Share Capital

Equity Shares of ₹ 10/- each issued, subscribed and fully paid up

(₹ in Lakhs)

Balance as at the beginning of the reporting period, i.e. 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balances at the beginning of the current year	Changes in equity share capital during the year 2022-2023	Balance as at the end of the reporting period, i.e. 31st March 2023
219.34	-	219.34	-	219.34

Equity Shares of ₹ 10/- each issued, subscribed and fully paid up

(₹ in Lakhs)

Balance as at the beginning of the reporting period, i.e. 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balances at the beginning of the current year	Changes in equity share capital during the year 2021-2022	Balance as at the end of the reporting period, i.e. 31st March 2022
219.34	-	219.34	-	219.34

#### B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium	Retained Earnings	Equity Instruments through OCI	Other items of OCI (Remeasurement of Employee Defined Benefit Plans)	
<b>Current Year - 2022-23</b>								
Balance as at 1st April, 2022	2,762.79	34.73	70.24	448.32	992.45	26.81	(18.54)	4,316.80
Add/(Less): Changes in Accounting Policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated Balance at the beginning of the current year</b>	<b>2,762.79</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>992.45</b>	<b>26.81</b>	<b>(18.54)</b>	<b>4,316.80</b>
<b>Add: Total Comprehensive Income for the year</b>								
Profit for the year	-	-	-	-	467.18	-	-	467.18
Other Comprehensive Income for the year	-	-	-	-	-	2.69	1.09	3.78
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467.18</b>	<b>2.69</b>	<b>1.09</b>	<b>470.96</b>
Transferred to Retained Earnings	(3.77)	-	-	-	3.77	-	-	-
Tax Adjustments	0.89	-	-	-	-	-	-	0.89
Revaluation of Leasehold Land made during the year	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>2,759.91</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>1,463.40</b>	<b>29.50</b>	<b>(17.45)</b>	<b>4,788.65</b>

# BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023



(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)		Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium	Retained Earnings	Equity Instruments through OCI	Other items of OCI (Remeasurement of Employee Defined Benefit Plans)	
<b>Previous Year - 2021-22</b>								
Balance as at 1st April, 2021	2,762.22	34.73	70.24	448.32	467.65	20.97	(20.40)	3,783.73
Add/(Less): Changes in Accounting Policy or prior period errors	-	-	-	-	-	-	-	-
<b>Restated Balance at the beginning of the current year</b>	<b>2,762.22</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>467.65</b>	<b>20.97</b>	<b>(20.40)</b>	<b>3,783.73</b>
<b>Add: Total Comprehensive Income for the year</b>								
Profit for the year	-	-	-	-	522.57	-	-	522.57
Other Comprehensive Income for the year	-	-	-	-	-	5.84	1.86	7.70
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>522.57</b>	<b>5.84</b>	<b>1.86</b>	<b>530.27</b>
Transferred to Retained Earnings	(2.23)	-	-	-	2.23	-	-	-
Tax Adjustments	2.80	-	-	-	-	-	-	2.80
<b>Balance as at 31st March, 2022</b>	<b>2,762.79</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>992.45</b>	<b>26.81</b>	<b>(18.54)</b>	<b>4,316.80</b>

As Per our Report of Even Date attached.

For A.C.BHUTERIA & CO.

Chartered Accountants

Firm Regn. No.: 303105E

For and on behalf of the Board of Directors

Mohit Bhuteria  
Partner  
Membership No.: 056832

Vijay Sambrekar  
CFO  
PAN: BGLPS8409M

Amruta Tarale  
Company Secretary  
ACS - 42288

Urmila Devi Mohta  
Chairman  
DIN: 00068906

Anirudh Mohta  
Managing Director  
DIN: 00065302

Place : Kolkata  
Date: 26-05-2023

Place : Belgaum  
Date: 26-05-2023

**Summary of Significant Accounting Policies and Notes to the Financial Statements****For the period ended 31st March 2023****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 05<sup>th</sup> day of November, 2001.

The financial statement for the financial year ended 31st March, 2023 were approved by the Board of Directors and authorised for issue on 26th May 2023.

**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, as amended, 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 Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

**2.04 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:

- (a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (b) held primarily for the purpose of trading;
- (c) expected to be realized within twelve months after the reporting period;
- (d) 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:

- (a) expected to be settled in normal operating cycle;
- (b) held primarily for the purpose of trading;
- (c) due to be settled within twelve months after the reporting period or,
- (d) 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.

**2.05 Property, Plant & Equipment (PPE)**

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment (except leasehold land) as recognised in the standalone financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

In case of leasehold land the Company has availed fair value as deemed cost on the date of transition to Ind AS.

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 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.

## 2.06 Capital Work-In-Progress

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

## 2.07 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:

<b>Asset (Other than internally generated)</b>	<b>Useful Life</b>
Computer Software	5 years
Technical Know-how	10 years

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

## 2.08 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).

## 2.09 Lease

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.

Lease income from operating leases, where the Company is a lessor, is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

## 2.10 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) and risks & rewards 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 measured at the amount of transaction price (net of variable consideration, if any).

Revenue for current year is exclusive of goods and service tax and net of discounts and sales returns.

### 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.

## 2.11 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 Absences 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.

#### **2.12 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.

#### **2.13 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.

#### **2.14 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.

#### **2.15 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.

#### **2.16 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.

#### **2.17 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.

#### **2.18 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.

#### **2.19 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 except for trade receivables that do not contain a significant financing component are measured at transaction price. 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 derecognized 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.

- 2.20** Cash Flow Statement: Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

### **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 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 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 Recent Indian Accounting Standards (Ind AS)/ Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements

## Notes to the Financial Statements



### 5.01 Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-04-2022	Addition on account of Revaluation during the Year	Purchase during the Year	Deduction During The Year	As at 31-03-2023	Upto 31-03-2022	For the year	Deductions	Upto 31-03-2023	As at 31-03-2023
<b>Leased Asset</b>										
Leasehold Land	3,605.64	-	-	-	3,605.64	22.61	3.77	-	26.38	3,579.26
<b>Owned Assets</b>										
Office Buildings	437.63	-	-	-	437.63	66.93	10.81	-	77.74	359.89
Factory Building	73.53	-	-	-	73.53	9.33	2.33	-	11.66	61.87
Plant and Equipment	255.48	-	1.66	-	257.14	101.92	15.79	-	117.71	139.43
Furniture and Fixtures	34.90	-	-	-	34.90	5.91	3.18	-	9.09	25.81
Vehicles	247.25	-	10.54	6.73	251.06	97.71	27.04	4.03	120.72	130.34
Goods Transport Vehicles	5.20	-	-	-	5.20	4.65	0.19	-	4.84	0.36
Office Equipments	14.28	-	0.07	-	14.35	8.24	2.14	-	10.38	3.97
Electrical Installations	12.42	-	-	-	12.42	5.76	1.12	-	6.88	5.54
Computers	18.63	-	1.75	-	20.38	12.77	2.53	-	15.30	5.08
Borewell	0.44	-	-	-	0.44	0.16	0.06	-	0.22	0.22
<b>TOTAL</b>	<b>4,705.40</b>	<b>-</b>	<b>14.02</b>	<b>6.73</b>	<b>4,712.69</b>	<b>335.99</b>	<b>68.96</b>	<b>4.03</b>	<b>400.92</b>	<b>4,311.77</b>

## Notes to the Financial Statements



### 5.01 Property, Plant & Equipment

(₹ in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2021	Addition		Deduction	As at 31 March 2022	Upto 31 March 2021	For the year	Deductions	Upto 31 March 2022	As at 31 March 2022
		on account of Revaluation during the Year	Purchase during the Year	During The Year						
<b>Leased Asset</b>										
Leasehold Land	3,605.64	-	-	-	3,605.64	18.85	3.77	-	22.62	3,583.02
<b>Owned Assets</b>										
Office Buildings	437.63	-	-	-	437.63	55.22	11.71	-	66.93	370.70
Factory Building	73.53	-	-	-	73.53	7.01	2.33	-	9.34	64.19
Plant and Equipment	244.28	-	11.20	-	255.48	83.62	18.29	-	101.91	153.57
Furniture and Fixtures	34.66	-	0.25	-	34.91	2.55	3.36	-	5.91	29.00
Vehicles	192.18	-	77.03	21.96	247.25	82.44	28.59	13.28	97.75	149.50
Goods Transport Vehicles	5.20	-	-	-	5.20	3.87	0.77	-	4.64	0.56
Office Equipments	14.28	-	-	-	14.28	5.99	2.24	-	8.23	6.05
Electrical Installations	12.42	-	-	-	12.42	4.54	1.21	-	5.75	6.67
Computers	17.04	-	1.59	-	18.63	10.36	2.41	-	12.77	5.86
Borewell	0.44	-	-	-	0.44	0.11	0.06	-	0.17	0.27
<b>TOTAL</b>	<b>4,637.30</b>		<b>90.07</b>	<b>21.96</b>	<b>4,705.41</b>	<b>274.56</b>	<b>74.74</b>	<b>13.28</b>	<b>336.02</b>	<b>4,369.39</b>

**Note:**

- 1 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 Capital Work In Progress

(₹ in Lakhs)

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Balance as at the beginning of the Year	-	20.22
Add: Additions made during the year	-	7.36
Less: Capitalised or transferred to property, plant and equipments during the year	-	(27.58)
<b>Balance as at the end of the Year</b>	<b>-</b>	<b>-</b>

5.03 Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross Block			Amortization					Net Block
	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	Upto 31-03-2022	For the year	Deductions	Upto 31-03-2023	As at 31-03-2023
Computer Software	32.47	-	-	32.47	24.73	5.71	-	30.44	2.03
Technical Know-how	120.42	-	-	120.42	113.22	7.20	-	120.42	-
<b>TOTAL</b>	<b>152.89</b>	<b>-</b>	<b>-</b>	<b>152.89</b>	<b>137.95</b>	<b>12.91</b>	<b>-</b>	<b>150.86</b>	<b>2.03</b>

Particulars	Gross Block			Amortization					Net Block
	As at 01-04-2021	Additions	Deductions	As at 31-03-2022	Upto 31-03-2021	For the year	Deductions	Upto 31-03-2022	As at 31-03-2022
Computer Software	32.47	-	-	32.47	18.84	5.89	-	24.73	7.74
Technical Know-how	120.42	-	-	120.42	103.45	9.77	-	113.22	7.20
<b>TOTAL</b>	<b>152.89</b>	<b>-</b>	<b>-</b>	<b>152.89</b>	<b>122.29</b>	<b>15.66</b>	<b>-</b>	<b>137.95</b>	<b>14.94</b>

## 5.04 Investments - Non-Current

(₹ in Lakhs)

Particulars	Face value per share (₹)	31-03-2023		31-03-2022	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
<b><u>IN OTHERS</u></b>					
<b>(i) Investments in Equity Instruments carried at fair value through other comprehensive income (FVOCI)</b>					
<b>A. Quoted (Fully paid up, unless otherwise stated)</b>					
Alfred Herbert (India) Limited	10	5	0.04	5	0.04
BF Investment Limited (Bonus)	5	26	0.10	26	0.07
BF Utilites Limited	5	26	0.08	26	0.08
Bharat Forge Company Limited	2	130	1.00	130	0.91
Bharat Forge Company Limited (Bonus)	2	130	1.00	130	0.91
Dynamic Technologies Limited	10	40	1.10	40	0.85
E. C. E. Industries Limited	10	30	-	30	-
Eicher Motors Limited	1	10	0.30	10	0.25
Elecon Engineering Co. Limited (Including Bonus)	2	360	1.37	360	0.52
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	0.00	1	0.01
Jyoti Limited	10	50	0.01	50	0.00
Kulkarni Power Tools Limited	5	200	0.59	200	0.25
Larsen and Tubro Limited	2	256	5.54	256	4.52
Larsen and Tubro Limited (Bonus)	2	320	6.93	320	5.66
LML Limited	10	27	0.00	27	0.00
Mahindra and Mahindra Limited	5	52	0.60	52	0.42
Mahindra and Mahindra Limited (Bonus)	5	52	0.60	52	0.42
Manugraph Industries Limited	2	240	0.03	240	0.03
Nesco Limited (New Standard Engineering Company Limited)	2	200	1.03	200	1.11
Scooters India Limited	10	50	0.01	50	0.02
Tata Motors Limited	2	115	0.48	115	0.50
Tata Motors Limited	2	15	0.06	15	0.07
Texmaco Rail Engineering Limited	1	100	0.04	100	0.04
Ultratech Cement (Bonus)	10	51	3.89	51	3.37
Voltas Limited	1	150	1.23	150	1.87
Best and Crompton Engineering Private Limited	10	105	0.00	105	0.00
Eaton Fluid Power Limited	10	24	0.00	24	0.00
UT Limited	10	100	0.01	100	0.01
			<b>26.06</b>		<b>21.92</b>
<b>B. Unquoted (Fully paid up, unless otherwise stated)</b>					
Belgaum Coal and Coke Consumer Co-op Ass. Limited	100	4	0.38	4	0.38
Belgaum Manufacturers Co-op Industrial Estate Limited	100	40	4.09	40	4.09
WG Forge and Allied Industrial Limited	10	50	-	50	-
Saraswat Co-operative Bank Limited	10	783	1.25	783	1.25
Eicher Tractors Limited	10	4	-	4	-
			<b>5.72</b>		<b>5.72</b>
<b><u>IN SUBSIDIARY</u></b>					
<b>(ii) Other Investments</b>					
<b>In Capital in Limited Liability Partnership (Measured at Amortised Cost)</b>					
Bemco Fluidtechnik LLP			0.65		0.65
			<b>0.65</b>		<b>0.65</b>
<b>TOTAL</b>			<b>32.43</b>		<b>28.29</b>
<b>Aggregate amount of quoted investments</b>			26.06	21.92	
<b>Aggregate market value of quoted investments</b>			26.06	21.92	
<b>Aggregate amount of unquoted investments</b>			6.37	6.37	
<b>Aggregate amount of Impairment in value of Investments</b>			-	-	

**5.05 Other Financial Assets**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Security Deposits {Refer Note (i) below}	40.53	27.08
Advances to Workers/ Employees	12.15	12.99
	<b>52.68</b>	<b>40.07</b>

**Note:**

(i) 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.

**5.06 Other Non-Current Assets**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Unsecured, Considered Good</b>		
Capital Advances	4.36	4.36
	<b>4.36</b>	<b>4.36</b>

**5.07 Inventories**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>(At lower of cost and net realisable value)</b>		
Raw Materials	360.27	293.66
Intermediate and Components	330.31	303.80
Stores and Spares	54.44	65.47
Work-in-Progress	1,850.69	714.64
Finished Goods	-	-
<b>(At estimated realisable value)</b>		
Scrap	2.38	1.83
	<b>2,598.09</b>	<b>1,379.40</b>

**Note:**

(i) The mode of valuation of inventories has been stated in Note 2.08.

(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 31.03.2023 were in Transit.

**5.08 Trade Receivables**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Unsecured, Considered Good</b>		
Gross trade receivable, unsecured considered good	1,826.99	1,657.57
<b>Unsecured, Credit Impaired</b>		
Gross trade receivable, credit impaired	48.40	52.66
	1,875.39	1,710.23
<b>Less: Loss Allowance</b>		
Trade receivable, unsecured considered good	(101.58)	(38.77)
Trade receivable, credit impaired	(48.40)	(52.66)
	<b>1,725.41</b>	<b>1,618.80</b>

**Notes:**

- (i) The amount due from Subsidiary i.e. Bemco Fluidtechnik LLP is ₹ 10.16 lakhs (P.Y ₹ 0.12 Lakhs) in which one of the director is also a partner in LLP. (Refer Note 5.40 - Related Party Transactions)
- (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	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Balance as at the beginning of the year	91.43	77.55
Add: Provision made during the year	61.18	14.48
Less: Amount written back / collected during the year	(2.63)	(0.60)
Balance as at the end of the year	149.98	91.43

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

(v) Disclosure of the amounts due for payment (On the basis of the information & records available with the Management) - Current Year - 2022-23 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,221.91	302.55	130.44	56.95	74.71	40.43	1,826.99
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired		-	-	-	-	48.40	48.40
(iv) Disputed Trade Receivables - considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired		-	-	-	-	-	-

Disclosure of the amounts due for payment (On the basis of the information & records available with the Management) - Previous Year - 2021-22 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good		1,304.88	96.84	156.58	56.42	4.08	1,618.80
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	38.77	38.77
(iii) Undisputed Trade Receivables - credit impaired		-	-	-	-	52.66	52.66
(iv) Disputed Trade Receivables - considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired		-	-	-	-	-	-

#### 5.09 Cash and Cash Equivalents

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Balances with Banks in current accounts	6.78	5.10
Debit Balances with Banks in cash credit accounts (Refer Note No. 5.21)	-	883.69
Cash on hand	3.36	1.27
	<b>10.14</b>	<b>890.06</b>

#### 5.10 Bank Balances (Other than Cash & Cash Equivalents)

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Bank deposits with original maturity of 12 months or more	233.99	267.41
	<b>233.99</b>	<b>267.41</b>

**Note:**

i) The above mentioned bank deposits are held as margin Money with banks against bank guarantees, letter of credit and other commitments and includes interest thereon.

#### 5.11 Other Financial Assets

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Advances</b>		
Advances to Workers/ Employees	17.82	9.60
	<b>17.82</b>	<b>9.60</b>

**Note:**

Included in above is the current portion of the interest free advance lended 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	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Income Tax Refund Receivable {Refer Note Below}	-	0.96
	<b>-</b>	<b>0.96</b>

**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 Assisstant Commssioner of Income Tax.

#### 5.13 Other Current Assets

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Advances other than capital advances</b>		
- Advances for purchase of goods and services {Refer Note (i) Below}	106.21	85.95
- Travel advances to employees	8.05	7.61
- Other Advances (Doubtful) {Refer Note (ii) Below}	4.00	4.00
Less: Provision for Doubtful Advances	(4.00)	(4.00)
Claims Receivable {Refer Note (iii) Below}	0.24	3.16
Prepaid Expenses	43.40	40.71
Balance with Revenue authorities	13.23	24.44
	<b>171.13</b>	<b>161.87</b>

**Notes:****Note (i)**

The amount due from Subsidiary i.e. Bemco Fluidtechnik LLP is ₹ 81.53 Lakhs (P.Y ₹ 34.81 Lakhs) in which one of the director is also a partner in LLP. (Refer Note 5.40 - Related Party Transactions)

**Note (ii)**

A case was filed for the recovery of the doubtful advance against B. H. Bhattiwala ("Respondent") in the court of the Hon' ble Prl. District Judge, Belgaum. The order was passed on 30<sup>th</sup> August, 2011 in favour of Bemco Hydraulics Limited directing the respondent to pay a sum of ₹ 5 Lakhs along with interest at 6% per annum amounting to ₹2.73 Lakhs i.e. total of ₹7.73 Lakhs 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.

**Note (iii)**

Included in above is amount of ₹ 1.05 Lakhs deposited against the total demand of ₹ 2.10 Lakhs 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	31-03-2023		31-03-2022	
	Qty. (Nos.)	Amount (₹ in Lakhs)	Qty. (Nos.)	Amount (₹ in Lakhs)
<b>(a) Authorized Share Capital</b>				
Equity Shares of ₹ 10/- each	40,00,000	400.00	40,00,000	400.00
Preference Share Capital of ₹ 100/- each	4,00,000	400.00	4,00,000	400.00
	<b>44,00,000</b>	<b>800.00</b>	<b>44,00,000</b>	<b>800.00</b>
<b>(b) Issued Share Capital</b>				
Equity Shares of ₹ 10/- each	22,22,750	222.28	22,22,750	222.28
	<b>22,22,750</b>	<b>222.28</b>	<b>22,22,750</b>	<b>222.28</b>
<b>(c) Issued, Subscribed and Fully Paid up Capital</b>				
Equity Shares of ₹ 10/- each	21,86,700	218.67	21,86,700	218.67
Add: Shares Forfeited	-	0.67	-	0.67
	<b>21,86,700</b>	<b>219.34</b>	<b>21,86,700</b>	<b>219.34</b>

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

Particulars	31-03-2023		31-03-2022	
	Qty. (Nos.)	Amount (₹ in Lakhs)	Qty. (Nos.)	Amount (₹ in Lakhs)
Balance as at the beginning of the financial year	21,86,700	219.34	21,86,700	219.34
Add/ (Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	<b>21,86,700</b>	<b>219.34</b>	<b>21,86,700</b>	<b>219.34</b>

**(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.**

	31-03-2023		31-03-2022	
	Qty. (Nos.)	(%)	Qty. (Nos.)	(%)
Mohta Capital Private Limited	6,65,606	30.44%	6,65,606	30.44%
Sri Ramchandra Enterprises Private Limited (SRE)	5,53,097	25.29%	3,34,697	15.31%
U D Finnvest Private Limited (amalgamated with SRE)	-	0.00%	2,18,400	9.99%
Urmila Devi Mohta	10	0.00%	1,21,373	5.55%
Anirudh Mohta	3,97,819	18.19%	1,90,555	8.71%

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

**(h) Details of Aggregate number of fully paid Equity Shares of ₹10 each held by the Promoters of the Company.**

Sl. No	Promoter Name	31-03-2023		31-03-2022		% Change during the year
		No of shares held	% of total shares	No of shares held	% of total shares	
(i)	Urmila Devi Mohta	10	0.00%	1,21,373	5.55%	-5.55%
(ii)	Madan Mohan Mohta	10	0.00%	85,911	3.93%	-3.93%
(iii)	Anirudh Mohta	3,97,819	18.19%	1,90,555	8.71%	9.48%
(v)	Sri Ramachandra Enterprises Pvt. Ltd.(SRE)	5,53,097	25.29%	3,34,697	15.31%	9.99%
(vi)	Mohta Capital Pvt. Ltd.	6,65,606	30.44%	6,65,606	30.44%	0.00%
(vii)	U D Finnvest Pvt. Ltd.(amalgamated with SRE)	-	0.00%	2,18,400	9.99%	-9.99%
(viii)	Ananya Anirudh Mohta	16,728	0.76%	16,728	0.76%	0.00%

## 5.15 Other Equity

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Capital Reserve</b>		
Balance at the beginning of the year	2,762.79	2,762.22
Add: Tax Adjustments	0.89	2.80
Less: Transfer to Retained Earnings	(3.77)	(2.23)
<b>Balance at the end of the year</b>	<b>2,759.91</b>	<b>2,762.79</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	34.73	34.73
Add/ (Less): Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>34.73</b>	<b>34.73</b>
<b>General Reserve</b>		
Balance at the beginning of the year	70.24	70.24
Add/ (Less): Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>70.24</b>	<b>70.24</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	448.32	448.32
Add/ (Less): Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>448.32</b>	<b>448.32</b>
<b>Retained Earnings</b>		
Opening Balance	992.45	467.65
Add: Surplus/(Deficit) for the year	467.18	522.57
Add: Transfer From Capital Reserve	3.77	2.23
Less: Transfer to Capital Redemption Reserve	-	-
<b>Balance at the end of the year</b>	<b>1,463.40</b>	<b>992.45</b>
<b>Other Comprehensive Income</b>		
Opening Balance	8.27	0.57
Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land)	3.78	7.70
<b>Balance at the end of the year</b>	<b>12.05</b>	<b>8.27</b>
<b>Total (a to f)</b>	<b>4,788.65</b>	<b>4,316.80</b>

### Nature and purpose of reserves:

- Capital Redemption Reserve (CRR):**  
The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve. CRR can be utilised in accordance with the provisions of the Companies Act, 2013.
- Security Premium:**  
Security premium is created when shares are issued at premium. The reserve is utilised in accordance with the provisions of the Act.
- General Reserve**  
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.
- Capital Reserve:**  
On the date of transition to Ind AS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipment as per Previous GAAP has been transferred to the Capital Reserve.
- Retained Earnings**  
Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

## 5.16 Borrowings (Non-Current)

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Secured</b>		
<b>Term Loans from Banks</b>		
(i) <b>Specific Purpose Term Loan</b>		
- Motor Car Loans	20.90	26.36
<b>Unsecured</b>		
11% 3,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	298.58	298.48
(Previous Year - 11% 3,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each)	<b>319.48</b>	<b>324.84</b>

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

**As at 31-03-2023**

Particulars	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1. Motor Car Loans <u>YES Bank</u>	26.46	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 31-03-2023, 179 installments are due for repayment.	7.75% - 9.25% p.a
2. Motor Car Loans <u>Bank of Baroda</u>	5.82	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 31-03-2023, 52 installments are due for repayment.	7.80% - 9.40% p.a

**As at 31-03-2022**

Particulars	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1. Motor Car Loans <u>State Bank of India</u>	3.22	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 31-03-2022, 22 installments are due for repayment.	9.16% -9.50% p.a
3. Motor Car Loans <u>YES Bank</u>	38.38	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 31-03-2022, 275 installments are due for repayment.	7.75% - 9.25% 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 31-03-2023		As at 31-03-2022	
	Quantity (Nos.)	Amount (₹ in Lakhs)	Quantity (Nos.)	Amount (₹ in Lakhs)
i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each redeemable at par on 31/03/2031.	3,00,000	300.00	3,00,000	300.00

**Shareholders holding more than 5% of Preference Share Capital**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
i) Mohta Capital Private Limited	1,90,000	63.33%	1,90,000	63.33%
ii) U.D. Finvest Private Limited	-	0.00%	60,000	20.00%
iii) Sri Ramachandra Enterprises Private Limited (SRE)	1,10,000	36.67%	50,000	16.67%

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

**Terms of Repayment**

The total outstanding with respect to Deferred Payment Liabilities are 2.85 Lakhs Euros ( Previous Year: 3.15 Lakhs). The outstanding is repayable by payment of 0.50 Lakh Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹ 252.96 Lakhs (Previous Year ₹ 247.31 Lakhs) 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. 5.21.

**5.17 Other Financial Liabilities (Non-Current)**

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Security Deposits	3.99	3.99
	<b>3.99</b>	<b>3.99</b>

**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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Provision for Employee Benefits</b>		
- Provision for Leave Encashment	4.97	11.88
	<b>4.97</b>	<b>11.88</b>

### 5.19 Deferred Tax Liabilities (Net)

Deferred tax relates to the following:	Balance Sheet		Statement of Profit & Loss	
	Figures as at		For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Accelerated Depreciation for Tax Purpose	(54.79)	(51.33)	(3.46)	(11.81)
Amortization of Land	(833.51)	(834.40)	0.89	0.91
Measurement of Investment at FVOCI	(1.86)	(0.41)	(1.45)	1.89
Measurement of Financial Assets at Amortised Cost	0.66	0.22	0.44	0.71
Measurement of Financial Liabilities at Amortised Cost	-	(2.48)	2.48	(1.20)
MAT Credit Entitlement	-	-	-	(58.78)
Provision for Doubtful Debts & Expected Credit Losses	37.75	25.44	12.31	3.86
Provision for Product Warranties	2.78	1.96	0.82	0.61
Provision for Leave Encashment	23.23	24.36	(1.13)	0.39
Deferred Tax Expense/(Income)	-	-	<b>10.90</b>	<b>(63.42)</b>
Net Deferred Tax Assets/(Liabilities)	<b>(825.74)</b>	<b>(836.64)</b>	-	-

#### Reflected in the Balance Sheet as follows:

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Deferred Tax Assets	64.42	51.76
Deferred Tax Liabilities	(890.16)	(888.40)
Deferred Tax Liabilities (Net)	<b>(825.74)</b>	<b>(836.64)</b>

#### Reconciliation of deferred tax liabilities (net):

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Opening balance as at	(836.64)	(773.22)
Tax income/(expense) during the period recognised in profit or loss	11.46	(66.22)
Tax Adjustments	(0.56)	2.80
Closing balance as at	<b>(825.74)</b>	<b>(836.64)</b>

### 5.20 Other Non-Current Liabilities

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Advances</b>		
- Security Deposits from Employees	21.79	44.65
	<b>21.79</b>	<b>44.65</b>

## 5.21 Borrowings (Current)

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Secured</b>		
Loans Repayable on Demand:		
- From Banks		
(i) Cash Credit/ Packing Credit	95.99	-
<b>Unsecured</b>		
Loans Repayable on Demand:		
- From Related Parties (Refer Note 5.40 - Related Party Transactions)	333.50	353.89
<b>Current Maturities of Long Term Borrowings</b> <b>(Refer Note No. 5.16 for terms and conditions)</b>		
- Motor Car Loans from Banks	11.38	15.24
Current Portion of Deferred Payment Liabilities	252.97	247.32
	<b>693.84</b>	<b>616.45</b>

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

#### **BANK OF BARODA**

Cash Credit (CC) availed from Bank of Baroda is secured by hypothecation of Goods/ Book Debts/ Current Assets/ Movable Machinery/ Vehicles (Other than those financed by Other Banks / NBFCs)/ other fixed assets. The CC is further secured by Equitable mortgage of self-occupied Industrial Property located at S.No.691, 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 {Refer Note 5.40} and the loan is further secured by corporate guarantee given by two companies, Mohta Capital Pvt Ltd(MCPL) and Sri Ramachandra Enterprises Pvt Ltd (SRE). The facility amount is ₹ 1250 Lakhs with a floating interest rate of 8.15% (0.50% spread over and above Bank's BRRR and SP Rate. The interest is payable monthly.

The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts except as under:

Quarter	Name of the Bank	Particulars	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/statement (₹ in Lakhs)	Amount of Difference (₹ in Lakhs)	Reason for Material Discrepancies
June, 2022	Bank of Baroda	Inventories	1626.5	1863.64	(237.14)	Typography Error – Variation in Inventories

## 5.22 Trade Payables

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>For Goods purchased and Services received in the normal course of business</b>		
- Due to Micro Enterprises & Small Enterprises	169.29	165.52
- Due to Other than Micro Enterprises & Small Enterprises {Refer Note (ii) Below}	1,188.83	1,284.72
	<b>1,358.12</b>	<b>1,450.24</b>

### **Note:**

#### **Note (i)**

The trade payables are non interest bearing except micro and small enterprises.



**Note (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	2022-23 ₹ in Lakhs	2021-22 ₹ in Lakhs
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier. *Principal amount *Interest there on	169.29 NIL	165.52 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

**Note (iii)**

Particulars	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Amount of acceptances	276.72	294.56

**Note (iv)**

Disclosure of the amounts due for payment (On the basis of the information & records available with the Management)

**a) Current Year - 2022-23**

(₹ in Lakhs)

Particulars	Not Yet Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	114.28	44.77	2.99	0.79	6.47	169.30
(ii) Others	753.52	347.25	31.54	11.32	45.20	1,188.83
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

**b) Previous Year - 2021-22**

(₹ in Lakhs)

Particulars	Not Yet Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	103.92	50.18	4.65	1.48	5.29	165.52
(ii) Others	739.12	1,955.17	37.90	15.26	38.17	2,785.62
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

### 5.23 Other Financial Liabilities

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<u>Interest Accrued:</u>		
- Interest accrued and due on borrowings	2.54	2.75
Unpaid Dividends on 11% Cumulative Redeemable Preference Shares	33.29	165.19
Gratuity Payable to LIC	15.14	17.39
Guarantee Commission Payable to Related Parties (Refer Note 5.40 - Related Party Transactions)	-	8.09
	<b>50.97</b>	<b>193.42</b>

### 5.24 Other Current Liabilities (Current)

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<u>Revenue Received in Advance:</u>		
- Advance from Customers	472.90	289.88
Current portion of Security Deposit from Employees	27.73	3.50
Liabilities for Expenses	83.79	72.36
Liabilities for Statutory Dues	110.47	183.13
	<b>694.89</b>	<b>548.87</b>

### 5.25 Provisions

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<u>Provision for Employee Benefits:</u>		
- Provision for Leave Encashment	87.32	75.65
Provision for Product Warranty	11.04	7.03
	<b>98.36</b>	<b>82.68</b>

**Note:**

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

#### (1) Movement in Provisions

Nature of Provisions	Leave Encashment		Product Warranty	
	2022-23	2021-22	2022-23	2021-22
	Carrying amount at the beginning of the year*	87.53	86.18	7.03
Additional provision made during the year	28.06	15.53	4.01	2.19
Amounts used during the year	(23.30)	(14.18)	-	-
Carrying amount at the end of the year*	<b>92.29</b>	<b>87.53</b>	<b>11.04</b>	<b>7.03</b>

\* 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	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Provision for Income Tax (Net of Advance Tax/ TDS)	79.71	135.35
	<b>79.71</b>	<b>135.35</b>

**Notes:****Income Tax recognised in Profit and Loss**

Particulars	For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Current Tax</b>		
Current income tax charge	157.09	215.72
Adjustments in respect of current income tax of previous years	(71.98)	18.48
<b>Total (A)</b>	<b>85.11</b>	<b>234.20</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of deductible & taxable temporary differences	(11.46)	69.47
<b>Total (B)</b>	<b>(11.46)</b>	<b>69.47</b>
<b>Income Tax expense recognised in the Statement of Profit or Loss (A+B)</b>	<b>73.65</b>	<b>303.67</b>

**Income Tax recognised in Other Comprehensive Income**

Particulars	For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Income Taxes relating to Equity Instruments through Other Comprehensive Income (Deferred Tax)	(1.45)	1.89
Current income tax charge on remeasurement of defined benefit obligations	(0.36)	1.86
<b>Income Tax expense recognised in Other Comprehensive Income</b>	<b>(1.81)</b>	<b>3.75</b>

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

Particulars	For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Profit before tax	540.83	749.94
Applicable Tax Rate	25.17%	27.82%
Computed Tax Expense	136.12	208.63
<b>Tax Effects:</b>		
Items not chargeable to tax/ exempt	(0.08)	(0.83)
Expenses disallowed	10.32	10.23
Net tax on depreciable assets	0.95	1.05
Effect of brought forward losses and unabsorbed depreciation etc	-	-
Adjustments for current tax of earlier years	(71.98)	3.84
Others including MAT	9.79	(61.77)
<b>Current Tax Provision (A)</b>	<b>85.12</b>	<b>161.15</b>
Incremental Deferred Tax Liability	(11.47)	66.22
<b>Deferred Tax Provision (B)</b>	<b>(11.47)</b>	<b>66.22</b>
<b>Tax Expenses recognised in the Statement of Profit and Loss (A + B)</b>	<b>73.65</b>	<b>227.37</b>

**5.27 a) CONTINGENT LIABILITIES AND COMMITMENTS****Description of Contingent Liabilities****CLAIMS AGAINST THE COMPANY /DISPUTED LIABILITIES NOT ACKNOWLEDGED AS DEBTS:**

Particulars	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
(i) <b>Entry Tax Demand Disputed in Appeal (Excluding Interest)</b>	2.10	2.10
(ii) <b><u>Spl. C. S. No. 546/2016</u></b> One of the Parties of the company namely "Mahesh Enterprises" has filed a suit for recovery of ₹ 69.20 Lakhs (Previous Year: ₹ 69.20 lakhs) 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 ₹ 146.36 Lakhs (Previous Year: ₹ 146.36 Lakhs) in the Hon'ble Civil Court of Nagpur. The case is till 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.

**b) COMMITMENTS**

The Company has no capital commitment as on the balance sheet date.

## 5.28 Revenue From Operations

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Sale of Products	4,208.54	5,800.94
Sale of Services	64.61	142.34
Other Operating Revenues:		
- Income from Annual Service Contract	228.31	154.57
- Installation and Commissioning Charges etc.	103.79	127.52
	<b>4,605.25</b>	<b>6,225.37</b>

## 5.29 Other Income

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<u>Interest Income:</u>		
i. Interest on bank deposits carried at amortised cost	14.25	17.03
ii. Interest on Security Deposits and Others carried at amortised cost	-	-
iii. Interest on Income Tax Refund	0.27	0.48
Dividend Income on Equity Investments at FVTOCI	0.29	0.16
Net Gain on Sale of Property, Plant & Equipment	0.32	3.08
Rental Income (Refer Note 5.39)	34.48	36.82
Excess & Short Provision	-	0.45
Liability No Longer Required Written Back	0.13	0.02
Gain in Foreign Currency Fluctuation (net)	-	4.68
Insurance Claim Received	0.54	
Miscellaneous Receipts	0.06	0.06
	<b>50.34</b>	<b>62.78</b>

## 5.30 Cost of Materials Consumed

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Raw Materials</b>		
Opening Stock	293.66	168.85
Add: Purchases	1,490.72	1,463.54
Less: Closing Stock	(360.27)	(293.66)
	<b>(A)</b> 1,424.11	1,338.73
<b>Intermediates and Components</b>		
Opening Stock	303.80	256.22
Add: Purchases	1,554.22	1,801.66
Less: Closing Stock	(330.31)	(303.80)
	<b>(B)</b> 1,527.71	1,754.08
<b>Packing Materials</b>		
Opening Stock	-	-
Add: Purchases	22.63	26.64
Less: Closing Stock	-	-
	<b>(C)</b> 22.63	26.64
<b>Stores and Spares</b>		
Opening Stock	65.47	50.59
Add: Purchases	131.71	137.94
Less: Closing Stock	(54.44)	(65.47)
	<b>(D)</b> 142.74	123.06
<b>TOTAL (A to D)</b>	<b>3,117.19</b>	<b>3,242.51</b>
<b>Less: Materials consumed on account of warranties</b>	-	-
<b>TOTAL</b>	<b>3,117.19</b>	<b>3,242.51</b>

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

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Opening Stock</b>		
Work-in-Progress	714.64	1,016.19
Finished Goods	-	-
Scrap	1.83	1.20
<b>Total of Opening Stock</b>	<b>(A) 716.47</b>	<b>1,017.39</b>
<b>Closing Stock</b>		
Work-in-Progress	1,850.69	714.64
Finished Goods	-	-
Scrap	2.38	1.83
<b>Total of Closing Stock</b>	<b>(B) 1,853.07</b>	<b>716.47</b>
<b>Net changes in inventories of finished goods and work-in-progress</b>	<b>(1,136.60)</b>	<b>300.92</b>
<b>[Total (A-B)]</b>		

### 5.32 Employee Benefits Expense

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Salaries, Wages, Bonus, etc.	948.56	811.28
Contribution to Provident fund & other funds	111.75	98.81
Staff Welfare Expenses	31.59	27.52
	<b>1,091.90</b>	<b>937.61</b>

### 5.33 Finance Costs

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Interest on loan calculated using effective interest rate method	57.91	80.10
Interest to Suppliers and Interest on Taxes	1.09	0.19
Dividend on Redeemable Preference Shares	33.11	33.10
Other Borrowing Costs:		
- Loan Processing Charges	22.21	47.17
- Guarantee Commission & Others	26.60	60.21
	<b>140.92</b>	<b>220.77</b>

### 5.34 Depreciation and Amortization Expense

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Depreciation of Property, Plant & Equipment	68.96	74.70
Amortization of Intangible Assets	12.91	15.67
	<b>81.87</b>	<b>90.37</b>

**5.35 Other Expenses**

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Power & Fuel	42.85	40.29
Manufacturing Expenses	274.48	213.89
Freight & Transportation	82.12	127.98
Product Warranty Expenses	4.70	2.64
<u>Repairs</u>		
i Buildings	26.46	13.08
ii Machinery	12.64	11.22
iii Others	9.33	9.85
Insurance	7.73	5.60
Rent (Refer Note - 5.39)	6.36	5.73
Rates & Taxes	2.71	3.61
Printing and Stationery	7.10	7.24
Postage, Telephone & Telegram	8.40	6.74
Travelling & Conveyance Expenses	167.41	140.14
Bad Debts / Advances Written Off	3.23	0.60
Expected Credit Loss Allowances	58.55	13.88
Advertisement Expenses	1.08	1.12
Corporate Social Responsibility Expenditure (CSR)	11.50	8.23
Miscellaneous Expenses	71.77	49.79
<u>Payment to Auditors for:</u>		
i Audit Fees	6.50	3.00
ii Limited Review/Certification charges	4.96	3.80
Directors' Sitting Fees	0.19	0.23
Net Loss on Sale of Property, Plant & Equipment	-	0.26
Loss in Foreign Currency Fluctuation (net)	4.26	-
Liquidated Damages	5.15	77.11
	<b>819.48</b>	<b>746.03</b>

**5.36 Other Comprehensive Income**

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
(i) Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income	4.14	3.95
- Remeasurement of the Employee Defined Benefit Plans	1.45	2.58
	5.59	6.53
(ii) Income tax relating to items that will not be reclassified to profit or loss		
- Income Taxes relating to Equity Instruments through Other Comprehensive Income (Deferred Tax)	(1.45)	1.89
- Income Taxes relating to Remeasurement of Employee Defined Benefit Plans	(0.36)	(0.72)
	(1.81)	1.17
	<b>3.78</b>	<b>7.70</b>

**5.37 Earnings Per Share:**

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Net Profit / (Loss) attributable to Equity Shareholders (₹ in Lakhs)	467.18	522.57
Weighted average number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earning per Equity Share of ₹ 10/- each		
- Basic	21.36	23.90
- Diluted	21.36	23.90
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**

Particulars	(₹ in Lakhs)	
	31-03-2023	31-03-2022
1 Contribution to Employees' Provident Fund	31.68	30.63
2 Contribution to Employees' Family Pension Fund	38.26	28.17
3 Contribution to Employees' Superannuation Fund	18.03	15.90

**b) Defined Benefit Plans**

(i) Changes in the Present Value of Obligation	(₹ in Lakhs)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded

a. Present Value of Obligation as at opening date	342.39	329.74
b. Interest Expense	23.96	21.48
c. Past Service Cost	-	-
d. Current Service Cost	21.94	21.30
e. Curtailment Cost/(Credit)		
f. Settlement Cost/(Credit)		
g. Actual Benefit Payments	(19.15)	(27.57)
h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(2.81)	(2.56)
- experience adjustments	-	-
i. Present Value of Obligation as at closing date	<b>366.33</b>	<b>342.39</b>

(ii) Changes in the Fair Value of Plan Assets	(₹ in Lakhs)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded

a. Present Value of Plan Assets as at opening date	324.99	281.00
b. Expected Return on Plan Assets (Interest Income)	23.59	19.96
c. Mortality charges and taxes	(1.19)	(1.16)
d. Actuarial Gain/(Loss)		
- changes in financial assumptions	(1.36)	0.03
- experience adjustments	-	-
e. Employers' Contributions	24.32	52.74
g. Benefits Paid	(19.15)	(27.57)
h. Fair Value of Plan Assets as at closing date	351.20	324.99
i. Actual return on plan assets	<b>22.23</b>	<b>19.99</b>

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets	(₹ in Lakhs)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded

a. Present Value of Obligation as at the end of the period	366.33	342.39
b. Fair Value of Plan Assets as at the end of the period	351.20	324.99
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(15.14)	(17.39)
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	(₹ in Lakhs)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded

a. Current Service Cost	21.94	21.30
b. Past Service Cost	-	-
c. Interest Cost	0.38	1.52
d. Expected Return on Plan Assets	-	-
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
h. Employees' Contribution	-	-
i. Total Expenses recognized in the Profit & Loss Account	<b>22.32</b>	<b>22.82</b>

(₹ in Lakhs)

	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded
(v) Expenses recognized in Other Comprehensive Income for the year		
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	(1.45)	(2.58)
c. Actuarial changes arising from changes in experience adjustments	-	-
d. Return on plan assets excluding interest income	-	-
e. Recognised in Other Comprehensive Income	(1.45)	(2.58)
(vi) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date		
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	-	-

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

(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.)

Following are the Principal Actuarial Assumptions used as at the balance sheet date:	31-03-2023	31-03-2022
a. Interest Rate	7.80%	7.80%
b. Discount Rate	7.50%	7.20%
c. Expected Rate of Return on Plan Assets	7.20%	6.80%
d. Salary Escalation Rate	6.00%	6.00%
e. Expected Average Remaining Working Lives of Employees	13.18 years	13.55 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 10.79 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 ₹ in Lakhs)
2024	130.56
2025	42.36
2026	37.39
2027	33.23
2028	21.75
2029-2033	138.46

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 ₹ 24.31 Lakhs to its gratuity fund in 2023. The Company intends to contribute ₹ 15.00 Lakhs towards its gratuity fund in 2024.

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			31-03-2023	31-03-2022
Mar-23	Mar-22		Defined Benefit obligation (₹ in Lakhs)	
6.50%	6.20%		388.67	365.10
8.50%	8.20%		347.02	322.78

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

Salary Increment Rate			31-03-2023	31-03-2022
Mar-23	Mar-22		Defined Benefit obligation (₹ in Lakhs)	
5.00%	5.00%		349.71	325.54
7.00%	7.00%		385.25	361.56

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

Withdrawal rate			31-03-2023	31-03-2022
	Mar-23	Mar-22	Defined Benefit obligation (₹ in Lakhs)	
Decrease By 1%	4.00%	4.00%	363.37	339.87
Increase By 1%	6.00%	6.00%	368.98	344.01

- xvi) Mortality

The active members of the scheme will experience in-service mortality in accordance with the Indian Assured Lives Mortality (2012-14) ultimate (IALM ult). A sample pick from this table is given below:

Age	Mortality rate
21	0.000934
22	0.000937
23	0.000936
24	0.000933
25	0.000931

Age of the members at the valuation date is taken as their nearest age at that date.

- 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. Hence companies are encouraged to adopt asset-liability management.

**(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 certain operating leases for office facilities (short term leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties.

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Operating Lease as a Lessor</b>		
<b>Receipt Recognised as Income</b>		
Rental Income	34.48	36.82
<b>Operating Lease as a Lessee</b>		
<b>Payment Recognised as Expense</b>		
Rental Expenses	6.36	5.73

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

5.40 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) Subsidiary

Bemco Fluidtechnik LLP

(b) Key Managerial Personnel

Shri Madan Mohan Mohta - Chairman (upto 30/03/2023)

Shri Anirudh Mohta - Managing Director

Smt. Urmila Devi Mohta

Shri R.M. Shah, Director

Shri N.K. Daga, Director

Shri Dilip Chandak, Director

Shri Vijay Sambrekar, CFO

Smt Amruta Tarale, CS

(c) Enterprises where Key Managerial Personnel have significant influence:

U. D. Fininvest Pvt Ltd ( amalgamated with SRE)

Mohta Capital Pvt Ltd

Bemco Precitech Pvt Ltd (amalgamated with SRE)

U.D. Polyproducts Pvt Ltd ( amalgamated with SRE)

Sri Ramachandra Enterprises Pvt Ltd (SRE)

Sri Ramachandra Capital Consultancy Pvt Ltd

M.M.Mohta Charitable Trust

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

(₹ in Lakhs)

Nature of Transactions	Subsidiary		Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant influence	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>I. Financial Assets</b>						
<u>Trade Receivables</u>						
- Bemco Fluidtechnik LLP	10.16	0.12	-	-	-	-
<b>II. Other Current Assets</b>						
<u>Advances other than capital advances</u>						
Advances for purchase of goods and services						
- Bemco Fluidtechnik LLP	81.53	34.81	-	-	-	-
<b>III. Preference Share Capital</b>						
<u>11% Cumulative Redeemable Preference Shares of ₹ 100/- each</u>						
- Mohta Capital Private Limited	-	-	-	-	190.00	190.00
- U.D. Finvest Private Limited	-	-	-	-	-	60.00
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	110.00	50.00
<b>IV. Financial Liabilities</b>						
<u>Short Term Borrowings</u>						
<u>Accepted During the Year</u>						
- U.D. Fininvest Private Limited	-	-	-	-	-	26.50
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	2.00	31.00
- Mohta Capital Private Limited	-	-	-	-	4.00	66.00
<u>Repaid During the Year (Including Interest)</u>						
- U.D. Fininvest Private Limited	-	-	-	-	-	2.97
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	17.87	7.90
- Bemco Precitech Pvt Ltd	-	-	-	-	-	0.45
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	0.36
- Mohta Capital Private Limited	-	-	-	-	43.41	36.34
<u>Balance as at Year End (including interest)</u>						
- U.D. Fininvest Private Limited	-	-	-	-	-	37.25
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	94.95	60.92
- Mohta Capital Private Limited	-	-	-	-	241.09	255.64
- Bemco Precitech Pvt Ltd	-	-	-	-	-	0.83
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	2.00
<b>V. Other Financial Liabilities</b>						
<u>Guarantee Commission Payable as at Year End</u>						
- Mohta Capital Private Limited	-	-	-	-	-	4.69
- U.D. Fininvest Private Limited	-	-	-	-	-	0.94
- Sri Rama Chandra Enterprise Private Limited	-	-	-	-	-	2.46

Nature of Transactions	Subsidiary		Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant influence	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>VI. Revenue From Operations</b>						
<u>Sale of Goods</u>						
- Bemco Fluidtechnik LLP	37.68	106.59	-	-	-	-
<b>VII. Other Income</b>						
<u>Lease Rental</u>						
- Bemco Fluidtechnik LLP	5.06	5.06	-	-	-	-
- Mohta Capital Private Limited	-	-	-	-	0.14	0.04
- Sri Ramachandra Capital Consultancy Pvt Ltd	-	-	-	-	-	0.14
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	0.14	0.14
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	0.14
- Bemco Precitech Pvt Ltd	-	-	-	-	-	0.14
- U.D. Finvest Private Limited	-	-	-	-	-	0.14
<b>VIII. Expenses</b>						
<u>Purchase of Raw Materials</u>						
- Bemco Fluidtechnik LLP	94.51	258.91	-	-	-	-
<u>Finance Cost</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	2.97
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	9.82	5.31
- Mohta Capital Private Limited	-	-	-	-	24.87	24.36
- Bemco Precitech Private Limited	-	-	-	-	-	0.10
- U.D.Polyproducts Private Limited	-	-	-	-	-	0.21
<u>Employee Benefit Expense</u>						
- Shri Anirudh Mohta	-	-	85.60	80.47	-	-
- Shri V. B. Sambrekar	-	-	9.58	7.89	-	-
- Smt Amruta Tarale	-	-	7.09	5.67	-	-
<u>Other Expenses</u>						
<u>Sitting Fees</u>						
- Shri Madan Mohan Mohta	-	-	0.04	0.05	-	-
- Smt Urmila Devi Mohta	-	-	0.04	0.05	-	-
<u>CSR Expenses</u>						
- M.M.Mohta Charitable Trust	-	-	-	-	0.96	-
<u>Guarantee Commision</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	4.74
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	12.50
- Mohta Capital Private Limited	-	-	-	-	-	23.83

**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.

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

No guarantees have been given during the year.

**D. Details of any Guarantees Given or Received**

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

- (i) Cash Credit facility availed from Bank of Baroda.

**Note:** The aforesaid credit facilities is also secured by corporate guarantee from Sri Ramachandra Enterprises Private Limited and Mohta Capital Private Limited. 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	2022-23	2021-22
	₹ in Lakhs	₹ in Lakhs
Short-term employee benefits	95.46	87.98
Post-employment benefits	6.80	6.06
Other Long Term Benefits	-	-
Termination benefits	-	-
Share Based Payments	-	-
<b>Total compensation paid to key management personnel</b>	<b>102.26</b>	<b>94.04</b>

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 31-03-2023	As at 31-03-2022
	Euro in Lakhs	Euro in Lakhs
<b><u>Trade and Other Payables</u></b>		
- Deferred Payment Liabilities	2.85	2.85
<b><u>Trade &amp; Other Receivables</u></b>		
Trade Receivables	-	-

### **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% charge 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	(₹ in Lakhs)	
	Euro Impact	
	31-03-2023	31-03-2022
Increase in Exchange Rate by 5%	12.65	12.37
Decrease in Exchange Rate by 5%	(12.65)	(12.37)

### **Equity Risk**

There is no material equity risk relating to the Companies' equity investments which are detailed in note 5.04 "Investments". The Companies' 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 Companies' 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
<b>As at 31-03-2023</b>	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
i) Borrowings	693.84	20.90	714.74	714.74
ii) Other Financial Liabilities	-	3.99	3.99	3.99
	<b>693.84</b>	<b>24.89</b>	<b>718.73</b>	<b>718.73</b>

Particulars	Less Than 1 year	1 -5 years	Total	Carrying Amount
<b>As at 31-03-2022</b>	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
i) Borrowings	616.45	26.36	642.81	642.81
ii) Other Financial Liabilities	-	3.99	3.99	3.99
	<b>616.45</b>	<b>30.35</b>	<b>646.80</b>	<b>646.80</b>

#### 5.42 Capital Management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes non-current borrowings, current borrowings and certain components of other financial liabilities.

#### The Gearing Ratio at end of the Reporting Period:

(₹ in Lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
Gross Debt	714.74	642.81
Cash and Bank Balances	(244.13)	(1,157.47)
<b>Net Debt</b>	<b>470.61</b>	<b>(514.66)</b>
Total Equity	2,236.03	1,765.08
<b>Net Debt to Total Equity</b>	<b>0.21</b>	<b>-0.29</b>

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

## 5.43 Fair value measurements hierarchy

(₹ in Lakhs)

Particulars	As at 31-03-2023			As at 31-03-2022		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	1,725.41	-	-	1,618.80	-	-
Cash and Bank Balance	244.13	-	-	1,157.47	-	-
Other Financial Assets	70.50	-	-	49.67	-	-
<b>At FVTOCI</b>						
Investments	32.43	26.06	6.37	28.29	21.92	6.37
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	1,013.32	-	-	941.29	-	-
Trade Payables	1,358.12	-	-	1,450.24	-	-
Other Financial Liabilities	54.96	-	-	197.41	-	-

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}

5.44 **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-railing equipments and the activities incidental thereto, hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

**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 (₹ in Lakhs) Current Year	Amount of Revenue (₹ in Lakhs) Previous Year
Hydraulic Presses	1,601.89	1,908.99
Equipments	499.34	314.32
Spares	260.56	363.69
Portable Re-Railing Equipments	1,846.75	3,213.94
Services	64.61	142.34
Other Operating Revenues:		
- Income from Annual Service Contract	228.31	154.57
- Installation and Commissioning Charges etc.	103.79	127.52
<b>Total Revenue</b>	<b>4,605.25</b>	<b>6,225.37</b>

**(ii) Information about Geographical Area as Required by PARA 33****(a) Revenues From External Customers****Amount of Revenue (₹ in Lakhs)**

(I) Attributed to the entity's country of domicile	4,557.74	(Previous Year: 5,877.67)
(II) Attributed to all foreign countries in total from which the entity derives revenues	47.51	(Previous Year: 347.70)

**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 customers of the company's Rerailing equipment business represent ₹ 684.68 Lakhs (Previous Year ₹ 2619.65 Lakhs) of the company's total revenue which is more than 10% of the company's total revenue.

**5.45 A. Revenue Stream**

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. Sale of Service includes installation charges. Other sources of revenue include Freight, Packing Charges, Annual Service Contracts etc.

Particulars	Note No.	Figures for the year ended	
		31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Sale of Products	5.28	4,208.54	5,800.94
Sale of Services	5.28	64.61	142.34
Other Operating Revenues:	5.28		
- Income from Annual Service Contract		228.31	154.57
- Others		103.79	127.52
		<b>4,605.25</b>	<b>6,225.37</b>

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market.

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
India	4,557.74	5,877.67
Other Countries	47.51	347.70
	<b>4,605.25</b>	<b>6,225.37</b>

**C. Reconciliation of net sale of goods & services**

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Gross Sales Value	4,660.16	6,513.92
Less: Sales Returns	(13.43)	(237.66)
Less: Trade discounts, promotions & channel margins	(41.48)	(50.89)
<b>Sale of Goods &amp; Services (Net)</b>	<b>4,605.25</b>	<b>6,225.37</b>

**5.46 Additional Regulatory Information as required by Schedule III to the Companies Act, 2013:**

- a) The title deeds of the Immovable Property (other than properties where the company is the lessee and the lease arrangements are duly executed in favour of the lessee) are held in the name of the Company.
- b) The company does not have any investment property at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.
- c) The company has not revalued its Property, Plant and Equipment during the current year and previous year.
- d) The company has not granted any loans or advances in the nature of loan to promoters, directors, KMP and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayment during the current and the previous year. Accordingly, disclosures as required under this para is not applicable.
- e) The company does not have any capital work-in-progress at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.
- f) The company does not have any intangible asset under development at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.
- g) There has been no proceeding initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.
- h) The company has not been declared as wilful defaulter by any bank or financial institution or other lender during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.
- i) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous year. Accordingly, disclosures as required under this para is not applicable.
- j) There are no charges or satisfaction pending for registration with the Registrar of Companies beyond the statutory period. Accordingly, disclosures as required under this para is not applicable.
- k) The company only has one wholly owned subsidiary and accordingly compliance with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 is not applicable.

I) Analytical Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Change	Reason of Change if more than 25%
Current Ratio	Current Assets	Current Liabilities	1.60	1.43	11.79%	NA
Debt-Equity Ratio	Total Debt	Shareholders Equity	0.20	0.21	-2.49%	NA
Debt Service Coverage Ratio	Earnings Available for debt Services	Debt Service	0.67	1.03	-34.76%	Decrease in Revenue and profit
Return on Equity Ratio	Net Profit After Tax less Preference Dividend	Average Shareholders Equity	0.10	0.12	-20.01%	NA
Inventory Turnover Ratio	Cost of Goods Sold (COGS)	Average Inventory	1.00	2.47	-59.63%	Increase in Inventory and decrease in profit
Trade Receivables turnover Ratio	Net Credit Sales	Average Accounts Receivable	2.56	3.62	-29.34%	Decrease in sales
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	2.28	2.56	-10.94%	NA
Net Capital Turnover Ratio	Net Sales	Working Capital	2.59	4.78	-45.95%	Decrease in sales and increase in working capital
Net Profit Ratio (%)	Net profit after Tax	Net Sales	10.03%	8.31%	20.75%	Increase in contribution to sales
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	14.29%	22.74%	-37.16%	Decrease in sales and profit
Return on Investment (%)	Income Generated from Invested Funds	Average Invested Funds in Treasury Investments	18.47%	20.61%	-10.39%	NA

m) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

n)

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) during the current year and previous year with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) during the current year and previous year with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

o) There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income in the books of account during the current year and previous year in the tax assessment under the Income Tax Act, 1961.

p) The Company is covered under Section 135 of Companies Act, 2013. Disclosures as required as follows:



**Particulars****₹ in Lakhs**

(i) amount required to be spent by the company during the year :	<b>11.43</b>
(ii) amount of expenditure incurred :	<b>11.50</b>
(iii) shortfall at the end of the year :	-
(iv) total of previous years shortfall	<b>NIL</b>
(v) reason for shortfall :	

(vi) nature of CSR activities :

Health Care	<b>9.48</b>
Sanitation	<b>0.77</b>
Promoting Education	<b>0.60</b>
PM Relief fund	<b>0.65</b>
	<b>11.50</b>

(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard :

**NIL**

(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately :

**NIL**

q) The Company has not traded or invested in Crypto Currency or Virtual Currency during the current year and previous year and therefore, the disclosures as sought is not applicable.

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

5.48 All amounts in the financial statement are in ₹ Lakhs.

As Per our Report of Even Date attached.

For A.C.BHUTERIA & CO.

Chartered Accountants

Firm Regn. No.: 303105E

For and on behalf of the Board of Directors

Mohit Bhuteria

Partner

Membership No.: 056832

Place : Kolkata

Date: 26-05-2023

Vijay Sambrekar

CFO

PAN: BGLPS8409M

Amruta Tarale  
Company Secretary

ACS - 42288

Urmila Devi Mohta  
Chairman

DIN: 00068906

Anirudh Mohta  
Managing Director

DIN: 00065302

Place : Belgaum

Date: 26-05-2023

# **A.C.BHUTERIA & CO**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF BEMCO HYDRAULICS LIMITED**

#### **Report on the Audit of the 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 subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, 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 on the consolidated financial statements.

##### **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><b>Appropriateness of the carrying amount of trade receivables (Unsecured &amp; Considered Good) at amortized cost</b> (Refer Note – 5.08 to the standalone financial statements)</p> <p>Trade receivables aggregating to ₹1914.76Lakhs as at March 31, 2023 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><b>Our procedures, regarding obtaining the balance confirmation of Trade Receivable and verifying the same</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Evaluating whether the results of the external confirmation procedures provide relevant and reliable audit evidence, or whether performing further audit procedures is necessary</li> <li>• Performing Alternative audit procedures include examining specific subsequent cash receipts, transport documentation, and sales near the period-end.</li> </ul> <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/Partners of the entity 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/Partners of the entity 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/Partners either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors/Partners of the entity 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 with reference to consolidated financial statement 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

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

The consolidated financial statements of the Investor Company for the year ended 31st March, 2022, were audited by another auditor whose report dated 23rd May, 2022, expressed an unqualified opinion on those financial statements.

### Report on Other Legal and Regulatory Requirements

1. 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.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except as under:

Sr. No.	Name	CIN	Holding Company/ Subsidiary/ Associate/ Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Bemco Hydraulics Limited	L51101KA1957PLC001283	Holding Company	Clause No. (ii)(b)
2	Bemco Hydraulics Limited	L51101KA1957PLC001283	Holding Company	Clause No. (vii)(a)

3. 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, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the holding company incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statement 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 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:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 5.49 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. 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.
- iv. (a) The management of the holding company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management of the holding company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that the representations made by the management as stated in (i) and (ii) herein above, contain any material misstatement.

- v. The dividend declared or paid during the year by the holding Company is in compliance with Section 123 of the Companies Act, 2013.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For A.C. Bhuteria & Co.**  
Chartered Accountants  
Firm's Registration No. 303105E

**Mohit Bhuteria**  
**Partner**  
**Membership No.: 056832**  
**UDIN: 23056832BGXQM09794**

**Place:** Kolkata

**Date:** 26-05-2023



## **Annexure - A 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")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2023, we have audited the internal financial controls with reference to consolidated financial statement of **BEMCO HYDRAULICS LIMITED** ("the Holding Company") which is company incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls with reference to consolidated financial statement**

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to consolidated financial statement 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 with reference to consolidated financial statement 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 with reference to consolidated financial statement 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 with reference to consolidated financial statement over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, 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 with reference to consolidated financial statement.

### **Meaning of Internal Financial Controls with reference to consolidated financial statement**

A company's internal financial control with reference to consolidated financial statement 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 with reference to consolidated financial statement 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 with reference to consolidated financial statement**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statement, 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 with reference to consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated financial statement 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 with reference to consolidated financial statement and such internal financial controls with reference to consolidated financial statement were operating effectively as at 31 March 2023, 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 **A.C. Bhuteria & Co.**  
Chartered Accountants  
Firm's Registration No. 303105E

**Mohit Bhuteria**  
Partner  
Membership No.: 056832  
UDIN: 23056832BGXQM09794

**Place:** Kolkata

**Date:** 26-05-2023

**BEMCO HYDRAULICS LIMITED**

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023**

(₹ in Lakhs)

Particulars	Note No.	Figures as at 31-03-2023	Figures as at 31-03-2022
<b>ASSETS</b>			
<b>(1) Non-Current assets</b>			
(a) Property, Plant and Equipment	5.01	4,340.92	4,396.00
(b) Capital Work In Progress	5.02	-	-
(c) Other Intangible Assets	5.03	3.31	16.54
(d) Financial Assets			
(i) Investments	5.04	31.78	27.63
(ii) Other Financial Assets	5.05	52.68	40.12
(e) Other Non-Current Assets	5.06	4.36	4.36
<b>Total Non-Current Assets</b>		<b>4,433.05</b>	<b>4,484.65</b>
<b>(2) Current Assets</b>			
(a) Inventories	5.07	2,785.96	1,583.86
(b) Financial Assets			
(i) Trade Receivables	5.08	1,760.74	1,644.17
(ii) Cash and Cash Equivalents	5.09	25.90	901.23
(iii) Bank Balances other than (ii) above	5.10	233.99	267.41
(iv) Other Financial Assets	5.11	18.76	10.18
(c) Current Tax Assets	5.12	-	0.96
(d) Other Current Assets	5.13	172.76	169.59
<b>Total Current Assets</b>		<b>4,998.11</b>	<b>4,577.40</b>
<b>Total Assets</b>		<b>9,431.16</b>	<b>9,062.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	5.14	219.34	219.34
(b) Other Equity	5.15	4,500.37	4,106.30
(c) Non Controlling Interest		-	-
<b>Total Equity</b>		<b>4,719.71</b>	<b>4,325.64</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	5.16	319.48	324.84
(ii) Other Financial Liabilities	5.17	3.99	3.99
(b) Provisions	5.18	9.09	11.88
(c) Deferred Tax Liabilities (Net)	5.19	825.74	836.64
(d) Other Non-Current Liabilities	5.20	21.79	44.65
<b>Total Non-Current Liabilities</b>		<b>1,180.09</b>	<b>1,222.00</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	5.21	1,097.50	993.42
(ii) Trade Payables	5.22		
(a) Total Outstanding Dues of Micro, Medium and Small Enterprises		171.58	168.15
(b) Total outstanding Dues of Other than Micro, Medium and Small Enterprises		1,228.68	1,327.36
(iii) Other Financial Liabilities	5.23	58.11	205.35
(b) Other Current Liabilities	5.24	797.42	602.10
(c) Provisions	5.25	98.36	82.68
(d) Current Tax Liabilities (Net)	5.26	79.71	135.35
<b>Total Current Liabilities</b>		<b>3,531.36</b>	<b>3,514.41</b>
<b>Total Equity and Liabilities</b>		<b>9,431.16</b>	<b>9,062.05</b>
<b>Significant Accounting Policies</b>	2	-	-
<b>See accompanying Notes to Consolidated Financial Statements</b>	1 - 5		

As Per our Report of Even Date attached.

For A.C.BHUTERIA &amp; CO.

Chartered Accountants

Firm Regn. No.:

For and on behalf of the Board of Directors

Mohit Bhuteria

Partner

Membership No.: 056832

Place : Kolkata

Date: 26-05-2023

Vijay Sambrekar

CFO

PAN:BGLPS8409M

Amruta Tarale

Company Secretary

ACS - 42288

Urmila Devi Mohta

Chairman

DIN: 00068906

Place : Belgaum

Date: 26-05-2023

Anirudh Mohta

Managing Director

DIN:00065302

# BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Note No.	Figures for the year ended	
		31-03-2023	31-03-2022
<b>I REVENUE FROM OPERATIONS</b>	<b>5.27</b>	4,843.63	6,550.78
<b>II OTHER INCOME</b>	<b>5.28</b>	46.09	59.06
<b>III TOTAL INCOME (I + II)</b>		<b>4,889.72</b>	<b>6,609.84</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	5.29	3,203.45	3,325.15
Changes In Inventories Of Finished Goods And Work-In-Progress	5.30	(1,115.72)	305.44
Employee Benefits Expense	5.31	1,148.08	980.61
Finance Costs	5.32	180.71	264.06
Depreciation And Amortization Expense	5.33	84.55	93.82
Other Expenses	5.34	925.61	834.04
<b>TOTAL EXPENSES</b>		<b>4,426.68</b>	<b>5,803.12</b>
<b>V PROFIT / (LOSS) BEFORE TAX (III - IV)</b>		463.04	806.72
Exceptional Items		-	
		463.04	
<b>VI TAX EXPENSE:</b>			
(i) Current Tax	5.26	157.09	157.31
(ii) Income Tax for Earlier Years	5.26	(71.98)	3.84
(iii) Deferred Tax	5.19	(11.46)	66.22
		<b>73.65</b>	<b>227.37</b>
<b>VII PROFIT (LOSS) FOR THE YEAR (V - VI)</b>		<b>389.39</b>	<b>579.35</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>	<b>5.35</b>		
(i) Items that will not be reclassified to profit or loss		5.59	6.53
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.81)	1.17
<b>IX TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3.78</b>	<b>7.70</b>
<b>X TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + VII)</b>		<b>393.17</b>	<b>587.05</b>
<b>NET PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
(a) Owners of the Company		389.39	579.35
(b) Non-Controlling Interest		-	-
<b>OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
(a) Owners of the Company		3.78	7.70
(b) Non-Controlling Interest		-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
(a) Owners of the Company		393.17	587.05
(b) Non-Controlling Interest		-	-
<b>XI Earnings Per Equity Share of Face Value of ₹ 10/- each</b>	<b>5.36</b>		
(1) Basic		17.81	26.49
(2) Diluted		17.81	26.49
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>See accompanying Notes to Consolidated Financial Statements</b>	<b>1 - 5</b>		

As Per our Report of Even Date attached.

For A.C.BHUTERIA & CO.

Chartered Accountants

Firm Regn. No.:

For and on behalf of the Board of Directors

Mohit Bhuteria  
Partner  
Membership No.: 056832

Vijay Sambrekar  
CFO  
PAN:BGLPS8409M

Amruta Tarale  
Company Secretary  
ACS - 42288

Urmila Devi Mohta  
Chairman  
DIN: 00068906

Anirudh Mohta  
Managing Director  
DIN:00065302

Place : Kolkata  
Date: 26-05-2023

Place :Belgaum  
Date: 26-05-2023

**BEMCO HYDRAULICS LIMITED**Udyambag, Belgaum 590 008.  
CIN : L51101KA1957PLC001283**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023**

(₹ in Lakhs)

Particulars	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) Before Exceptional Items and Tax	463.04	806.72
Adjustments For :		
Loss on Sale of Property, Plant & Equipment	(0.32)	(2.82)
Expected Credit Loss Allowances/ Doubtful (Net)	60.10	12.05
Liability no longer required written back	(0.13)	(0.43)
Bad Debt and advances written off	3.57	12.99
Finance Cost	180.49	264.01
Depreciation and Amortization expense	84.56	93.82
Unrealised Foreign Exchange (Gain) / Loss (net)	4.23	(0.15)
Provision for Warranty Made/ (Written Back)	4.01	2.19
Provision for Bad and Doubtful debts	2.20	
Provision for Leave Encashment	11.67	15.53
Provision for Gratuity	22.32	21.55
Dividend from Non-Current/ Long Term Investments	(0.29)	(0.16)
Interest Income	(14.52)	(17.51)
Lease/ Rental Income	(34.48)	(36.82)
Excess & Short Provision	2.64	-
<b>Operating Profit Before Working Capital Changes</b>	<b>789.09</b>	<b>1,170.97</b>
Movements in Working Capital		
Decrease/ (Increase) in Trade and Other Receivables	(184.50)	15.71
Decrease/ (Increase) in Inventories	(1,236.75)	29.11
Increase/ (Decrease) in Trade and Other Payables	62.43	207.77
<b>Cash Generated From Operations</b>	<b>(569.73)</b>	<b>1,423.56</b>
Direct Taxes Paid (Net)	(139.75)	(176.04)
<b>Net Cash Flow From (Used In) Operating Activities (A)</b>	<b>(709.48)</b>	<b>1,247.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment (incl. Capital Advances)	(15.21)	(138.62)
Paid Towards Capital Work-in-Progress	-	
Sale of Property, Plant & Equipment	3.02	11.50
Investment in Fixed Deposits	34.44	(18.16)
Dividend from Non-Current/ Long Term Investments	0.29	0.16
Interest Received	13.23	14.48
Lease/ Rental Income	34.48	36.82
<b>Net Cash Flow From (Used In) Investing Activities (B)</b>	<b>70.25</b>	<b>(93.82)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(9.32)	(193.04)
Proceeds/(Repayment) of Short Term Borrowings(net)	99.45	(0.32)
Interest Paid	(326.22)	(364.98)
<b>Net Cash Flow From (Used In) Financing Activities (C)</b>	<b>(236.09)</b>	<b>(558.34)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(875.32)</b>	<b>595.36</b>
<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	<b>901.22</b>	<b>305.86</b>
<b>Cash &amp; Cash Equivalents at the end of the Year<sup>2</sup></b>	<b>25.90</b>	<b>901.22</b>

**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 to the Financial Statements.
- (3) Debt Reconciliation Statement in accordance with IND AS 7 as under:

	31.03.2023 (₹)	31.03.2022 (₹)
<u>Opening Balances</u>		
Long Term Borrowings	864.34	649.90
Short Term Borrowings	318.33	1,341.13
<u>Movements (Net)</u>		
Long Term Borrowings	(544.86)	214.44
Short Term Borrowings	779.17	(1,022.80)
<u>Closing Balances</u>		
Long Term Borrowings	319.48	864.34
Short Term Borrowings	1,097.50	318.33

As Per our Report of Even Date attached.

For A.C.BHUTERIA & CO.  
Chartered Accountants  
Firm Regn. No.:

For and on behalf of the Board of Directors

Mohit Bhuteria  
Partner  
Membership No.: 056832Vijay Sambrekar  
CFO  
PAN :BGLP58409MAmruta Tarale  
CS  
ACS-42288Urmila Devi Mohta  
Chairman  
DIN:00068906Anirudh Mohta  
Managing Director  
DIN:00065302Place : Kolkata  
Date : 26-05-2023Place: Belgaum  
Date: 26-05-2023

## BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023



#### A. Equity Share Capital

Equity Shares of ₹ 10/- each issued, subscribed and fully paid up

(Amount in ₹ in Lakhs)

Balance as at the beginning of the reporting period, i.e. 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balances at the beginning of the current year	Changes in equity share capital during the year 2022-2023	Balance as at the end of the reporting period, i.e. 31st March 2023
219.34	-	219.34	-	219.34

Equity Shares of ₹ 10/- each issued, subscribed and fully paid up

(₹ in Lakhs)

Balance as at the beginning of the reporting period, i.e. 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balances at the beginning of the current year	Changes in equity share capital during the year 2021-2022	Balance as at the end of the reporting period, i.e. 31st March 2022
219.34	-	219.34	-	219.34

#### B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium	Retained Earnings	Revaluation Surplus	Equity Instruments through OCI	Other items of OCI (Remeasurement of Employee Defined Benefit Plans)	
<b>Current Year - 2022-23</b>									
Balance as at 1st April, 2022	2,762.80	34.73	70.24	448.32	781.95	-	26.81	(18.54)	4,106.31
Add/(Less): Changes in Accounting Policy or prior period errors	-	-	-	-	-	-	-	-	-
<b>Restated Balance at the beginning of the current year</b>	<b>2,762.80</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>781.95</b>	<b>-</b>	<b>26.81</b>	<b>(18.54)</b>	<b>4,106.31</b>
<b>Add: Total Comprehensive Income for the year</b>									
Profit for the year	-	-	-	-	389.39	-	-	-	389.39
Other Comprehensive Income for the year	-	-	-	-	-	-	2.69	1.09	3.78
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>389.39</b>	<b>-</b>	<b>2.69</b>	<b>1.09</b>	<b>393.17</b>
Transferred to Retained Earnings	(3.77)	-	-	-	3.77	-	-	-	-
Tax Adjustments	0.89	-	-	-	-	-	-	-	0.89
<b>Balance as at 31st March, 2023</b>	<b>2,759.92</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>1,175.11</b>	<b>-</b>	<b>29.50</b>	<b>(17.45)</b>	<b>4,500.37</b>

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Securities Premium	Retained Earnings	Revaluation Surplus	Equity Instruments through OCI	Other items of OCI (Remeasurement of Employee Defined Benefit Plans)	
<b>Previous Year - 2021-22</b>									
Balance as at 1st April, 2021	2,762.23	34.73	70.24	448.32	200.37	-	20.97	(20.40)	3,516.46
Add/(Less): Changes in Accounting Policy or prior period errors	-	-	-	-	-	-	-	-	-
<b>Restated Balance at the beginning of the current year</b>	<b>2,762.23</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>200.37</b>	<b>-</b>	<b>20.97</b>	<b>(20.40)</b>	<b>3,516.46</b>
<b>Add: Total Comprehensive Income for the year</b>									
Profit for the year	-	-	-	-	579.35	-	-	-	579.35
Other Comprehensive Income for the year	-	-	-	-	-	-	5.84	1.86	7.70
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>579.35</b>	<b>-</b>	<b>5.84</b>	<b>1.86</b>	<b>587.05</b>
Transferred to Retained Earnings	(2.23)	-	-	-	2.23	-	-	-	-
Tax Adjustments	2.80	-	-	-	-	-	-	-	2.80
<b>Balance as at 31st March, 2022</b>	<b>2,762.80</b>	<b>34.73</b>	<b>70.24</b>	<b>448.32</b>	<b>781.95</b>	<b>-</b>	<b>26.81</b>	<b>(18.54)</b>	<b>4,106.31</b>

Note: There is no amount of other equity attributable to Non-controlling Interest.

As Per our Report of Even Date attached.

For A.C.BHUTERIA & CO.

Chartered Accountants

Firm Regn. No.:

Mohit Bhuteria  
Partner  
Membership No.: 056832

Place : Kolkata  
Date: 26-05-2023

Amruta Tarale  
Company Secretary  
ACS - 42288

Vijay Sambrekar  
CFO  
PAN:BGLPS8409M

Urmila Devi Mohta  
Chairman  
DIN: 00068906

Anirudh Mohta  
Managing Director  
DIN: 00065302

Place: Belgaum  
Date: 26-05-2023

For and on behalf of the Board of Directors

## BEMCO HYDRAULICS LIMITED

Udyambag, Belgaum 590 008.

CIN : L51101KA1957PLC001283



### Summary of Significant Accounting Policies and Notes to the Consolidated Financial Statements

For the Year Ended 31st March, 2023

#### 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 31<sup>st</sup> March, 2023.

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 Companies' equity shares are listed on the Bombay Stock Exchange (BSE Ltd.) since the 05<sup>th</sup> 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, 2022 were approved by the Board of Directors and authorised for issue on 26th May, 2023.

#### 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:

- i) Certain financial assets and financial liabilities; and
- ii) 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 Companys' consolidated financial statemets are presented in Indian Rupees (₹).

##### 2.03 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

##### 2.04 Principles of Consolidation

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

- (a) 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.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- (c) The carrying amount of the Parent's investment in the subsidiary is offset (eliminated) against the parent's share in the Patner's Fund of the subsidiary.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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.



## 2.05 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 Recent Indian Accounting Standards (Ind AS)/ Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

**5.04 Investments**

Particulars	Face value per share (₹)	31-03-2023		31-03-2022	
		Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
<b>Non Current</b>					
<b>(i) Investments in Equity Instruments carried at fair value through other comprehensive income (FVOCI)</b>					
<b>A. Quoted (Fully paid up, unless otherwise stated)</b>					
Alfred Herbert (India) Limited	10	5	0.04	5	0.04
BF Investment Limited (Bonus)	5	26	0.10	26	0.07
BF Utilites Limited	5	26	0.08	26	0.08
Bharat Forge Company Limited	2	130	1.00	130	0.91
Bharat Forge Company Limited (Bonus)	2	130	1.00	130	0.91
Dynamatic Technologies Limited	10	40	1.10	40	0.85
E.C.E. Industries Limited	10	30	-	30	-
Eicher Motors Limited	1	10	0.30	10	0.25
Elecon Engineering Co. Limited (Including Bonus)	2	360	1.37	360	0.52
GKW Limited (Formerly, Guest Keen Williams Limited)	10	1	0.00	1	0.01
Jyoti Limited	10	50	0.01	50	-
Kulkarni Power Tools Limited	5	200	0.59	200	0.25
Larsen and Toubro Limited	2	256	5.54	256	4.52
Larsen and Toubro Limited (Bonus)	2	320	6.93	320	5.66
LML Limited	10	27	0.00	27	0.00
Mahindra and Mahindra Limited	5	52	0.60	52	0.42
Mahindra and Mahindra Limited (Bonus)	5	52	0.60	52	0.42
Manugraph Industries Limited	2	240	0.03	240	0.03
Nesco Limited (New Standard Engineering Company Limited)	2	200	1.03	200	1.11
Scooters India Limited	10	50	0.01	50	0.02
Tata Motors Limited	2	115	0.48	115	0.50
Tata Motors Limited	2	15	0.06	15	0.07
Texmaco Rail Engineering Limited	1	100	0.04	100	0.04
Ultratech Cement (Bonus)	10	51	3.89	51	3.37
Voltas Limited	1	150	1.23	150	1.87
Best and Crompton Engineering Private Limited	10	105	0.00	105	0.00
Eaton Fluid Power Limited	10	24	0.00	24	0.00
UT Limited	10	100	0.01	100	0.01
			26.06		21.92
<b>B. Unquoted (Fully paid up, unless otherwise stated)</b>					
Belgaum Coal and Coke Consumer Co-op Ass. Limited	100	4	0.38	4	0.38
Belgaum Manufacturers Co-op Industrial Estate Limited	100	40	4.09	40	4.09
WG Forge and Allied Industrial Limited	10	50	-	50	-
Saraswat Co-operative Bank Limited	10	783	1.25	783	1.25
Eicher Tractors Limited	10	4	-	4	-
			5.72		5.72
<b>TOTAL</b>			<b>31.78</b>		<b>27.63</b>
<b>Aggregate amount of quoted investments</b>			26.06	21.92	
<b>Aggregate market value of quoted investments</b>			26.06	21.92	
<b>Aggregate amount of unquoted investments</b>			5.72	5.72	
<b>Aggregate amount of Impairment in value of Investments</b>			-	-	

5.01 Property, Plant & Equipment

(all fig. in Lakhs ₹)

Particulars	Gross Block				Depreciation					Net Block
	As at 01 04 2022	Addition		Deduction	As at 31-03-2023	Upto 31-03-2022	For the year	Deductions	Upto 31-03-2023	As at 31-03-2023
		On account of Revaluation during the year	During The Year	During The Year						
<b>Leased Asset</b>										
Leasehold Land	3,605.64	-	-	-	3,605.64	22.62	3.77	-	26.39	3,579.25
<b>Owned Assets</b>										
Office Buildings	437.63	-	-	-	437.63	66.93	10.81	-	77.74	359.89
Factory Building	73.53	-	-	-	73.53	9.34	2.33	-	11.67	61.86
Plant and Equipment	284.37	-	6.13	-	290.50	109.85	17.08	-	126.93	163.57
Moulds, Dies and Patterns	7.64	-	-	-	7.64	6.77	0.16	-	6.93	0.71
Furniture and Fixtures	38.83	-	0.46	-	39.29	7.18	3.41	-	10.59	28.70
Vehicles	247.25	-	10.54	6.73	251.06	98.11	27.04	4.03	121.12	129.94
Goods Transport Vehicles	5.20	-	-	-	5.20	4.64	0.19	-	4.83	0.37
Office Equipments	14.56	-	0.07	-	14.63	8.34	2.17	-	10.51	4.12
Electrical Installations	12.42	-	-	-	12.42	5.79	1.12	-	6.91	5.51
Computers	26.52	-	1.75	-	28.27	18.32	3.18	-	21.50	6.77
Borewell	0.44	-	-	-	0.44	0.17	0.06	-	0.23	0.21
<b>TOTAL</b>	<b>4,754.05</b>	<b>-</b>	<b>18.95</b>	<b>6.73</b>	<b>4,766.27</b>	<b>358.06</b>	<b>71.32</b>	<b>4.03</b>	<b>425.35</b>	<b>4,340.92</b>

## 5.01 Property, Plant & Equipment

(all fig. in Lakhs ₹)

Particulars	Gross Block					Depreciation				Net Block
	As at 01 04 2021	Addition		Deduction	As at 31-03-2022	Upto 31-03-2021	For the year	Deductions	Upto 31-03-2022	As at 31-03-2022
		On account of Revaluation during the year	During The Year	During The Year						
<b>Leased Asset</b>										
Leasehold Land	3,605.64	-	-	-	3,605.64	18.85	3.77	-	22.62	3,583.02
<b>Owned Assets</b>										
Office Buildings	437.63	-	-	-	437.63	55.22	11.71	-	66.93	370.70
Factory Building	73.53	-	-	-	73.53	7.01	2.33	-	9.34	64.19
Plant and Equipment	272.80	-	11.57	-	284.37	90.18	19.67	-	109.85	174.52
Moulds, Dies and Patterns	7.09	-	0.55	-	7.64	6.73	0.04	-	6.77	0.87
Furniture and Fixtures	38.33	-	0.50	-	38.83	3.62	3.56	-	7.18	31.65
Vehicles	192.18	-	77.03	21.96	247.25	82.80	28.59	13.28	98.11	149.14
Goods Transport Vehicles	5.20	-	-	-	5.20	3.87	0.77	-	4.64	0.56
Office Equipments	14.54	-	0.02	-	14.56	6.10	2.24	-	8.34	6.22
Electrical Installations	12.42	-	-	-	12.42	4.58	1.21	-	5.79	6.63
Computers	23.18	-	3.34	-	26.52	14.52	3.80	-	18.32	8.21
Borewell	0.44	-	-	-	0.44	0.11	0.06	-	0.17	0.27
<b>TOTAL</b>	<b>4,683.00</b>	<b>-</b>	<b>93.01</b>	<b>21.96</b>	<b>4,754.05</b>	<b>293.59</b>	<b>77.75</b>	<b>13.28</b>	<b>358.05</b>	<b>4,396.00</b>

**Note:**

- 1 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 Capital Work In Progress

(₹ in Lakhs)

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Balance as at the beginning of the Year</b>	-	-
Add: Additions made during the year	-	-
Less: Capitalised or transferred to property, plant and equipments during the year	-	-
<b>Balance as at the end of the Year</b>	-	-

## 5.03 Other Intangible Assets

(All figures in Lakhs ₹)

Particulars	Gross Block			Amortization				Net Block	
	As at 01-04-2022	Additions	Deductions	As at 31-03-2023	Upto 31-03-2022	For the year	Deductions	Upto 31-03-2023	As at 31-03-2023
Computer Software	36.09	-	-	36.09	26.76	6.03	-	32.79	3.30
Technical Know-how	120.42	-	-	120.42	113.21	7.21	-	120.42	0.00
<b>TOTAL</b>	<b>156.52</b>	-	-	<b>156.52</b>	<b>139.97</b>	<b>13.23</b>	-	<b>153.21</b>	<b>3.31</b>

Particulars	Gross Block			Amortization				Net Block	
	As at 01-04-2021	Additions	Deductions	As at 31-03-2022	Upto 31-03-2021	For the year	Deductions	Upto 31-03-2022	As at 31-03-2022
Computer Software	36.09	-	-	36.09	20.47	6.29	-	26.76	9.33
Technical Know-how	120.42	-	-	120.42	103.44	9.77	-	113.21	7.21
<b>TOTAL</b>	<b>156.52</b>	-	-	<b>156.52</b>	<b>123.91</b>	<b>16.06</b>	-	<b>139.97</b>	<b>16.54</b>

Note: The Above Intangible Assets are other than Internally Generated.

**5.05 Other Financial Assets**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Security Deposits {Refer Note (i) below}	40.53	27.13
Advances to Workers/ Employees	12.15	12.99
	<b>52.68</b>	<b>40.12</b>

**Note:**

(i) 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.

**5.06 Other Non-Current Assets**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Unsecured, Considered Good</b>		
Capital Advances	4.36	4.36
	<b>4.36</b>	<b>4.36</b>

**5.07 Inventories**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>(At lower of cost and net realisable value)</b>		
Raw Materials	362.63	298.18
Intermediate and Components	330.32	303.80
Stores and Spares	230.04	234.63
Work-in-Progress	1,858.24	736.48
Finished Goods	2.35	8.94
<b>(At estimated realisable value)</b>		
Scrap	2.38	1.83
	<b>2,785.96</b>	<b>1,583.86</b>

**Note:**

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

(ii) No Inventories as on 31<sup>st</sup> March, 2023 are in Transit.

**5.08 Trade Receivables**

Particulars	Figures as at	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Unsecured, Considered Good</b>		
Gross trade receivable, unsecured considered good	1,864.16	1,682.94
<b>Unsecured, Credit Impaired</b>		
Gross trade receivable, credit impaired	50.60	52.95
	1,914.76	1,735.89
<b>Less: Loss Allowance</b>		
Trade receivable, unsecured considered good	(103.42)	(38.77)
Trade receivable, credit impaired	(50.60)	(52.95)
	<b>1,760.74</b>	<b>1,644.17</b>

**Notes:**

- (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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Balance as at the beginning of the year	91.72	79.68
Add: Provision made during the year	60.10	12.04
Less: Amount written back / collected during the year	(2.20)	-
	<b>154.02</b>	<b>91.72</b>

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

(v) Disclosure of the amounts due for payment (On the basis of the information &amp; records available with the Management) - Current Year - 2022-23 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Yet Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	1,211.75	349.88	130.44	56.95	74.71	40.43	1,864.16
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	50.60	50.60
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Disclosure of the amounts due for payment (On the basis of the information &amp; records available with the Management) - Previous Year - 2021-22 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good		1,327.70	96.84	156.75	60.80	40.85	1,682.94
(ii) Undisputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-



(iii) Undisputed Trade Receivables - credit impaired		-	-	-	-	52.95	52.95
(iv) Disputed Trade Receivables - considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired		-	-	-	-	-	-

#### 5.09 Cash and Cash Equivalents

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Balances with Banks in current accounts	22.53	16.18
Debit Balances with Banks in cash credit accounts (Refer Note No. 5.21)	-	883.69
Cash on hand	3.37	1.36
	<b>25.90</b>	<b>901.23</b>

#### 5.10 Bank Balances (Other than Cash & Cash Equivalents)

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Bank deposits with original maturity of 12 months or more	233.99	267.41
	<b>233.99</b>	<b>267.41</b>

**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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Advances</b>		
Advances to Workers/ Employees	18.76	10.18
	<b>18.76</b>	<b>10.18</b>

**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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Advance Tax / TDS	-	-
Income Tax Refund Receivable { Refer Note Below }	-	0.96
	-	<b>0.96</b>

**Note:**

The above amount relates to Income Tax Refund for Assessment Year 2006-07 of the holding company 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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b><u>Advances other than capital advances</u></b>		
- Advances for purchase of goods and services	106.62	92.47
- Travel advances to employees	8.05	7.83
- Other Advances (Doubtful) {Refer Note (i) Below}	4.00	4.00
Less: Provision for Doubtful Advances	(4.00)	(4.00)
Claims Receivable {Refer Note (ii) Below}	0.24	3.16
Prepaid Expenses	43.56	40.85
Balance with Revenue authorities	14.29	25.28
	<b>172.76</b>	<b>169.59</b>

#### Notes:

##### 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 Pr. District Judge, Belgaum. The order was passed on 30<sup>th</sup> August, 2011 in favour of Bemco Hydraulics Limited directing the respondent to pay a sum of ₹ 5 Lakhs along with interest at 6% per annum amounting to ₹2.73 Lakhs i.e. total of ₹7.73 Lakhs 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.

##### Note (ii)

Included in above is amount of ₹ 1.05 Lakhs deposited against the total demand of ₹2.10 Lakhs 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. 5.49 (a).

**5.14 Equity Share Capital**

Particulars	31-03-2023		31-03-2022	
	Qty. (Nos.)	Amount (₹ in Lakhs)	Qty. (Nos.)	Amount (₹ in Lakhs)
<b>(a) Authorized Share Capital</b>				
Equity Shares of ₹ 10/- each	40,00,000	400.00	40,00,000	400.00
Preference Share Capital of ₹ 100/- each	4,00,000	400.00	4,00,000	400.00
	<b>44,00,000</b>	<b>800.00</b>	<b>44,00,000</b>	<b>800.00</b>
<b>(b) Issued Share Capital</b>				
Equity Shares of ₹ 10/- each	22,22,750	222.28	22,22,750	222.28
	<b>22,22,750</b>	<b>222.28</b>	<b>22,22,750</b>	<b>222.28</b>
<b>(c) Issued, Subscribed and Fully Paid up Capital</b>				
Equity Shares of ₹ 10/- each	21,86,700	218.67	21,86,700	218.67
Shares Forfeited	-	0.67	-	0.67
	<b>21,86,700</b>	<b>219.34</b>	<b>21,86,700</b>	<b>219.34</b>

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

Particulars	31-03-2023		31-03-2022	
	Qty. (Nos.)	Amount (₹ in Lakhs)	Qty. (Nos.)	Amount (₹ in Lakhs)
Balance as at the beginning of the financial year	21,86,700	219.34	21,86,700	219.34
Add/ (Less): Movement during the year	-	-	-	-
Balance as at the end of the financial year	<b>21,86,700</b>	<b>219.34</b>	<b>21,86,700</b>	<b>219.34</b>

**(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.	31-03-2023		31-03-2022	
	Qty. (Nos.)	(%)	Qty. (Nos.)	(%)
Mohta Capital Private Limited	6,65,606	30.44%	6,65,606	30.44%
Sri Ramchandra Enterprises Private Limited (SRE)	5,53,097	25.29%	3,34,697	15.31%
U D Finvest Private Limited(amalgamated with SRE)	-	0.00%	2,18,400	9.99%
Urmila Devi Mohta	10	0.00%	1,21,373	5.55%
Anirudh Mohta	3,97,819	18.19%	1,90,555	8.71%

**(g) No calls remain unpaid by the Board of Directors and officers of the Company.**
**(h) Details of Aggregate number of fully paid Equity Shares of ₹10 each held by the Promoters of the Company.**

Sl.No	Promoter Name	31-03-2023		31-03-2022		% Change during the year
		No. of shares held	% of shares held	No. of shares held	% of shares held	
(i)	Urmila Devi Mohta	10	0.00%	1,21,373	5.55%	-5.55%
(ii)	Madan Mohan Mohta	10	0.00%	85,911	3.93%	-3.93%
(iii)	Anirudh Mohta	3,97,819	18.19%	1,90,555	8.71%	9.48%
(v)	Sri Ramachandra Enterprises Pvt. Ltd.(SRE)	5,53,097	25.29%	3,34,697	15.31%	9.99%
(vi)	Mohta Capital Pvt. Ltd.	6,65,606	30.44%	6,65,606	30.44%	0.00%
(vii)	U D Finvest Pvt. Ltd.(amalgamated with SRE)	-	0.00%	2,18,400	9.99%	-9.99%
(viii)	Ananya Anirudh Mohta	16,728	0.76%	16,728	0.76%	0.00%

## 5.15 Other Equity

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Capital Reserve</b>		
Balance at the beginning of the year	2,762.80	2,762.23
Add: Tax Adjustments	0.89	2.80
Less: Transfer to Retained Earnings	(3.77)	(2.23)
<b>Balance at the end of the year</b> (a)	<b>2,759.92</b>	<b>2,762.80</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	34.73	34.73
Add/ (Less): Movement during the year	-	-
<b>Balance at the end of the year</b> (b)	<b>34.73</b>	<b>34.73</b>
<b>General Reserve</b>		
Balance at the beginning of the year	70.24	70.24
Add/ (Less): Movement during the year	-	-
<b>Balance at the end of the year</b> (c)	<b>70.24</b>	<b>70.24</b>
<b>Securities Premium</b>		
Balance at the beginning of the year	448.32	448.32
Add/ (Less): Movement during the year	-	-
<b>Balance at the end of the year</b> (d)	<b>448.32</b>	<b>448.32</b>
<b>Retained Earnings</b>		
Opening Balance	781.95	200.37
Add: Surplus/(Deficit) for the year	389.39	579.35
Add: Transfer From Capital Reserve	3.77	2.23
Less: Transfer to Capital Redemption Reserve	-	-
<b>Balance at the end of the year</b> (e)	<b>1,175.11</b>	<b>781.95</b>
<b>Other Comprehensive Income</b>		
Opening Balance	8.27	0.57
Addition - Surplus/(Deficit) for the year (Excluding Deferred Taxes relating to Revaluation of Land)	3.78	7.70
<b>Balance at the end of the year</b> (f)	<b>12.05</b>	<b>8.27</b>
<b>Total (a to f)</b>	<b>4,500.37</b>	<b>4,106.30</b>

### Note:

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Equity Share Capital	219.34	219.34
Other Equity	4,500.37	4,106.30
<b>Total equity attributable to equity holders of the Company</b>	<b>4,719.70</b>	<b>4,325.64</b>
Attributable to non- controlling interest	-	-
<b>Total</b>	<b>4,719.70</b>	<b>4,325.64</b>

### Nature and purpose of reserves:

- Capital Redemption Reserve(CRR):**  
The Group had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve. CRR can be utilised in accordance with the provisions of the Companies Act, 2013.
- Security premium:**  
Security premium is created when shares are issued at premium. The reserve is utilised in accordance with the provisions of the Act.
- General Reserve:**  
General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.
- Capital Reserve:**  
On the date of transition to Ind AS the balance outstanding in the Revaluation Reserve against Property, Plant & Equipment as per Previous GAAP has been transferred to the Capital Reserve.

## 5. Retained Earnings

Retained earnings are the accumulated profits earned by the Group till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

### 5.16 Borrowings (Non-Current)

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Secured</b>		
Term Loans from Banks		
(i) <u>Specific Purpose Term Loan</u>		
- Motor Car Loans	20.90	26.36
<b>Unsecured</b>		
11% 3,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each	298.58	298.48
(Previous Year - 11% 3,20,000 Cumulative Redeemable Preference Shares of ₹ 100/- each)	<b>319.48</b>	<b>324.84</b>

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

##### As at 31-03-2023

Particulars	Amount Outstanding (₹ in Lakhs)	Terms of Repayment
1. Motor Car Loans <u>YES Bank</u>	26.46	Motor Car Loans from banks are secured by hypothecation of respective motor car acquired under the loan agreement, repayable in equated monthly installments. As on 31-03-2023, 179 installments are due for repayment. 7.75% - 9.25% p.a
2. Motor Car Loans <u>Bank of Baroda</u>	5.82	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 31-03-2023, 52 installments are due for repayment. 7.80% - 9.40% p.a

##### As at 31-03-2022

Particulars	Amount Outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1. Motor Car Loans <u>State Bank of India</u>	3.22	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 31-03-2022, 22 installments are due for repayment.	9.16% - 9.50% p.a
2. Motor Car Loans <u>YES Bank</u>	38.38	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 31-03-2022, 275 installments are due for repayment.	7.75% - 9.25% 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 governed by Section 47 of the Companies Act, 2013.

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Quantity (Nos.)	Amount ( in Lakhs)	Quantity (Nos.)	Amount ( in Lakhs)
i) 11% Cumulative Redeemable Preference Shares of ₹ 100/- each reedemable at par on 31/03/2031.	3,00,000	300.00	3,00,000	300.00

**Shareholders holding more than 5% of Preference Share Capital**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Mohta Capital Private Limited	1,90,000	63.33%	1,90,000	63.33%
U.D. Finvest Private Limited( amalgamated with SRE)	-		60,000	20.00%
Sri Ramchandra Enterprises Private Limited (SRE)	1,10,000	36.67%	50,000	16.67%

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

The total outstanding with respect to Deferred Payment Liabilities are 2.85 Lakhs Euros (Previous Year: 3.15 Lakhs Euros). The outstanding is repayable by payment of 0.50 Lakh Euros before 31st March of every year starting from the year 2014.

The Company has a continuing default of ₹ 252.97 Lakhs (Previous Year ₹ 247.32 Lakhs) 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. 5.21.

**5.17 Other Financial Liabilities (Non- Current)**

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
- Security Deposits	3.99	3.99
	<b>3.99</b>	<b>3.99</b>

**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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<u>Provision for Employee Benefits</u>		
- Provision for Leave Encashment	4.97	11.88
- Provision for Gratuity	4.12	
	<b>9.09</b>	<b>11.88</b>

**5.19 Deferred Tax Liabilities (Net)**

Deferred tax relates to the following:	Balance Sheet		Statement of Profit & Loss	
	Figures as at		For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Accelerated depreciation for tax purpose	(54.79)	(51.33)	(3.46)	(11.81)
Amortization of land	(833.51)	(834.40)	0.89	0.91
Measurement of Investment at FVOCI	(1.86)	(0.41)	(1.45)	1.89
Measurement of Financial Assets at amortised	0.66	0.22	0.44	0.71
Measurement of Financial Liabilities at amortised cost	-	(2.48)	2.48	(1.20)
MAT Credit Entitlement	-	-	-	(58.78)
Provision for doubtful debts and advances	37.75	25.44	12.31	3.86
Provision for product warranties	2.78	1.96	0.82	0.61
Provision for Leave Ecashment	23.23	24.36	(1.13)	0.39
Deferred tax expense/(income)	-	-	<b>10.90</b>	<b>(63.42)</b>
Net deferred tax assets/(liabilities)	<b>(825.74)</b>	<b>(836.64)</b>	-	-

**Reflected in the Balance Sheet as follows:**

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Deferred tax assets (continuing operations)	64.42	51.98
Deferred tax liabilities (continuing operations)	(890.16)	(888.62)
Deferred tax liabilities, net (continuing operations)	<b>(825.74)</b>	<b>(836.64)</b>

**Reconciliation of deferred tax liabilities (net):**

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Opening balance as at	836.64	773.22
Tax income/(expense) during the period recognised in profit or loss	(11.46)	66.22
Tax Adjustments	0.56	(2.80)
Closing balance as at	<b>825.74</b>	<b>836.64</b>

**5.20 Other Non-Current Liabilities**

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
-Security Deposits from Employees	21.79	44.65
	<b>21.79</b>	<b>44.65</b>

## 5.21 Borrowings (Current)

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Secured</b>		
Loans Repayable on Demand:		
- From Banks		
(i) Cash Credit/ Packing Credit	95.99	-
<b>Unsecured</b>		
Loans Repayable on Demand:		
- From Related Parties (Refer Note 5.39 - Related Party Transactions)	737.16	730.86
<b>Current Maturities of Long Term Borrowings</b> <b>(Refer Note No. 5.16 for terms and conditions)</b>		
- Motor Car Loans from Banks	11.38	15.24
Current Portion of Deferred Payment Liabilities	252.97	247.32
	<b>1,097.50</b>	<b>993.42</b>

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

- i) **BANK OF BARODA**  
Cash Credit (CC) availed from Bank of Baroda is secured by hypothecation of Goods/ Book Debts/ Current Assets/ Movable Machinery/ Vehicles (Other than those financed by Other Banks / NBFCs)/ other fixed assets. The CC is further secured by Equitable mortgage of self-occupied Industrial Property located at S.No.691, 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 {Refer Note 5.40} and three corporate guarantees during the tenure of the facility. The facility amount is ` 1250 Lakhs with a floating interest rate of 8.15% (0.50% spread over and above Bank's BRRLLR and SP Rate. The interest is payable monthly.
- ii) The Subsidiary has entered into a loan agreement with a related party for a period of 12 months (i.e. repayable on 31/03/2023) with a credit limit of Rs. 6,00,00,000/-. Interest shall be charged @ 10% p.a. compounded quarterly.
- iii) The Subsidiary has taken a loan from Jagdish Joshi, the designated partner of the LLP with a credit limit of Rs. 20,00,000/-. Interest shall be charged @ 10% p.a. compounded quarterly and the same loan is repayable on 31/03/2023.
- iv) The Subsidiary has taken a loan from Naveen Padamnoor, the designated partner of the LLP with a credit limit of Rs. 20,00,000/-. Interest shall be charged @ 10% p.a. compounded quarterly and the same loan is repayable on 31/03/2023.

### Disclosure for borrowings from banks or financial institutions on the basis of security of current assets:

Quarter	Name of the Bank	Particulars	Amount as per Books of Account (₹ in Lakhs)	Amount as reported in the quarterly return/statement (₹ in Lakhs)	Amount of Difference (₹ in Lakhs)	Reason for Material Discrepancies
June, 2022	Bank of Baroda	Inventories	1626.5	1863.64	(237.14)	Inadvertent Error calculation

## 5.22 Trade Payables

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>For Goods purchased and Services received in the normal course of business</b>		
- Due to Micro Enterprises & Small Enterprises	171.58	168.15
- Due to Other than Micro Enterprises & Small Enterprises {Refer Note (ii) Below}	1,228.68	1,327.36
	<b>1,400.26</b>	<b>1,495.51</b>



**Notes:****Note (i)**

The trade payables are non interest bearing except micro and small enterprises.

**Note (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	2022-23 ₹ in Lakhs	2021-22 ₹ in Lakhs
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier.		
*Principal amount	171.58	168.15
*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

**Note (iv)**

Particulars	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Amount of acceptances	276.72	294.56

**Note (v)**

Disclosure of the amounts due for payment (On the basis of the information & records available with the Management)

**For Current financial year ended on 31st March, 2023**

Particulars	Not yet due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	114.28	47.06	2.98	0.79	6.47	171.58
(ii) Others	743.36	383.89	32.06	17.17	52.20	1,228.68
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-

**For Previous financial year ended on 31st March, 2022**

Particulars	Not Yet Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	102.09	52.34	4.73	1.48	7.51	168.15
(ii) Others	741.27	479.38	45.43	22.23	39.05	1327.36
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-

### 5.23 Other Financial Liabilities

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<u>Interest Accrued:</u>		
- Interest accrued and due on borrowings	9.68	14.68
Unpaid Dividends on 11% Cumulative Redeemable Preference Shares	33.29	165.19
Gratuity Payable to LIC	15.14	17.39
Guarantee Commission Payable to Related Parties (Refer Note 5.39 - Related Party Transactions)	-	8.09
	<b>58.11</b>	<b>205.35</b>

### 5.24 Other Current Liabilities (Current)

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<u>Revenue Received in Advance:</u>		
- Advance from Customers	557.40	326.87
Current portion of Security Deposit from Employees	27.73	3.50
Employees and Other Related Dues	8.38	11.37
Liabilities for Expenses	83.79	72.36
Liabilities for Statutory Dues	120.12	188.00
	<b>797.42</b>	<b>602.10</b>

### 5.25 Provisions

Particulars	Figures as at	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<u>Provision for Employee Benefits:</u>		
- Provision for Leave Encashment	87.32	75.65
Provision for Product Warranty	11.04	7.03
	<b>98.36</b>	<b>82.68</b>

**Note:**

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

#### (1) Movement in Provisions

Nature of Provisions	Leave Encashment		Product Warranty	
	2022-23	2021-22	2022-23	2021-22
Carrying amount at the beginning of the year*	87.53	86.18	7.03	4.84
Additional provision made during the year	28.06	15.53	4.01	2.19
Amounts used during the year	(23.30)	(14.18)	-	-
Carrying amount at the end of the year*	<b>92.29</b>	<b>87.53</b>	<b>11.04</b>	<b>7.03</b>

\* 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	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Provision for Income Tax (Net of Advance Tax/ TDS)	79.71	135.35
	<b>79.71</b>	<b>135.35</b>

**Notes:****Income Tax recognised in Profit and Loss**

Particulars	For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
<b>Current Tax</b>		
Current income tax charge	157.09	157.31
Adjustments in respect of current income tax of previous years	(71.98)	3.84
<b>Total (A)</b>	<b>85.11</b>	<b>161.15</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of deductible & taxable temporary differences	(11.46)	66.22
<b>Total (B)</b>	<b>(11.46)</b>	<b>66.22</b>
<b>Income Tax expense recognised in the Statement of Profit or Loss (A+B)</b>	<b>73.65</b>	<b>227.37</b>

**Income Tax recognised in Other Comprehensive Income**

Particulars	For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Income Taxes relating to Equity Instruments through Other Comprehensive Income (Deferred Tax)	(1.45)	1.89
Current income tax charge on remeasurement of defined benefit obligations	(0.36)	(0.72)
<b>Income Tax expense recognised in Other Comprehensive Income</b>	<b>(1.81)</b>	<b>1.17</b>

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

Particulars	For the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Profit before tax	463.04	806.72
Applicable Tax Rate	25.17%	27.82%
Computed Tax Expense	116.54	224.43
<b>Tax Effects:</b>		
Items not chargeable to tax/ exempt	(0.08)	(0.83)
Expenses disallowed	10.32	10.23
Net tax on depreciable assets	0.95	1.05
Adjustment of current tax for prior periods	(71.98)	3.84
Effect of brought forward losses and unabsorbed depreciation	-	-
Others	29.36	(77.57)
<b>Current Tax Provision (A)</b>	<b>85.11</b>	<b>161.15</b>
Incremental Deferred Tax Liability	(11.46)	66.22
<b>Deferred Tax Provision (B)</b>	<b>(11.46)</b>	<b>66.22</b>
<b>Tax Expenses recognised in the Statement of Profit and Loss (A + B)</b>	<b>73.65</b>	<b>227.37</b>

## 5.27 Revenue From Operations

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Sale of Products	4,446.13	6,124.74
Sale of Services	65.40	143.95
Other Operating Revenues		
- Income from Annual Service Contract	228.31	154.57
- Others	103.79	127.52
	<b>4,843.63</b>	<b>6,550.78</b>

## 5.28 Other Income

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<u>Interest Income:</u>		
i. Interest on bank deposits carried at amortised cost	14.25	17.03
ii. Interest on Security Deposits and Others carried at amortised cost	-	-
iii. Interest on Income Tax Refund	0.27	0.48
Dividend Income on equity investments at FVTOCI	0.29	0.16
Net gain on Sale of Property, Plant & Equipment	0.32	3.08
Rental Income	30.20	32.54
Liability no longer required written back	0.13	0.43
Fluctuation in Foreign Currency (Net)	0.03	0.15
Excess & Short Provision	-	0.45
Miscellaneous Income	-	4.68
Insurance Claim Received	0.54	
Miscellaneous Receipts	0.06	0.06
	<b>46.09</b>	<b>59.06</b>

## 5.29 Cost of Materials Consumed

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Raw Materials</b>		
Opening Stock	298.18	176.32
Add: Purchases	1,514.96	1,513.59
Less: Closing Stock	(362.62)	(298.18)
	<b>(A)</b> 1,450.52	1,391.73
<b>Intermediates and Components</b>		
Opening Stock	303.80	256.22
Add: Purchases	1,554.22	1,801.66
Less: Closing Stock	(330.31)	(303.80)
	<b>(B)</b> 1,527.71	1,754.08
<b>Packing Materials</b>		
Opening Stock	-	-
Add: Purchases	22.63	26.64
Less: Closing Stock	-	-
	<b>(C)</b> 22.63	26.64
<b>Stores and Spares</b>		
Opening Stock	234.63	127.73
Add: Purchases	197.99	259.60
Less: Closing Stock	(230.03)	(234.63)
	<b>(D)</b> 202.59	152.70
<b>TOTAL (A to D)</b>	<b>3,203.45</b>	<b>3,325.15</b>
<b>Less: Materials consumed on account of warranties</b>	-	-
<b>TOTAL</b>	<b>3,203.45</b>	<b>3,325.15</b>

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

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
<b>Opening Stock</b>		
Work-in-Progress	736.48	1,033.12
Finished Goods	8.94	18.37
Scrap	1.83	1.20
<b>Total of Opening Stock</b>	<b>(A) 747.25</b>	<b>1,052.69</b>
<b>Closing Stock</b>		
Work-in-Progress	1,858.24	736.48
Finished Goods	2.35	8.94
Scrap	2.38	1.83
<b>Total of Closing Stock</b>	<b>(B) 1,862.97</b>	<b>747.25</b>
<b>Net changes in inventories of finished goods and work-in-progress [Total (A-B)]</b>	<b>(1,115.72)</b>	<b>305.44</b>

### 5.31 Employee Benefits Expense

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Salaries, Wages, Bonus, etc.	999.07	849.13
Contribution to Provident fund & other funds	116.96	103.43
Staff Welfare Expenses	32.05	28.05
	<b>1,148.08</b>	<b>980.61</b>

### 5.32 Finance Costs

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Interest on loan calculated using effective interest rate method	57.91	80.10
Interest to Suppliers and Interest on Taxes	40.88	43.48
Dividend on Redeemable Preference Shares	33.11	33.10
Other Borrowing Costs:		
- Loan Processing Charges	22.21	47.17
- Guarantee Commission & Others	26.60	60.21
	<b>180.71</b>	<b>264.06</b>

### 5.33 Depreciation And Amortization Expense

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Depreciation of Property, Plant & Equipment	71.32	77.75
Amortization of Intangible Assets	13.23	16.07
	<b>84.55</b>	<b>93.82</b>

### 5.34 Other Expenses

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Power & Fuel	42.85	40.29
Manufacturing Expenses	291.67	234.49
Freight & Transportation	88.42	133.35
Partner's Remuneration	30.00	24.00
Product Warranty Expenses	4.70	2.65

Marketing Expenses	1.19	0.25
<u>Repairs</u>		
i Buildings	26.46	13.08
ii Machinery	12.64	11.22
iv Others	11.71	10.85
Insurance	7.73	5.60
Rent	6.36	5.73
Rates & Taxes	2.71	3.61
Printing and Stationery	7.76	7.68
Postage, Telephone & Telegram	8.82	6.96
Travelling & Conveyance Expenses	180.05	147.47
Bad Debts / Advances Written Off	3.57	12.99
Expected Credit Loss Allowances/ Doubtful (Net)	60.10	12.05
Provision for Bad and Doubtful debts	2.20	
Advertisement Expenses	1.08	1.12
Corporate Social Responsibility expenditure (CSR)	11.50	8.23
Miscellaneous Expenses	72.75	51.70
<u>Payment to Auditors for:</u>		
i Audit Fees	7.00	3.50
ii Limited Review Certification charges	6.42	3.80
iii For Other Services	-	1.18
Directors' Sitting Fees	0.19	0.23
Net Loss on Sale of Property, Plant & Equipment	-	0.26
Loss in Foreign Currency Fluctuation (net)	4.26	-
Liquidated Damages	5.15	77.11
Professional Fees		
Cash Discount	0.22	0.43
Sales Commission	9.94	
Professional Fees	16.98	12.97
Web Service Charges	1.14	1.24
Goods and Services Tax Paid	0.04	-
	<b>925.61</b>	<b>834.04</b>

### 5.35 Other Comprehensive Income

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
(i) Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income	4.14	3.95
- Remeasurement of the Employee Defined Benefit Plans	1.45	2.58
	5.59	6.53
(ii) Income tax relating to items that will not be reclassified to profit or loss		
- Income Taxes relating to Equity Instruments through Other Comprehensive Income (Deferred Tax)	(1.45)	1.89
- Income Taxes relating to Remeasurement of Employee Defined Benefit Plans.	(0.36)	(0.72)
	(1.81)	1.17
	<b>3.78</b>	<b>7.70</b>

### 5.36 Earnings Per Share:

Particulars	Figures for the year ended	
	31-03-2023 ₹ in Lakhs	31-03-2022 ₹ in Lakhs
Net Profit / (Loss) attributable to Equity Shareholders (₹)	389.39	579.35
Weighted average number of Equity Shares in issue (Nos.)	21,86,700	21,86,700
Basic Earning per Equity Share of ₹ 10/- each		
- Basic	17.81	26.49
- Diluted	17.81	26.49
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.

## EMPLOYEE BENEFITS

a) Post Retirement Benefits :  
Defined Contribution Plans

Particulars	(Figures in ₹)	
	31-03-2023	31-03-2022
1 Contribution to Employees' Provident Fund	36.57	33.61
2 Contribution to Employees' Family Pension Fund	38.26	28.17
3 Contribution to Employees' Superannuation Fund	18.03	15.90

## b) Defined Benefit Plans

(i) Changes in the Present Value of Obligation	(Figures in ₹)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded
a. Present Value of Obligation as at opening date	342.39	329.74
b. Interest Expense	23.96	21.48
c. Past Service Cost	-	-
d. Current Service Cost	21.94	21.30
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
g. Actual Benefit Payments	(19.15)	(27.57)
h. Actuarial (Gain)/Loss recognised in Other Comprehensive Income	-	-
- changes in demographic assumptions	-	-
- changes in financial assumptions	(2.81)	(2.56)
- experience adjustments	-	-
i. <b>Present Value of Obligation as at closing date</b>	<b>366.33</b>	<b>342.39</b>

(ii) Changes in the Fair Value of Plan Assets	(Figures in ₹)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded
a. Present Value of Plan Assets as at opening date	324.99	281.00
b. Expected Return on Plan Assets (Interest Income)	23.59	19.96
c. Mortality charges and taxes	(1.19)	(1.16)
d. Actuarial Gain/(Loss)	-	-
- changes in financial assumptions	(1.36)	0.03
- experience adjustments	-	-
e. Employers' Contributions	24.32	52.74
g. Benefits Paid	(19.15)	(27.57)
h. Fair Value of Plan Assets as at closing date	351.20	324.99
i. <b>Actual return on plan assets</b>	<b>22.23</b>	<b>19.99</b>

(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 ₹)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded
a. Present Value of Obligation as at the end of the period	366.33	342.39
b. Fair Value of Plan Assets as at the end of the period	351.20	324.99
c. Funded (Asset)/ Liability recognized in the Balance Sheet	(15.14)	(17.39)
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 ₹)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded
a. Current Service Cost	21.94	21.30
b. Past Service Cost	-	-
c. Interest Cost	0.38	1.52
d. Expected Return on Plan Assets	-	-
e. Curtailment Cost/(Credit)	-	-
f. Settlement Cost/(Credit)	-	-
h. Employees' Contribution	-	-
i. <b>Total Expenses recognized in the Profit &amp; Loss Account</b>	<b>22.32</b>	<b>22.82</b>

(v) Expenses recognized in Other Comprehensive Income for the year	(Figures in ₹)	
	31-03-2023	31-03-2022
	Gratuity Funded	Gratuity Funded
a. Actuarial changes arising from changes in demographic assumptions	-	-
b. Actuarial changes arising from changes in financial assumptions	(1.45)	(2.58)

c.	Actuarial changes arising from changes in experience adjustments	-	-
d.	Return on plan assets excluding interest income	-	-
e.	Recognised in Other Comprehensive Income	(1.45)	(2.58)
(vi)	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at reporting date	<b>31-03-2023</b>	<b>31-03-2022</b>
		<b>Gratuity Funded</b>	<b>Gratuity Funded</b>
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	-	-

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

(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.)

Following are the Principal Actuarial Assumptions used as at the balance sheet date:		<b>31-03-2023</b>	<b>31-03-2022</b>
a.	Interest Rate	7.80%	7.80%
b.	Discount Rate	7.50%	7.20%
c.	Expected Rate of Return on Plan Assets	7.20%	6.80%
d.	Salary Escalation Rate	6.00%	6.00%
e.	Expected Average Remaining Working Lives of Employees	13.18 years	13.55 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 10.79 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 ₹.)
2024	130.56
2025	42.36
2026	37.39
2027	33.23
2028	21.75
2029-2033	138.46

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 ` 24.31 Lakhs to its gratuity fund in 2023. The Company intends to contribute ` 15.00 Lakhs towards its gratuity fund in 2024.

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		31-03-2023	31-03-2022
Mar-22	Mar-21	Defined Benefit obligation (in ₹)	
6.20%	5.80%	388.67	365.10
8.20%	7.80%	347.02	322.78

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

Salary Increment Rate		31-03-2023	31-03-2022
Mar-22	Mar-21	Defined Benefit obligation (in ₹)	
5.00%	5.00%	349.71	325.54
7.00%	7.00%	385.25	361.56

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

Withdrawal rate			31-03-2023	31-03-2022
	Mar-22	Mar-21	Defined Benefit obligation (in ₹)	
Decrease By 1%	4.00%	4.00%	363.37	339.87
Increase By 1%	6.00%	6.00%	368.98	344.01

- xvi) Mortality

The active members of the scheme will experience in-service mortality in accordance with the Indian Assured Lives Mortality (2012-14) ultimate (IALM ult). A sample pick from this table is given below:

Age	Mortality rate
21	0.000934
22	0.000937
23	0.000936
24	0.000933
25	0.000931

Age of the members at the valuation date is taken as their nearest age at that date.

- xvii) **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. Hence companies are encouraged to adopt asset-liability management.

**(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 as overreign 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 Lease Arrangements**

**Operating Lease Arrangements**

The Group has certain operating leases for office facilities (short term leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties.

Particulars	Figures for the year ended	
	31-03-2023 ₹	31-03-2022 ₹
<b>Operating Lease as a lessee</b>		
<b>Receipt Recognised as Income</b>		
Rental Income	30.20	32.54
<b>Payment Recognised as Expense</b>		
Rental Expenses	6.36	5.73

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 Mohta - Chairman  
 Shri Anirudh Mohta - Managing Director  
 Smt. Urmila Devi Mohta  
 Shri R.M. Shah  
 Shri N.K. Daga  
 Shri Dilip Chandak  
 Shri Vijay Sambrekar, CFO  
 Smt Amruta Tarale, CS  
 Shri Jagdish Narasinha Joshi  
 Shri Naveen Padamnoor

(b) Enterprises where Key Managerial Personnel (KMP) have significant influence:

U. D. Finnvest Pvt Ltd(amalgamated with SRE)  
 Mohta Capital Pvt Ltd  
 Bemco Precitech Pvt Ltd(amalgamated with SRE)  
 U.D.Polyproducts Pvt Ltd(amalgamated with SRE)  
 Sri Ramachandra Enterprises Private Limited(SRE)  
 Sri Ramachandra Capital Consultancy Private Limited  
 M.M.Mohta Charitable Trust

B. 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Preference Share Capital</b>						
<u>11% Cumulative Redeemable Preference Shares of ₹ 100/- each</u>						
- Mohta Capital Private Limited	-	-	-	-	190.00	190.00
- U.D. Finnvest Private Limited	-	-	-	-	-	60.00
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	110.00	50.00
<b>Financial Liabilities</b>						
<u>Short Term Borrowings</u>						
<u>Accepted During the Year</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	26.50
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	2.00	31.00
- Mohta Capital Private Limited	-	-	-	-	70.35	106.29
- Shri Jagdish Narasinha Joshi	2.20	0.67				
- Shri Naveen Padamnoor	0.56					
<u>Repaid During the Year (Including Interest)</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	2.97
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	17.87	7.90
- Mohta Capital Private Limited	-	-	-	-	89.88	72.09
- Bemco Precitech Private Limited	-	-	-	-	-	0.45
- U. D. Ployproducts Pvt. Ltd.	-	-	-	-	-	0.36
- Shri Jagdish Narasinha Joshi	0.56					
<u>Balance as at Year End (including interest)</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	37.25
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	94.95	60.92
- Mohta Capital Private Limited	-	-	-	-	625.97	620.64
- Bemco Precitech Pvt Ltd	-	-	-	-	-	0.83
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	2.00
- Shri Jagdish Narasinha Joshi	20.00	18.49				
- Shri Naveen Padamnoor	5.92	-				
<b>Other Financial Liabilities</b>						
<u>Guarantee Commission Payable as at Year End</u>						
- Mohta Capital Private Limited	-	-	-	-	-	4.69
- U.D. Finnvest Private Limited	-	-	-	-	-	0.94
- Sri Rama Chandra Enterprise Private Limited	-	-	-	-	-	2.46
<b>Other Income</b>						
<u>Lease Rental</u>						
- Mohta Capital Private Limited	-	-	-	-	0.14	0.04
- Sri Ramachandra Capital Consultancy Pvt Ltd	-	-	-	-	-	0.14
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	0.14	0.14
- U.D.Polyproducts Pvt Ltd	-	-	-	-	-	0.14
- Bemco Precitech Pvt Ltd	-	-	-	-	-	0.14
- U.D. Finnvest Private Limited	-	-	-	-	-	0.14
<b>Expenses</b>						
<u>Finance Cost</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	2.97
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	9.82	5.31
- Mohta Capital Private Limited	-	-	-	-	61.97	24.36
- Bemco Precitech Private Limited	-	-	-	-	-	0.10
- U.D.Polyproducts Private Limited	-	-	-	-	-	0.21
- Shri Jagdish Narasinha Joshi	1.91	2.08				
- Shri Naveen Padamnoor	0.56	-				

Nature of Transactions	Key Managerial Personnel		Relatives of Key Managerial Personnel		Enterprises where Key Managerial Personnel have significant influence	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<u>Employee Benefit Expense</u>						
- Shri Anirudh Mohta	85.60	80.47	-	-	-	-
- Shri VB Sambrekar	9.58	7.89	-	-	-	-
- Smt Amruta Tarale	7.09	5.67	-	-	-	-
<u>Professional Fees</u>						
Anirudh Mohta	15.00	12.00				
<u>Remuneration</u>						
- Shri Jagdish Narasinha Joshi	15.00	12.00				
- Shri Naveen Padamnoor	15.00	12.00				
<u>Other Expenses</u>						
<u>Sitting Fees</u>						
- Shri Madan Mohan Mohta	0.04	0.06	-	-	-	-
- Smt Urmila Devi Mohta	0.04	0.06	-	-	-	-
<u>CSR Expenses</u>						
- M.M.Mohta Charitable Trust					0.96	
<u>Guarantee Commision</u>						
- U.D. Finnvest Private Limited	-	-	-	-	-	4.74
- Sri Ramachandra Enterprises Private Limited	-	-	-	-	-	12.50
- Mohta Capital Private Limited	-	-	-	-	-	23.83

#### 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.

The amounts outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad & doubtful debts in respect of the amounts owed by related parties.

No guarantees have been given during the year.

#### D. Details of any Guarantees Given or Received

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

i) Cash Credit facility availed from Bank of Baroda.

**Note:** The aforesaid credit facilities is also secured by corporate guarantee from Sri Ramachandra Enterprises Private Limited and Mohta Capital Private Limited. 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 of Holding Company during the year as follows:

Particulars	2022-23	2021-22
	₹	₹
Short-term employee benefits	95.46	87.98
Post-employment benefits	6.80	6.06
Other Long Term Benefits	-	-
Termination benefits	-	-
Share Based Payments	-	-
<b>Total compensation paid to key management personnel</b>	<b>102.26</b>	<b>94.04</b>

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 31-03-2023	As at 31-03-2022
	Euro	Euro
<b><u>Trade and Other Payables</u></b>		
- Deferred Payment Liabilities	2.85	2.85
<b><u>Trade &amp; Other Receivables</u></b>		
- Trade Receivables	-	-

#### **Foreign Currency Sensitivity Analysis**

The Group 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% charge 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	
	31-03-2023	31-03-2022
Increase in Exchange Rate by 5%	12.65	12.37
Decrease in Exchange Rate by 5%	(12.65)	(12.37)

#### **Equity Risk**

There is no material equity risk relating to the Groups' equity investments which are detailed in note 5.04 "Investments". The Groups' 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 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 Group'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 31-03-2023	₹	₹		₹	₹
i) Borrowings	1,097.50	20.90	1,118.40	1,118.40	
ii) Other Financial Liabilities	-	3.99	3.99	3.99	
	<b>1,097.50</b>	<b>24.89</b>	<b>1,122.39</b>	<b>1,122.39</b>	

Particulars	Less Than 1 year	1 -5 years	Total	Carrying Amount
<b>As at 31-03-2022</b>	₹	₹		₹
i) Borrowings	993.42	26.36	1,019.78	1,019.78
ii) Other Financial Liabilities	-	3.99	3.99	3.99
	<b>993.42</b>	<b>30.35</b>	<b>1,023.77</b>	<b>1,023.78</b>

#### 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 31-03-2023	As at 31-03-2022
Gross Debt	1,118.40	1,019.78
Cash and Bank Balances	(259.89)	(1,168.64)
<b>Net Debt</b>	<b>858.51</b>	<b>(148.86)</b>
Total Equity	1,947.74	1,554.57
<b>Net Debt to Total Equity</b>	<b>0.44</b>	<b>(0.10)</b>

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

**5.41 Fair value measurements hierarchy as required by IND AS 113 "Fair Value Measurement"**

Particulars	As at 31-03-2023			As at 31-03-2022		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 3		Level 1	Level 3
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade Receivables	1,760.74	-	-	1,644.17	-	-
Cash and Bank Balance	259.89	-	-	1,168.64	-	-
Other Financial Assets	71.44	-	-	50.30	-	-
<b>At FVOCI</b>						
Investments	31.78	26.06	5.72	27.63	21.92	5.72
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings	1,416.98	-	-	1,318.26	-	-
Trade Payables	1,400.26	-	-	1,495.51	-	-
Other Financial Liabilities	62.10	-	-	209.34	-	-

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 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 Ind AS 108 "Operating Segments".

No separate reportable geographical segments are identified as export sales are insignificant.

**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 (₹ in Lakhs) Current Year	Amount of Revenue (₹ in Lakhs) Previous Year
Hydraulic Presses	1,601.89	1,908.99
Equipments	499.34	314.32
Spares	260.56	363.69
Portable Re-Railing Equipments	1,846.75	3,213.94
Manifolds	4.12	12.47
Spares	3.08	7.94
Valve	168.47	158.41
Power Pack	44.71	127.30
Pump	16.02	14.26
Cylinder	1.19	3.42
<b>Services</b>	65.40	143.95
<b>Other Operating Revenues</b>		
- Income from Annual Service Contract	228.31	154.57
- Installation and Commissioning Charges etc.	103.79	127.52
<b>Total Revenue</b>	<b>4,843.63</b>	<b>6,550.78</b>

**(ii) Information about Geographical Area as Required by PARA 33**
**(a) Revenues From External Customers**

(I) Attributed to the Group's country of domicile.

**Amount of Revenue Lakhs (₹)**

4,796.12 (Previous Year: 6199.33)

(II) Attributed to all foreign countries in total from which the Group's derives revenues.

47.51 (Previous Year: 351.45)

**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 Group, required to be disclosed as per this para are located in the group's country of domicile.

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

Revenue from One customers of the Holding company's Rerailing equipment business represent ₹ 684.68 Lakhs (Previous Year ₹ 2168.95 Lakhs ) of the company's total revenue which is more than 10% of the company's total revenue.

**5.43 A. Revenue Stream**

The Group 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. Sale of Service includes installation charges. Other sources of revenue include Freight, Packing Charges, Annual Service Contracts etc.

Particulars	Note No.	Figures for the year ended	
		31-03-2023	31-03-2022
		₹ in Lakhs	₹ in Lakhs
Sale of Products	5.27	4,446.13	6,124.74
Sale of Services	5.27	65.40	143.95
Other Operating Revenues:	5.27		
- Income from Annual Service Contract		228.31	154.57
- Others		103.79	127.52
		<b>4,843.63</b>	<b>6,550.78</b>

#### B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market.

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
India	4,796.12	6,548.39
Other Countries	47.51	2.39
	<b>4,843.63</b>	<b>6,550.78</b>

#### C. Reconciliation of net sale of goods & services

Particulars	Figures for the year ended	
	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
Gross Sales Value	5,054.48	6,515.51
Less: Stock returns	(13.43)	(28.92)
Less: Trade discounts, promotions & channel margins	(41.48)	(41.22)
<b>Sale of Goods &amp; Services (Net)</b>	<b>4,999.57</b>	<b>6,445.37</b>

#### 5.44 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%

#### 5.45 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 profit/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
(a) Name of Subsidiary	Bemco Fluidtechnik LLP	
(b) Principle Place of Business	Bemco Premises, Camp Belgaum, Karnataka	
(c) Proportion of ownership interest held by Non-Controlling Interest	35% share in profit/(Loss)	
(e) Profit/Loss allocated to Non-controlling Interest during reporting period	NIL	
(f) Accumulated Non Controlling Interest at end of reporting period	NIL	
<b>Summarised Financial Information in relation to Subsidiary</b>		
(i) Total Assets of Subsidiary	282.09	277.66
(ii) Total Partner's Fund and Liabilities of Subsidiary	282.09	277.66
(iii) Total Comprehensive Income	(77.79)	56.78

#### 5.46 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 (₹)	as % of Consolidated OCI	Amount (₹)	as % of Consolidated TCI	Amount (₹)
<b>Parent</b>								
- Bemco Hydraulics Limited	93.88%	4,431.05	-119.98%	467.18	-100.00%	3.78	119.79%	470.96
	104.85%	4,535.50	90.20%	522.57	100.00%	7.70	90.33%	530.27
<b>Subsidiary</b>								
- Bemco Fluidtechnik LLP	6.12%	288.66	19.98%	(77.79)	0.00%	-	-19.79%	(77.79)
	-4.85%	(209.86)	9.80%	56.78	0.00%	-	9.67%	56.78
<b>Non Controlling Interests</b>								
	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>4,719.71</b>	<b>100.00%</b>	<b>389.39</b>	<b>100.00%</b>	<b>3.78</b>	<b>100.00%</b>	<b>393.17</b>
	<b>100.00%</b>	<b>4,325.64</b>	<b>100.00%</b>	<b>579.35</b>	<b>100.00%</b>	<b>7.70</b>	<b>100.00%</b>	<b>587.05</b>

5.47 The financial statements of the subsidiary 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.

5.48

The Ind AS Financial Statements of Bemco FluidTechnik 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.

5.49 a) CONTINGENT LIABILITIES

**Description of Contingent Liabilities**

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

Particulars	31-03-2023	31-03-2022
	₹ in Lakhs	₹ in Lakhs
(i) <b>Entry Tax Demand Disputed in Appeal (Excluding Interest)</b>	2.10	2.10

(ii) **Spl. C. S. No. 546/2016**

One of the Parties of the Holding company namely "Mahesh Enterprises" has filed a suit for recovery of ₹ 69.20 Lakhs (Previous Year: ₹ 69.20 Lakhs) in the Hon'ble Civil Court of Nagpur. The case is still pending.

(iii) A Party of the holding company namely "D. Khandelwal Steel Corporation Limited" has filed a suit for recovery of ₹ 146.35 Lakhs (Previous Year: ₹ 146.35 Lakhs) in the Hon'ble Civil Court of Nagpur. The case is till 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.

**b) COMMITMENTS**

The Group has no capital commitment as on the balance sheet date.

5.50 **Additional Regulatory Information as required by Schedule III to the Companies Act, 2013:**

a) The title deeds of the Immovable Property (other than properties where the company is the lessee and the lease arrangements are duly executed in favour of the lessee) are held in the name of the Holding Company and Subsidiary.

b) The Group does not have any investment property at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

c) The Group has not revalued its Property, Plant and Equipment during the current year and previous year.

d) The Group has not granted any loans or advances in the nature of loan to promoters, directors, KMP, Partners and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, which are repayable on demand or without specifying any terms or period of repayment during the current and the previous year. Accordingly, disclosures as required under this para is not applicable.

e) The Group does not have any capital work-in-progress at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

f) The Group does not have any intangible asset under development at the end of the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

g) There has been no proceeding initiated or pending against the group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

h) The Group has not been declared as wilful defaulter by any bank or financial institution or other lender during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

i) The Group has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous year. Accordingly, disclosures as required under this para is not applicable.

j) There are no charges or satisfaction pending for registration with the Registrar of Companies beyond the statutory period. Accordingly, disclosures as required under this para is not applicable.

k) The Holding Company has one subsidiary and accordingly compliance with number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017 is not applicable.

l) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013 during the current year and previous year. Accordingly, disclosures as required under this para is not applicable.

m)

(A) The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) during the current year and previous year with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) during the current year and previous year with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

n) There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income in the books of account during the current year and previous year in the tax assessment under the Income Tax Act, 1961.



o) The holding company is covered under Section 135 of Companies Act, 2013. Disclosures as required as follows:

<u>Particulars</u>	<u>₹ in Lakhs</u>
(i) amount required to be spent by the holding company during the year :	<b>11.43</b>
(ii) amount of expenditure incurred :	<b>11.50</b>
(iii) shortfall at the end of the year :	-
(iv) total of previous years shortfall	<b>NIL</b>
(v) reason for shortfall :	
(vi) nature of CSR activities :	
Health Care	<b>9.48</b>
Sanitation	<b>0.77</b>
Promoting Education	<b>0.60</b>
PM Relief Fund	<b>0.65</b>
	<b>11.50</b>

(vii) details of related party transactions, e.g., contribution to a trust controlled by the group in relation to CSR expenditure as per relevant Accounting Standard :

**NIL**

(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately :

**NIL**

p) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year and therefore, the disclosures as sought is not applicable.

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

**5.51** All amounts in the financial statement are in ₹ Lakhs.

**As Per our Report of Even Date attached.**

**For A.C.BHUTERIA & CO.**

**Chartered Accountants**

**Firm Regn. No.:**

**For and on behalf of the Board of Directors**

**Mohit Bhuteria**  
Partner  
Membership No.: 056832  
Place : Kolkata  
Date: 26-05-2023

**Vijay Sambrekar**  
CFO  
PAN:BGLPS8409M

**Amruta Tarale**  
Company Secretary  
ACS - 42288

**Urmila Devi Mohta**  
Chairman  
DIN: 00068906  
Place : Belgaum  
Date: 26-05-2023

**Anirudh Mohta**  
Managing Director  
DIN:00065302

## ATTENDANCE SLIP – 65<sup>TH</sup> ANNUAL GENERAL MEETING

(To be handed over at the entrance of the Meeting Hall)

Number of Shares:

I / We hereby record my/our presence at the 65<sup>th</sup> Annual General Meeting of the Company to be held at Udyambag, Industrial Estate, Khanapur Road, Belgaum – 590 008 (Karnataka) On Wednesday 26<sup>th</sup> July, 2023 At 3.30 p.m

Name of the Shareholder  
(in Block Letters)

Regd. Folio No.  
(Physical)/ I.D.No.(Demat)

Name of the Proxy  
(in Block Letters)

Signature of the Shareholder(s)/  
or Proxy present

### ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Event Number)	USER ID	PASSWORD/ PIN
<b>230627003</b>		

Please complete and sign this attendance slip and handover at the entrance of the meeting hall. Only Shareholder(s) or / their proxy with this attendance slip will be allowed entry to the meeting. Duplicate slips will not be issued at the entrance.



## 65<sup>TH</sup> ANNUAL GENERAL MEETING

### PROXY FORM (Form No. MGT-11)



(Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rule 2014

Name of the Member (s)

Registered Address:

Email ID :

Folio. No./ Client ID and DP ID:

1.Name \_\_\_\_\_

2.Name \_\_\_\_\_

3.Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

E mail Id \_\_\_\_\_

E mail Id \_\_\_\_\_

E mail Id \_\_\_\_\_

Signature \_\_\_\_\_ or failing him/her

Signature \_\_\_\_\_ or failing him/her

Signature \_\_\_\_\_ or failing him/her

Regd. Folio No (Physical) / I. D. No (Demat) \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I /We \_\_\_\_\_ residing at \_\_\_\_\_ being a shareholder/(s) of **BEMCO HYDRUALICS LIMITED** hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him /her \_\_\_\_\_ of \_\_\_\_\_ as my /our Proxy to attend and vote for me/us on my/our behalf at the **65<sup>th</sup> ANNUAL GENERAL MEETING** of the company to be held at Udyambag, Industrial Estate, Khanapur Road, Belgaum – 590 008 (Karnataka) on Wednesday 26<sup>th</sup> July, 2023 at 3.30 pm and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions	FOR	AGAINST
<b>AS ORDINARY BUSINESS</b>			
1	<b>To consider and adopt the audited Standalone financial statement of the Company for the financial year ended March 31st, 2023, the reports of the Board of Directors and Auditors thereon.</b>		
2	<b>To consider and adopt the audited consolidated financial statement of the Company for the financial year ended March 31st, 2023, the reports of Auditors thereon.</b>		
3.	<b>To Confirm dividend paid on 300000, 11% Cumulative Redeemable Preference shares, paid for the period from April 1, 2022 up 31st March, 2023.</b>		
4.	<b>To appoint a Director in place of Smt. Urmila Devi Mohta (DIN 00068906), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-election.</b>		
<b>AS SPECIAL BUSINESS</b>			
5.	<b>Regularization of additional director, Mr. Vijay Kumar Mohta (DIN:00535338), by appointing him as Non Executive Director of the Company:</b>		
6.	<b>To re-appoint Mr. Anirudh Mohta (DIN: 00065302) as the Managing Director and fixing his remuneration w.e.f 1st April, 2024.</b>		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Note:

- The form should be signed across the stamp as per specimen signature registered with the Company.
- The Proxy form duly completed must be deposited at the office of the Share Transfer Agents of the Company not less than 48 hours the time fixed for holding the aforesaid meeting.
- The proxy need not be a shareholder of the Company.

Affix  
Revenue  
Stamp



## BEMCO HYDRAULICS LIMITED

(CIN: L51101KA1957PLC0012830)

Registered Office: Udyambag, Industries Estate, BELGAUM – 590 008

Email: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net) Website: [www.bemcohydraulics.com](http://www.bemcohydraulics.com)

Phone No0831-2441980, Fax No.0831-2441263

### BALLOT FORM

Name of the Member(s)  
Registered Address

Registered Folio No / DP ID / Client ID

No. of equity Share(s) held

I/we, hereby exercise my/our vote of the following resolution(s) to be passed at the 65<sup>TH</sup> Annual General Meeting of the Members of the Company to be held on Wednesday 26<sup>th</sup> July, 2023 at 3.30 PM at Udyambag, Industrial Estate, Khanapur road, Belgaum – 590 008 (Karnataka) in respect of business as stated in the Notice dated 26<sup>th</sup> May, 2023 by conveying my/our assent or descent to the said resolution(s) by placing ( ✓ ) mark in the box against respective matters

Resolution No.	Description	Ordinary/Special Resolution	For	Against
<b>AS ORDINARY BUSINESS</b>				
1.	To consider and adopt the audited Standalone financial statement of the Company for the financial year ended March 31st, 2023, the reports of the Board of Directors and Auditors thereon.	Ordinary		
2.	To consider and adopt the audited consolidated financial statement of the Company for the financial year ended March 31st, 2023, the reports of Auditors thereon.	Ordinary		
3.	To Confirm dividend paid on 300000, 11% Cumulative Redeemable Preference shares, paid for the period from April 1, 2022 up 31st March, 2023.	Ordinary		
4.	To appoint a Director in place of Smt. Urmila Devi Mohta (DIN 00068906), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-election.	Ordinary		
<b>AS SPECIAL BUSINESS</b>				
5.	Regularization of additional director, Mr. Vijay Kumar Mohta (DIN:00535338), by appointing him as Non Executive Director of the Company:	Ordinary		
6.	To re-appoint Mr. Anirudh Mohta (DIN: 00065302) as the Managing Director and fixing his remuneration w.e.f 1st April, 2024.	Special		

Date: .....

Place: .....

.....