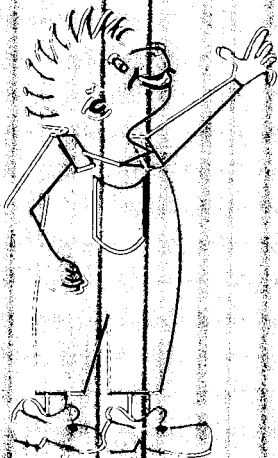




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HERCULES HOISTS LIMITED
36th ANNUAL REPORT 1997-98





HERCULES HOISTS LIMITED

Regd. Office : 110, Minerva Industrial Estate, Mulund (W), Bombay - 400 080.

PROXY FORM

I/We _____
 of _____ in the district of _____
 _____ being a member (s) of the above named Company,
 hereby appoint _____
 of _____ in the district of _____
 or failing him _____
 of _____ in the district of _____

as my/our proxy and to vote for me/us on my/our behalf at the 36th ANNUAL GENERAL MEETING of the Company to be held on Tuesday the 1st September, 1998 at 4.30 p.m. at Bajaj Bhavan, 2nd Floor, 226, Nariman Point, Jamnalal Bajaj Marg, Mumbai - 400 021. and at any adjournment thereof.

Signed this _____ day of _____ 1998

Please affix
30 P. Revenue
Stamp

N. B. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a poll only and the proxy need not be a member. The form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

----- (TEAR HERE) -----

HERCULES HOISTS LIMITED**ATTENDANCE SLIP**

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the member attending : _____

Full Name of the first joint-holder : _____

(To be filled in if first named joint-holder does not attend the meeting)

Full Name of Proxy : _____

(To be filled in if Proxy Form has been duly deposited with the Company).

I hereby record my presence at the 36th ANNUAL GENERAL MEETING of the Company at Bajaj Bhavan, 2nd Floor, 226, Nariman Point, Jamnalal Bajaj Marg, Mumbai - 400 021.

Ledger Folio No. _____

No. of Shares held : _____

Note : The Copy of the Annual Report may please be brought to the meeting.

 Member's/Proxy's Signature
 (To be signed at the time of
 handing over this slip.)



HERCULES HOISTS LIMITED

Regd. Office : 110, Minerva Industrial Estate, Mulund (West), Mumbai 400 080.

NOTICE

NOTICE is hereby given that the Thirty-sixth Annual General Meeting of the Members of Hercules Hoists Limited will be held at Bajaj Bhawan, 2nd Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Tuesday, the 1st September, 1998, at 4.30 P.M. to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and Report of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri. Vinaya L. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Naresh Chandra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company for the period commencing from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution :-

"RESOLVED THAT pursuant to the provisions of Sections 188, 198, 269, 309, 310 and other relevant Sections of the Companies Act, 1956 and Schedule XIII thereto and subject to such sanctions, if any, as may be required, to be obtained from financial institutions and/or banks or any such authority, as may be necessary, the Company hereby accords its approval and consent to the re-appointment of Shri. H. A. Nevatia as the Managing Director of the Company for a period of three years from 22nd November, 1998 to 21st November, 2001 on the following terms and conditions with powers to the Board of Directors to alter and vary the terms and conditions of remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Shri. H. A. Nevatia within the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modification or substitution thereof.

1. **Salary :** Rs. 20,000/- per month in the grade of Rs. 20,000-2,500-30,000/-. Accelerated increment/s, if any, may be given by the Board of Directors at its absolute discretion.

2. **Perquisites :**

- (A) (i) Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- (ii) Gratuity at the rate applicable to senior executives of the Company.
- (iii) Leave with full pay as per the Rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.
- (B) (i) House Rent Allowance at the rate of 60% of the Salary. In addition, the expenditure by the Company on gas, electricity and furnishings and Company's furniture on rental basis as per the Scheme applicable to the Senior Executives of the Company.
- (ii) Reimbursement of the medical expenses incurred by the Managing Director for himself and his family subject to a ceiling of one month's Salary in a year or three month's Salary over a period of three years.
- (iii) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of himself and family.
- (iv) Reimbursement of membership fees of Clubs.
- (v) Personal Accident Insurance premium not to exceed Rs. 4,000/- per annum.
- (vi) Free use of Company's Car for Company's work as well as for personal purposes, along with Driver.
- (vii) Telephone at residence at Company's cost.

3. **Commission :** At the rate of 1% of the net profit of the Company for the financial year, subject to a ceiling of 50% of the Salary.

"FURTHER RESOLVED THAT when in any financial year during the period 22nd November, 1998 to 21st November, 2001, the Company has made no profits or its profits are inadequate, it may pay remuneration to the Managing Director by way of Salary/Perquisites and any other Allowances not exceeding Rs. 72,000/- per

month or Rs. 8,64,000/- per annum and in addition thereto, the Managing Director shall also be entitled to payment/enjoyment of the Perquisites referred to in paragraph 2(A) (i), (ii) and (iii) above, which shall not be included in the computation of the ceiling of minimum remuneration specified hereinabove; provided that the gratuity in such event will be paid at the rate of half a month's Salary instead of what is stated in paragraph 2(A) (ii) above."

"FURTHER RESOLVED THAT in the event of any statutory amendment, modification or relaxation by Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including Salary, Commission, Perquisites, Allowances, etc. within such limits or ceiling as may be prescribed by law."

"Further resolved that the Board of Directors of the Company, be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

EXPLANATORY STATEMENT :

Item No. 6

The term of office of Shri. H. A. Nevatia as the Managing Director of the Company expires in 21st November, 1998. The Board of Directors of the Company at its Meeting held on 29th June, 1998, have, subject to approval of the shareholders of the Company, approved the re-appointment of Shri. H. A. Nevatia as the Managing Director of the Company for a period of 3 years from 22nd November, 1998 on terms and conditions as set out in the Resolution No. 6 of the accompanying Notice. It may be noted that the Salary of Shri. H. A. Nevatia is being increased from the grade Rs. 12,000 - 1,000-16,000/- to Rs. 20,000/- in the grade of Rs. 20,000-2,500- 30,000/- and in the Commission payable, the ceiling of Rs. 90,000/- is being removed.

The approval of the shareholders is sought for the re-appointment of Shri. H. A. Nevatia as the Managing Director of the Company and the remuneration payable to him. The Board recommends passing of this Resolution as set out in item No. 6. A copy of the Ordinary Resolution passed by the shareholders of the Company in the 32nd Annual General Meeting held on 24th August, 1994, according its approval and consent to the re-appointment and payment of remuneration to Shri. H. A. Nevatia as the Managing Director, is available for inspection for the Members at the Registered Office of the Company, between 10.00 A.M. and 1.00 P.M. on all working days.

None of the Directors except Shri. H. A. Nevatia is concerned or interested in the said Resolution.

The above may also be deemed to be an abstract of the terms of appointment of the Managing Director and the nature of the concern or interest of the Directors therein as required by Section 302 of the Companies Act, 1956.

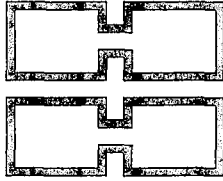
Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 25th August, 1998 to Tuesday, the 1st September, 1998, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made on or after 1st September, 1998, to those members, whose names appear in the Register or Members of the Company as on 1st September, 1998.
4. Members are requested to notify immediately any change of address to the Company.
5. Pursuant to Section 205-A of the Companies Act, 1956, all unclaimed dividends, if any, upto the financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not encashed the dividend warrants upto the said period, are requested to claim the amount from the Registrar of Companies, Maharashtra, Bombay.

By Order of the Board of Directors
For HERCULES HOISTS LIMITED

Mumbai
Dated : 29th June, 1998.

H. A. Nevatia
Managing Director



HERCULES HOISTS LIMITED

BOARD OF DIRECTORS

SHEKHAR BAJAJ Chairman

KLAUS CARL UEBEL

E. B. DESAI (Alternate to Klaus Carl Uebel)

NARESH CHANDRA

VINAYA MEHROTRA

KISHORILAL F. JHUNJHUNWALA

H. A. NEVATIA Managing Director

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AUDITORS

M.L. BHUWANIA & CO.
Chartered Accountants

REGISTERED OFFICE

110, MINERVA INDUSTRIAL ESTATE, MULUND (WEST), MUMBAI - 400 080.