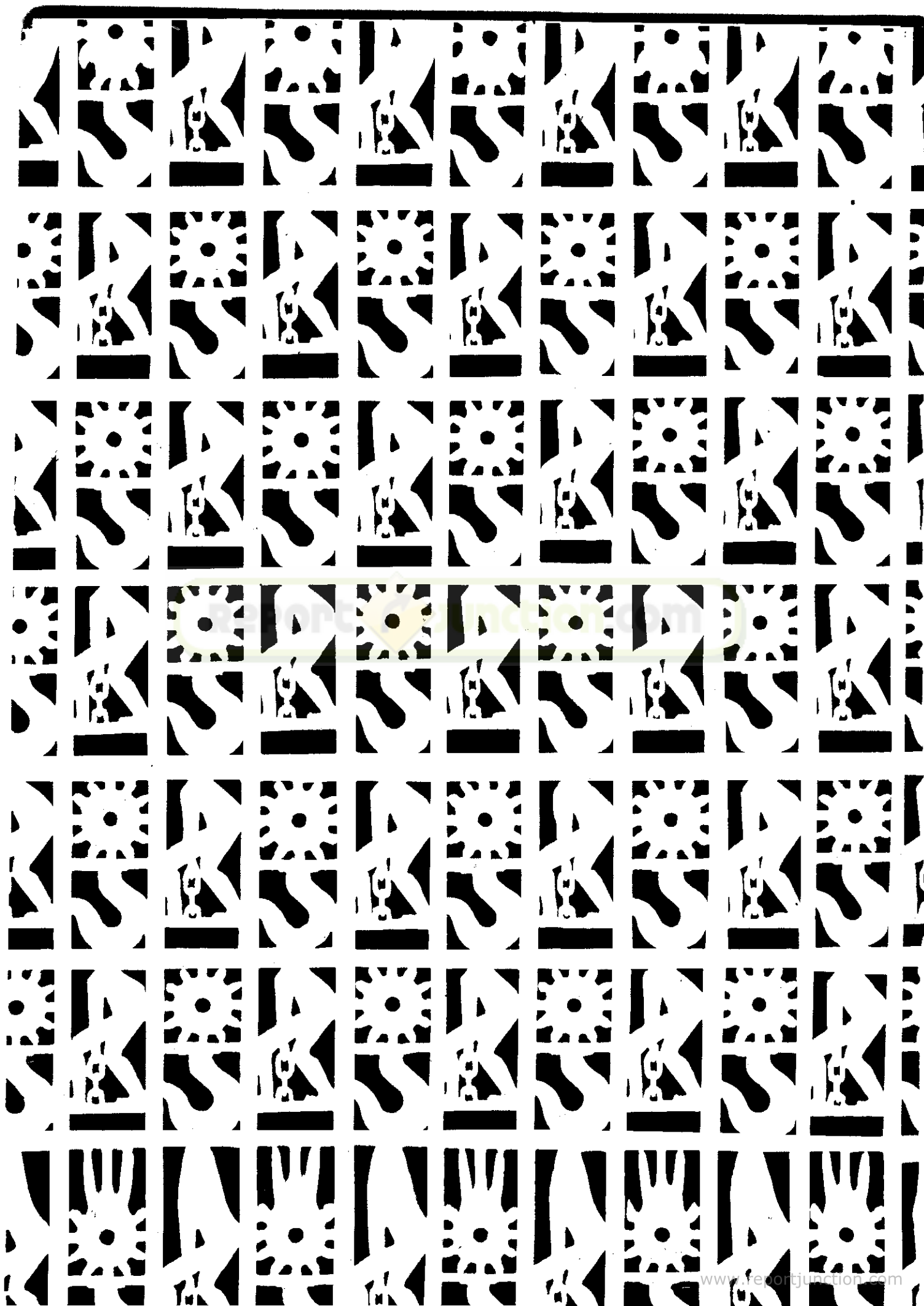
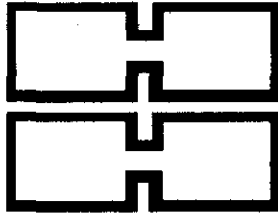




# HERCULES HOISTS LTD.





**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

**BANKERS**

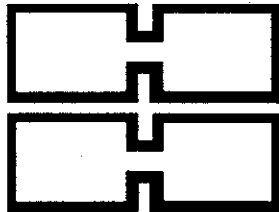
1. BANK OF INDIA
2. THE BANK OF RAJASTHAN LTD.

**AUDITORS**

**M.L. BHUWANIA & CO.**  
Chartered Accountants

**REGISTERED OFFICE**

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



## HERCULES HOISTS LIMITED

### DIRECTORS' REPORT

#### The Members,

The Directors present their 38<sup>th</sup> Annual Report together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2000.

#### 2. Financial Results:

	<b>This Year Rupees</b>	<b>Previous Year Rupees</b>
Sales (Net)	<b>195,481,740</b>	171,058,867
Gross Profit	<b>12,270,813</b>	18,683,569
Depreciation	<b>4,489,451</b>	2,727,248
Profit after Depreciation	<b>7,781,362</b>	15,956,321
Provision for taxation for the year	<b>900,000</b>	2,800,000
Net Profit after tax	<b>6,881,362</b>	13,156,321
Balance brought forward	<b>5,000,000</b>	5,000,000
Profit available for appropriation	<b>12,122,217</b>	18,156,321
Proposed Dividend	<b>—</b>	3,200,000
Interim Dividend	<b>3,200,000</b>	—
Tax on Distributed Profits	<b>352,000</b>	352,000
Transferred to General Reserve	<b>3,570,217</b>	9,604,321
Balance carried to Balance Sheet	<b>5,000,000</b>	5,000,000

3. The Directors recommend that already approved and paid interim dividend of Rs.4.00 per equity share be treated as full and final dividend for the year ended 31<sup>st</sup> March, 2000.
4. The sales are higher as compared to last year, mainly on account of exports of Rs.4.16

Crores. As reported last year, the Company had received an export order of Rs.6.00 Crores. The Company has received export order of approximately Rs.50 Lakhs from another Company. Therefore, the Company hopes to achieve higher exports in the current year.

The 50 : 50 joint venture marketing Company "Indef Marketing Services Limited" between your Company and erstwhile M/s. Batliboi Limited started functioning on 21<sup>st</sup> June, 1999. The local sales were affected partly due to the switch-over process and partly due to the fact that the capital goods engineering industry has still not come out of recession.

The new marketing Company's operations are now stabilised and work is going on to instal an e-marketing set-up to facilitate faster interaction and transaction with dealers and customers.

5. The profit has been lower due to extra-ordinary expenses. The Company had to make good the gratuity contribution due to previous year's Voluntary Retirement Scheme and a provision of Rs.1.00 Crore towards non-competition amount payable to M/s. Batliboi Limited as per the Agreement for separation signed with them.
6. The Company has completed the modernisation of its machine shop. The Company is shortly introducing in local market the modern range of Chain Pulley Blocks, which the Company has exported last year. The work on development of some more new products has been undertaken and this is also expected to increase export as well as local sales.
7. Shri Shekhar Bajaj and Shri Vinaya L. Mehrotra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.
8. You are requested to appoint Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
9. The relations with the employees of the company have continued to be cordial.
10. In terms of Section 217(1)(e) of the Companies Act, 1956, (as amended) and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, your Directors furnish the additional information as required in the annexure hereto.

On behalf of the Board of Directors

Mumbai, 16<sup>th</sup> June, 2000.

**SHEKHAR BAJAJ**  
Chairman

**ANNEXURE**

- i) Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**A. Conservation of Energy:**

(a) Power and Fuel Consumption	Current Year	Previous Year
1. Electricity:		
(a) Purchased		
Units	420174	351252
Total Amount (Rs.)	1,968,142	1,719,731
Rate/Unit (Rs.)	4.68	4.90
(b) Own Generation		
Through Diesel Generator		
Units	2547	3603
Units per litre of Diesel Oil	1.27	1.30
Diesel Cost (Rs.)	27,916	30,315
Rate/Unit (Rs.)	10.96	8.41
2,3 & 4. Coal, Furnace Oil, Others/Internal Generation	NIL	NIL

**(b) Consumption per Unit of Production:**

From the records and other Books maintained by the Company in accordance with the provisions of the companies Act, 1956, the Company is not in a position to give the required information for the current year as well as the previous year.

**B. Technology Absorption:**

The Company does not have a separate Research and Development Dept. However, the Company's Engineers make constant efforts to improve the products in the areas of quality, performance, cost effectiveness, etc.

**C. Foreign Exchange Earnings & Outgoings:**

(i) Foreign Exchange Earnings	41,608,222	1,474,087
(ii) Foreign Exchange Outgo	11,698,477	18,367,708

- ii) Statement pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2000.

Name	Age	Designation Nature of Duties	Qualification	Experience (in Years)	Remuneration Gross Rs.	Recd. Net Rs.	Date of Commence ment of employment	Last Employment held, Designation, Name of the employer (period for which post is held)
Saigal M.S	58	Vice President (Works)	A.M.I.E M.B.M	37	662,998	375,899	10/10/1990	Works Manager Sesa Goa Ltd., Goa(10)

**Notes:**

- Gross Remuneration comprises of salary, bonus, allowances, gratuity paid, monetary value of perquisites and Company's contribution to Provident, superannuation and Gratuity Funds.
- Net Remuneration is after tax and is exclusive of Company's Contribution to Provident, Superannuation and Gratuity Funds and monetary value of non-cash perquisites.
- None of the above employee is related to any Director of the Company.
- No employee is holding by himself, or along with his spouse and dependent children, more than two percent of the equity share capital of the Company.

**Report of the Auditors to the Shareholders**

We have audited the attached Balance Sheet of MESSRS. HERCULES HOISTS LIMITED, as at 31<sup>st</sup> March, 2000 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that:-

- As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph 1 above :
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books;
  - The Balance Sheet and the Profit and Loss Account dealt with by the Report are in agreement with the books of accounts;
  - In our opinion, the Profit and Loss account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;