

## **REPORT ON CORPORATE GOVERNANCE**

### **Report on Corporate Governance**

In terms of Regulations 15 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 a report on corporate governance is not mandatory for your Company as its paid up capital is less than Rs. 10 crores and net worth of the Company is less than Rs. 25 crores. Nonetheless, as a matter of board's commitment to better corporate governance and transparency in management this report on corporate governance is furnished sans certification from outside professionals.

#### **1. Company's Philosophy on Code of Corporate Governance.**

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

Bemco Hydraulics Limited was incorporated in the year 1957.

BEMCO, originally an Engineering Craftsman's shop in the late thirties has risen to be a premier producer of Hydraulic Presses equipments. It is located in Belgaum, Karnataka, a southwestern state in India. The company now has a well planned and adequately equipped manufacturing set up where every infrastructure is available to design, develop and produce a mega range of Hydraulic presses and equipments.

The company by collaborating with Vogel of Germany and Towler Brothers of U.K manufactured the first ever indigenously produced Hydraulics press. The company has lived the reputation of their collaborators in producing Hydraulics presses and equipments conforming to the international standards. The company with its classic range of Hydraulic Presses caters to the needs of industries involved in metal working, plastics, wood, rubber, electronics and electricals in India and abroad.

The company backed by the expertise of its highly qualified technocrats and professional and dynamic leadership has etched its name as producer of high quality, reliable and easily maintainable Hydraulic presses and equipments.

The principles of transparency, accountability, trusteeship and integrity are at the core of the Company's basic character. The Company firmly believes in the right of its stakeholders to information regarding the Company's business and financial performance.

The Company continues to commit itself to maintain the standards of integrity, transparency, accountability and equity in all facets of its operations and all its interactions with its stakeholders including the shareholders, employees and government. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholders value, keeping in view the needs and interest of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

#### **2. Board of Directors**

##### **a. Composition of the Board & Category of Directors**

During the financial 2018-19, the strength of your Company's Board was six directors comprising of one executive director and five non-executive directors including one woman director as required under Regulation 17 of SEBI (LODR) Regulations, 2015. Three out of six Directors were Independent Directors, which duly complied with the requirement of Regulation 17 of (LODR) Regulations, 2015.

<b>Name of the Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Category of Directorship</b>
Shri Madan Mohan Mohta	00068884	Chairman	Promoter Non Executive Chairman
Shri Anirudh Mohta	00065302	Managing Director	Promoter Executive Director
Smt. Urmila Devi Mohta	00068906	Director	Promoter Non Executive Director
Shri Ramesh Manickchand Shah	00068653	Director	Non Executive Director Independent
Shri Nawal Kishore Daga	00142170	Director	Non Executive Director Independent
Shri Dilip Premraj Chandak	00644673	Director	Non Executive Director Independent

Mr. Anirudh Mohta and Smt. Urmila Devi Mohta are related to Mr. Madan Mohan Mohta as Son and Wife. Save this none of the other Directors are in any way related to each other.

**b. Selection of Independent Directors.**

Considering the requirement as per section 150 of Companies Act, 2013, company has appointed Independent Directors considering their expertise and number of Directorship and Membership held in various committees of other companies and as per the code of conduct mentioned under the schedule IV of the Companies Act, 2013.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

**c. Meetings of Independent Directors**

As per Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or managerial personnel. Such meetings are conducted informally to enable independent Directors to discuss matters pertaining to the company's affairs and put forth their views to the Chairman and Managing Director.

One meeting of Independent Directors was held during the year.

**d. Code of Conduct**

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the code has been put on the Company's website ([www.bemcohydraulics.com](http://www.bemcohydraulics.com)). The Code has been circulated to Directors and Management Personal, and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director is published in this Report.

**e. Board Meetings, Board Committee Meetings and Procedures**

The Board has constituted four committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and internal complaints Committee. The Board is authorized to constitute additional functional Committees, from time to time depending on business needs.

Minimum four pre-scheduled board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the company's specific needs.

The meetings are usually held at the registered office of the company at Udyambag, Industrial Estate, Belgaum – 590 008.

The items/matters required to be please before the Board, *inter alia*, include:

1. Annual operating plans and budgets and any updates.
2. Capital budget, purchase and disposal of plant, machinery and equipment.
3. Quarterly, half yearly and annual results of the company and its operating divisions or business segments.
4. Minutes of the meeting of the audit committee and other committees of the board of Directors.
5. Information on recruitment and remuneration of senior officers just below the level of board of Directors including appointment and removal of chief financial officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial non- payments for goods sold by the Company.
9. Any issue which involves possible public or product liability/claims of substantial nature, including any judgment or order which may have passed strictures on the Conduct of Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
10. Details of any joint venture or collaboration agreement.
11. Transactions involve substantial payment towards goodwill, brand equity or intellectual property.
12. Significant labour problems and their proposed solution. Any significant development in human resources/industrial relations front like signing of lease agreement, implementation of voluntary retirement scheme etc.
13. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as non-payment of dividend, share transfer etc.
16. Appointment, remuneration and resignation of Directors
17. Formation/reconstitution of Board Committees
18. Terms of reference of Board Committees
19. Declaration of Independent Directors at the time of appointment/annually

20. Annual operating plans and budgets and any updates.
21. Capital budget, purchase and disposal of plant, machinery and equipment.
22. Quarterly, half yearly and annual results of the company and its operating divisions or business segments.
23. Minutes of the meeting of the audit committee and other committees of the board of Directors.
24. Information on recruitment and remuneration of senior officers just below the level of board of Directors including appointment and removal of chief financial officer and the Company Secretary.
25. Show cause, demand, prosecution notices and penalty notices, which are materially important.
26. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
27. Any material default in financial obligations to and by the company, or substantial non- payments for goods sold by the Company.
28. Any issue which involves possible public or product liability/claims of substantial nature, including any judgment or order which may have passed strictures on the Conduct of Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
29. Details of any joint venture or collaboration agreement.
30. Transactions involve substantial payment towards goodwill, brand equity or intellectual property.
31. Significant labour problems and their proposed solution. Any significant development in human resources/industrial relations front like signing of lease agreement, implementation of voluntary retirement scheme etc.
32. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
33. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movement, if material.
34. Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as non-payment of dividend, share transfer etc.
35. Appointment, remuneration and resignation of Directors
36. Formation/reconstitution of Board Committees
37. Terms of reference of Board Committees
38. Declaration of Independent Directors at the time of appointment/annually
39. Disclosure of Directors' interest and their shareholding
40. Appointment or removal of the Key Managerial Personnel
41. Appointment of Internal Auditors and Secretarial Auditors
42. Annual Secretarial Audit Report submitted by Secretarial Auditor
43. Significant changes in accounting policies and internal controls
44. Statement of significant transactions, related party transactions and arrangements entered by private limited companies.
45. Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
46. Internal Audit findings and External Audit Reports.
47. Status of business risk exposures, its management and related action plans
48. Borrowing of monies, giving guarantees or providing security in respect of loans.
49. Brief on statutory development, changes in government policies, among other with impact thereof, Directors' responsibilities arising out of any such developments.
50. Compliance certificate certifying compliance with all laws as applicable to the Company.
51. Reconciliation of Share Capital Audit Report.

The aforesaid information is generally provided as a part of the agenda of the Board Meeting or is placed at the table during the course of the Meeting. After notification of the secretarial standards, the Company has made it a practice to follow those standards on and from 1<sup>st</sup> July 2015. The senior management staffs are also invited to the Board Meeting to present reports on the Company's operations and internal control systems. The detailed agenda is sent to the Directors a week before the Board Meeting. In special and exceptional circumstances, additional or supplementary items(s) on the agenda are permitted to be taken up as 'any other item' with the permission of the Chairman. The Board also periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

#### f. Number of Board Meetings

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

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

**g. Director's attendance record and directorship held.**

Attendance of Directors at Board Meetings, Last Annual General Meeting (AGM) and Number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies:

Sr. No	Name of Director	Attendance at Meetings During 2017		No. of other Directorships other as on 31.03.2019 (#)	No. of Committee positions held in other Companies	
		Board	AGM		Chairman	Member
1.	Anirudh Mohta	7	Present	4	Nil	Nil
2.	Madan Mohan Mohta	8	Present	5	Nil	Nil
3.	Urmila Devi Mohta	8	Present	5	Nil	Nil
4.	Ramesh Manickchand Shah	7	Present	1	Nil	Nil
5.	Dilip Premraj Chandak	7	Present	6	Nil	Nil
6.	Nawal Kishore Daga	8	Present	-	Nil	Nil

Notes:

# The Directorships held by Directors as mentioned above, do not include Firms, LLP Trusts & HUFs.

**Board Committees**

The Company has constituted Board level Committees to delegate particular matters that require greater and more focused attention in the affairs of the Company. All the decisions pertaining to the constitution of Committees are taken by the Board of Directors of the Company.

As on 31<sup>st</sup> March, 2018 the Company has Four (4) Board level Committees namely the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and internal complaints committee.

**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 – Executive Director

**b. NOMINATION AND REMUNERATION COMMITTEE**

Chairman: Mr. R. M. Shah – Independent Director  
Other Members: Mr. Dilip Chandak – Independent Director  
Mr. N. K. Daga- Independent Director  
Mr. Madan Mohan Mohta – Non Executive Director

**c. STAKE HOLDERS RELATIONSHIP COMMITTEE**

Chairman: Mr. Dilip Chandak – Independent Director  
Other Members: Mr. Anirudh Mohta – Executive Director  
Mrs. Urmila Devi Mohta – Non Executive Director  
Mr. R. M. Shah – Independent Director

**d. COMMITTEE FOR INTERNAL COMPLAINTS COMMITTEE**

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

**3. AUDIT COMMITTEE:**

As per section 177 of the Companies Act, 2013 & Regulation 18 of (LODR) Regulations 2015, company has constituted Audit Committee.

The Committee comprises of three Independent Directors and one Executive Director viz Shri Dilip Chandak- Chairman, Shri R. M. Shah- Member, Shri N. K.Daga- Member, Shri Anirudh Mohta- Managing Director. All Members of the Audit Committee possess accounting and financial management knowledge.

The Audit Committee met seven times during the year on 30<sup>th</sup> May 2018, 22<sup>nd</sup> May, 2018, 22<sup>nd</sup> June, 2018, 13<sup>th</sup> August, 2018, 13<sup>th</sup> November, 2018, 21<sup>st</sup> December, 2018 & 11<sup>th</sup> February, 2019. The maximum time gap between any two consecutive meetings did not exceed four months. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings are given below:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Shri Dilip Chandak	Independent Director	Chairman	6
Shri R. M. Shah	Independent Director	Member	6
Shri N. K. Daga	Independent Director	Member	7
Shri Anirudh Mohta	Executive Director	Member	7

The then Chairman of the Audit Committee Shri Dilip Chandak was present at the Annual General Meeting of the Company held on 29<sup>th</sup> August, 2018 to answer shareholder queries.

Further the Audit Committee has been granted powers as prescribed regulation 18(3) of LODR Regulations, 2015

**The terms of reference of the Audit Committee includes the following:**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the Appointment remuneration and terms of appointment of statutory auditor, internal auditor and practicing company secretary and the fixation of their fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the Management, the annual financial statement and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required as part of the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (C) of Sub-Section (3) of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management. Significant adjustments made in the financial statements arising out of audit findings.
  - d. Compliance with listing and other legal requirements relating to financial statements.
  - e. Disclosure of any related party transactions.
  - f. Modified opinion (s) draft audit report.
5. Reviewing with the Management, quarterly and half-yearly financial statements before submission to the Board for Approval.
6. Reviewing with the Management, the statement of uses/ application of funds raised through and issue(Public issue, rights issue, preferential issue, etc.) Statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public of rights issue, and making appropriate recommendation to the board to take up steps in this matter.
7. Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process.
8. Approval or subsequent modification of transactions of the listed entity with related party.
9. Scrutiny of inter corporate loans and investments.
10. Valuation of undertaking or assets of the listed entity wherever it is necessary.
11. Evaluation of internal financial control and risk management systems.
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems
13. Reviewing of adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with the internal auditors of any significant findings and follow-up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post audit discussion to ascertain any areas of concern.
17. To look into the reasons for substantial default in payment to the depositors, debenture holder (in case of non-payment of declared dividend) and creditors.
18. To review the functioning of whistle blower mechanism.
19. Approval of appointment of chief financial officer and accessing the qualifications, experience and background etc. of the candidate.
20. Carrying out any other functions as specified in the terms of reference, as amended from time to time.

The powers of the Audit Committee, pursuant to its terms of reference, include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if considered necessary;

Further, the Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee) submitted by Management.
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief Internal Auditors;

#### 4. NOMINATION & REMUNERATION COMMITTEE AND POLICY

As per Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2015, the board has constituted Nomination and Remuneration Committee. The Committee also looks after the compensation structure at the Board level.

##### Composition of the Committee.

Chairman:	Mr. R. M. Shah	- Independent Director
Other Members:	Mr. Dilip Chandak	- Independent Director
	Mr. N K Daga	- Independent Director
	Mr. Madan Mohan Mohta	- Non Executive Director

##### Terms of Reference of the Committee, *inter alia*, includes the following:

- a. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of directors, key managerial personnel and other employees;
- b. Formulation for criteria for evaluation of performance of independent directors and the board of directors.
- c. Devising a policy on diversity of board of directors.
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommended to the board of directors their appointment and removal.
- e. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f.

##### Meeting Details:

The Nomination & Remuneration Committee met twice during the year on 20<sup>th</sup> June, 2018 and 01<sup>st</sup> February, 2019. The minutes of the meetings of the Nomination & Remuneration Committee are reviewed and noted by the Board. The board of Directors reconstituted the Nomination & Remuneration Committee in the Board meeting held on 21<sup>st</sup> December, 2018. The details of the composition of the Committee, meetings held, attendance at the meetings are given below:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Shri R. M. Shah	Independent Director	Chairman	2
Shri Dilip Chandak	Independent Director	Member	2
Shri N K Daga	Independent Director	Member	2
Shri Madan Mohan Mohta from 21 <sup>st</sup> December, 2018	Chairman and Non -Executive Director	Member	1
Smt. Urmila Devi Mohta upto 31 <sup>st</sup> December, 2018	Non -Executive Director	Member	1

#### 5. Remuneration Policy.

The Remuneration to Director, Key Management personnel and senior management is determined by the Board of Directors taking in to account the parameters laid down in schedule V to the Companies Act, 2013. So far the Company has remunerated its managerial personnel well within the limits laid down in schedule V and shareholders' approval is obtained in the Annual General Meeting in case of directors. Remuneration of Whole-time/Managing/Executive Directors largely consists of base remuneration, perquisites, gratuity, bonus and other allowances. The Non- Executive Directors are entitled to sitting fee for attending the meetings of the Board.

The details of Remuneration paid/payable during the year to Directors & Key Management Personnel are as under:-

Name of the Director	Basic Salary & Allowances	Perquisites	Retirement Benefits	PF	Amount (Rs.)	
					Sitting Fees	Total
Shri Anirudh Mohta	77,00,142	-	-	21,600	-	77,21,742
Shri Madan Mohan Mohta	-	-	-	-	8000	8000



Smt. Urmila Devi Mohta	-	-	-	8000	8000
Shri R.M.Shah	-	-	-	7000	7000
Shri N.K.Daga	-	-	-	8000	8000
Shri Dilip Chandak	-	-	-	7000	7000

## 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, reimbursement of expenses for participation in the Board Meetings.

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

### Remuneration Policy for the Directors, Senior Management and Employees.

In determining the remuneration of the Senior Management Employees (i.e KMPs NA Executive Committee Members) and A&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 A & R Committee for its review and approval.

## 6. STAKE HOLDERS RELATIONSHIP COMMITTEE

Regulation 20 of SEBI (LODR) Regulations 2015 and Companies Act, 2013 Stake Holders Relationship Committee has constituted by the Board.

Composition of the Committee:

Chairman:	Mr. Dilip Chandak	- Independent Director
Other Members:	Mr. Anirudh Mohta	- Executive Director
	Mrs. Urmila Devi Mohta	- Non Executive Director

### Terms of reference

The committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividend.

### Meeting Details

The Committee met fifteen times during the year on 27<sup>th</sup> April, 2018, 25<sup>th</sup> May, 2018, 22<sup>nd</sup> June, 2018, 03<sup>rd</sup> August, 2018, 17<sup>th</sup> August, 2018, 29<sup>th</sup> September, 2018, 12<sup>th</sup> October, 2018, 2<sup>nd</sup> November, 2018, 23<sup>rd</sup> November, 2018, 14<sup>th</sup> December, 2018, 28<sup>th</sup> December, 2018, 04<sup>th</sup> January, 2019, 15<sup>th</sup> February, 2019, 22<sup>nd</sup> February, 2019 and 08<sup>th</sup> March, 2019. The attendance of members was as follows:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Dilip Chandak	Independent Director	Chairman	15
Anirudh Mohta	Executive Director	Member	15

#### Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading. The code of conduct is available on company's website [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

#### Investors Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

SrNo.	Types of Complaints	Number of Complaints
1	NIL	NIL

As on 31<sup>st</sup> March 2019, no complaints were outstanding.

#### a. COMMITTEE FOR PREVENTION OF SEXUAL HARRSSMENT OF WOMAN AT WORKPLACE/ INTERNAL COMPLAINTS COMMITTEE

Chairman: Miss Kirti Ramchandra Devale – Company Employee  
 Other Members: Mrs. Urmila Devi Mohta - Director  
 Mrs. Madhuri Kulkarni- Company Employee

#### Meeting Details

The Committee met Four times during the year on 30<sup>th</sup> May, 2018, 31<sup>st</sup> August, 2018, 29<sup>th</sup> November, 2018 and 27<sup>th</sup> February, 2019. The attendance of members was as follows:

Name of the Member	Category of Directorship	Position	No of Meetings attended
Kirti Ramchandra Devale	Company Employee	Chairman	4
Amruta Tarale	Company Employee	Member	4
Madhuri Kulkarni	Company Employee	Member	4



**Annual General Meetings**

During the preceding years, the Company's Annual General Meetings and Extra ordinary general meetings were held at Registered Office of the Company at Udyambag, Khanapur Road, Belgaum – 590008 Karnataka

The date and time of Annual General Meetings held during last five years, and the special resolution(s) passed thereat, are as follows:

Year	Date	Time	Meeting	Special Resolutions Passed
2018-19	19/03/2019	3:30 pm	EGM	<ol style="list-style-type: none"> <li>To re-appoint Mr. Anirudh Mohta (DIN: 00065302) as the Managing Director and fixing his remuneration w.e.f 1<sup>st</sup> April, 2019.</li> <li>Continuation of Directorship of Mr. Madan Mohan Mohta (DIN: 00068884), as Non Executive Director of the Company, liable to retire by rotation w.e.f 01<sup>st</sup> April, 2019</li> <li>Continuation of Directorship of Mr. Nawal Kishore Daga (DIN: 00142170), a Non Executive Director of the Company and To re-appoint him as Non Executive Independent Director of the company to hold office for a second term from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> march, 2024.</li> <li>Continuation of Directorship of Mr. Ramesh Manickchand Shah (DIN: 00068653), as Non Executive Director of the Company and To re-appoint him as Non Executive Independent Director of the company to hold office for a second term from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> march, 2024.</li> <li>To re-appoint Mr. Dilip Premraj Chandak (DIN: 00644673), as Non Executive Independent Director of the company to hold office for a second term from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> march, 2024.</li> </ol>
2018-19	23/01/2019	3:30 pm	EGM	Approval pursuant to section 185(2) and 186 of the companies act, 2013.
2017-18	29/08/2018	3:30 pm	AGM	• NIL
2016-17	28/09/2017	3:30 pm	AGM	• NIL
2015-16	09/09/2016	3:30 pm	AGM	• NIL
2014-15	25/09/2015	3:30 pm	AGM	• NIL

**8. Means of Communication**

**Quarterly results:** The Company's quarterly results are published in Indian Express & Kannada Prabha and are displayed on its website [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

**Website:** The Company's website [www.bemcohydraulics.net](http://www.bemcohydraulics.net) contains a separate dedicated section "Investor Information" where shareholder's information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on complaint and its current status.

**Designated Exclusive email-id:** The Company has designated the following email-id exclusively for investor servicing: For all queries: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)

**9. General Shareholders Information.****Company Registration Details**

The Company is registered in the State of Karnataka, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51101KA1957PLC001283.

**Annual General Meeting:**

Venue : Registered Office at Khanapur Road, Udyambag, BELGAUM-590 008  
Time : 03:30pm  
Day & Date : Wednesday on 14<sup>th</sup> August, 2019

**Financial Year**

1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

**Financial Calendar**

During the year the financial results were announced as under:

First Quarter	: 13 <sup>th</sup> August, 2018
Second Quarter	: 13 <sup>th</sup> November, 2018
Third Quarter	: 11 <sup>th</sup> February 2019
Annual	: 20 <sup>nd</sup> May, 2019

**Date of Book Closure:**

From (Saturday) 03<sup>rd</sup> August, 2019 to (Wednesday) 14<sup>th</sup> August, 2019 (Inclusive of Both Days).

**Dividend Payment Date:**

No dividend has been declared by the Company on equity shares for the financial year 2018-19.

**Listing on Stock Exchange:****Equity Shares****BSE LIMITED (BSE)**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001  
Script Code : 522650  
ISIN : INE142E01014

**Stock Market Price Data**

Details of Monthly high/ Low during the year 2018-19 on the BSE

Month	Bombay Stock Exchange			
	High Price (₹)	Low Price (₹)	Closing Price (₹)	Volume(No)
Apr-18	210.00	183.00	189.70	7845
May-18	193.00	149.85	162.95	17255
Jun-18	160.40	123.55	142.55	1807
Jul-18	179.70	126.55	179.70	3390
Aug-18	188.45	165.60	171.00	7619
Sep-18	181.10	141.55	141.55	2072
Oct-18	145.00	127.50	137.75	699
Nov-18	144.60	115.65	115.65	1164
Dec-18	136.50	118.95	118.95	846
Jan-19	131.00	112.55	118.00	425
Feb-19	117.70	106.95	106.95	436
Mar-19	112.25	92.00	95.95	1831

**Distribution of Shareholding:**

The distribution of shareholding as on March 31, 2019

Shares Slab	Shareholders	% age	Total Shares	Amount (₹)	% age
Up to – 100	1650	82.34	150068	1500680	6.86
101 – 500	293	14.62	69615	696150	3.18
501 -1000	25	1.25	18856	188560	0.86
1001 -2000	12	0.60	15915	159150	0.73
2001 -3000	3	0.15	7282	72820	0.33
3001 -4000	1	0.05	3466	34660	0.16
4001 -5000	0	0			
5001 -10000	2	0.10	12098	120980	0.55
10001-20000	5	0.25	77229	772290	3.53
20001-50000	3	0.15	135000	1350000	6.17
50001-& above	10	0.50	1697071	16970710	77.61
<b>Total</b>	<b>2004</b>	<b>100.00</b>	<b>2186700</b>	<b>21867000</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2019.  
(Equity listed Capital)**

Category Code	Category of shareholder	Number of shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	8	1633270	74.69
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>8</b>	<b>1633270</b>	<b>74.69</b>

(B)	Public Shareholding			
(1)	Institutions	1	93	0.01
(2)	Non-institutions	1975	553337	25.30
	<b>Total Public Shareholding</b>	<b>1975</b>	<b>553430</b>	<b>25.31</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	0	0	0.00
(2)	Public	0	0	0.00
	<b>Total (A) +(B)+(C)</b>	<b>1984</b>	<b>2186700</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2019.  
(Unlisted Redeemable Non Convertible Preference)**

Category Code	Category of shareholder	Number of shareholders	Total Number of Shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	3	320000	100.00
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>3</b>	<b>320000</b>	<b>100.00</b>
(B)	Public Shareholding			
(1)	Institutions	0	0	0.00
(2)	Non-institutions	0	0	0.00
	<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	0	0	0.00
(2)	Public	0	0	0.00
	<b>Total (A) +(B)+(C)</b>	<b>3</b>	<b>320000</b>	<b>100.00</b>

**Payment of Listing Fees**

Annual listing fee for the year 2019-20 has been paid by the Company to BSE.

**Payment of Depository Fees**

Annual Custody fee for the year 2019-20 has been paid by the Company to NSDL and CDSL.

**Registrar and Share Transfer Agent ( R & T Agent)**

**M/s. Adroit Corporate Services Pvt. Ltd**  
19, Jaferbhoy Industrial Estate, Makawana Road,  
Marol Naka, Andheri (E), Mumbai – 400 059  
Phone No.022-2859 0942, 2859 4060, 2859 6060  
Fax No.022-2850 3748  
Email: [adroits@vsnl.net](mailto:adroits@vsnl.net)

**Share Transfer System.**

Share Transfer are processed and share certificates duly endorsed are delivered within a period of seven day from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc of the Company's securities to the Managing Director. A summary of transfer/transmission of securities of the company so approved by the Managing Director is placed at every Board meeting/ Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities are required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and files a copy of the said certificate with Stock Exchanges.

**Dematerialization of shares and liquidity.**

Mode of Holding	% age
NSDL	39.03
CDSL	52.86
Physical	8.11
<b>TOTAL</b>	<b>100.00</b>

As on 31<sup>st</sup> March 2019, 20,09,282 equity shares out of 21,86,700 of the total equity share capital being 91.89 % of the Company, were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN allotted to the Company's equity shares is INE142E01014

**Secretarial Reconciliation of Share Capital**

Mr. S R Deshpande, a qualified practicing Company Secretary carried out reconciliation of share capital pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued/paid-up listed equity capital of the Company.

The Secretarial reconciliation report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the dematerialisation form.

**10. Disclosure on materially significant related party transactions:**

During the period under review, the Company had not entered into any material transaction with any of its related parties.

None of the transaction with any of related parties was in conflict with the Company's interest. The Company's major related party transactions are generally with its sister concern at arm's length price & at ordinary course of business

**Subsidiary Company**

The subsidiary company namely BEMCO FLUIDTECHNIK PRIVATE LIMITED - (CIN U29248KA2015PTC078838) was converted into Limited Liability Partnership registered under Limited Liability Partnership Act, 2008 and has been incorporated on 27<sup>th</sup> February 2017. The company does not have any material unlisted subsidiary.

**Whistle Blower Policy**

The company has framed a whistle Blower Policy which has been uploaded on the company's website [www.bemcohydraulics.net](http://www.bemcohydraulics.net).

Bemco Hydraulics Limited ("Bemco") is committed to complying with the domestic laws that apply to them, satisfying the Company's Code of Conduct and Ethics, and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face governmental investigation, prosecution, fines, and other penalties. That can be costly. Consequentially, and to promote the highest ethical standards, the Company will maintain a workplace that facilitates the reporting of potential violations of Company policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and free of any fear of retaliation.

**Plant Location & Address for Correspondence:**

The Investors can personally contact or send their correspondence either to *Share Transfer Agent* or at the Company's following address:

**BEMCO HYDRAULICS LTD**  
 Khanapur Road, Udyambag  
 Belgaum - 590 008  
 Tel: 0831-2441980, 2440173, 2440270,  
 Fax: 0831-2441263  
 Email: [isc@bemcohydraulics.net](mailto:isc@bemcohydraulics.net)  
[finance@bemcohydraulics.net](mailto:finance@bemcohydraulics.net)

**CEO AND CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

I Anirudh Mohta hereby confirm that the Company has obtained from all the members of the Board and Management Personal, affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

\_\_\_\_\_  
Anirudh Mohta

Date -20<sup>th</sup> May, 2019  
Place- BELGAUM

**M. M. MOHTA**  
Chairman  
DIN-00068884  
2 Mohanam, 10<sup>th</sup> Cross,  
Bhagya Nagar,  
Belgaum, 590006, Karnataka.

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