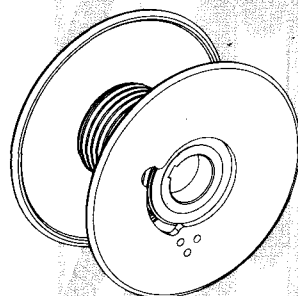
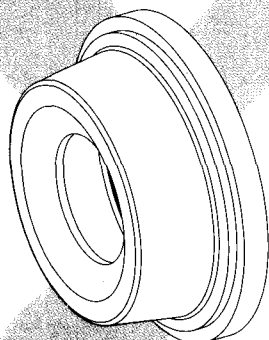
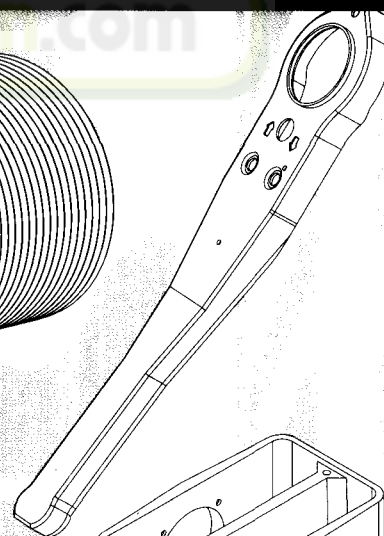
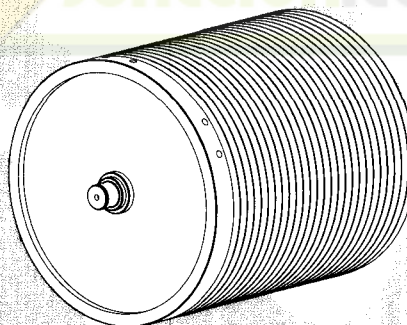
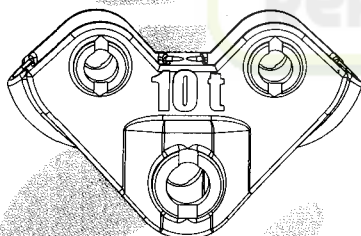
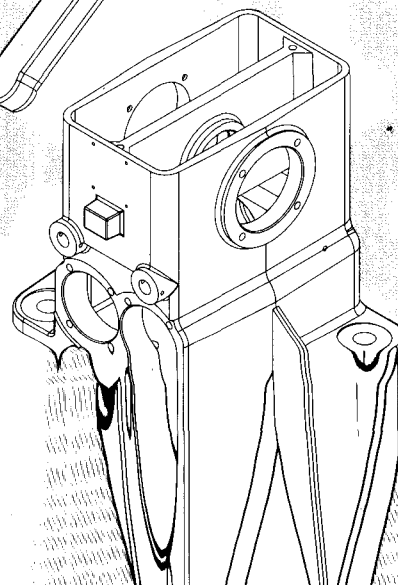
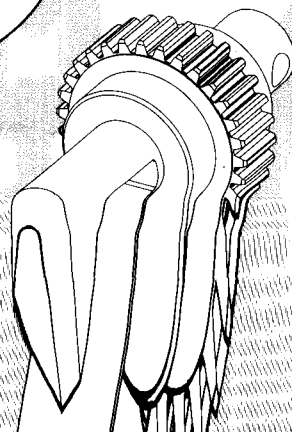


HERCULES HOISTS LIMITED

41ST ANNUAL REPORT 2002-2003



bajaj group



HERCULES HOISTS LIMITED

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

NOTICE

NOTICE is hereby given that the **Forty First 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 29th day of July, 2003, 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, 2003 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.

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. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 22nd July, 2003 to Tuesday, the 29th July, 2003, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made on or after 29th July, 2003, to those members, whose names appear in the Register of Members of the Company as on 29th July, 2003.
4. Members are requested to notify immediately any change of address to the Company.
5. In terms of provisions of Section 109-A of the Companies Act, 1956, nomination facility is now available to individual shareholder. The shareholders, who are desirous of availing this facility, may kindly write to the Company for Nomination Form quoting their Folio Number.

On behalf of the Board of Directors

Mumbai,
Dated : 3rd June, 2003.

Shekhar Bajaj
Chairman

HERCULES HOISTS LIMITED

Regd. Office : 110, Minerva Industrial Estate, Mulund (W), Mumbai- 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 41st ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th July, 2003 at 4.30 P.M. at Bajaj Bhavan, 2nd Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021 and at any adjournment thereof.

Signed this _____ day of _____ 2003

Please affix
 Re.1-00
 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)

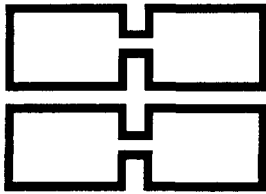
I hereby record my presence at the 41st ANNUAL GENERAL MEETING of the Company at Bajaj Bhavan, 2nd Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021.

Ledger Folio No. _____

No. of Shares held : _____

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

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



HERCULES HOISTS LIMITED

BOARD OF DIRECTORS

SHEKHAR BAJAJ Chairman

KLAUS CARL UEBEL

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

NARESH CHANDRA

VINAYA MEHROTRA

KISHORILAL F. JHUNJHUNWALA

H. A. NEVATIA Whole Time Director

Report  junction.com

BANKERS

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

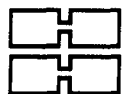
AUDITORS

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 41st Annual Report together with the Audited Financial Accounts for the year ended 31st March 2003:

2. Financial Results	This Year Rupees	Previous Year Rupees
Sales (Net)	231,194,321	199,694,341
Gross Profit	36,421,366	16,936,706
Depreciation	5,716,853	5,562,062
Profit after Depreciation	30,704,513	11,429,660
Provision for taxation for the year (including deferred tax)	11,173,329	1,699,119
Net Profit after tax	19,531,184	9,730,541
Earlier year's income-tax adjustment	(62,202)	29,081
Balance brought forward	7,500,000	5,000,000
Profit available for appropriation	26,968,982	14,759,622
Proposed Dividend	4,000,000	3,200,000
Corporate Tax on Dividend	512,500	-
Transferred to General Reserve	14,956,482	4,059,622
Balance carried to Balance Sheet	7,500,000	7,500,000

- The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.5.00 per share for the year ended 31st March 2003, subject to deduction of tax, if any, as against Rs.4.00 per share in the last year.
- The sales of the Company are higher as compared to previous year by Rs.315.00 lacs (increase of 15.77%), due to increase in local as well as exports sales as compared to previous year. The increase in sales growth was achieved due to improvement in market conditions, introduction of new products and aggressive marketing efforts. The cost cutting and operational restructuring exercise have also helped in the performance of the Company.
- The Company continued their efforts in new product development. Modified Ratchet Lever Hoists, Pulling and Lifting Machines, and modular Wire Rope Hoists (upto 20T) have been developed during last year. It is hoped that, with the improvement in the economy and introduction of new products and aggressive marketing efforts, the Company's performance should improve further.
- The Company has decided to merge INDEF MARKETING SERVICES LIMITED (100% subsidiary) into HERCULES HOISTS LIMITED with a view to achieve higher efficiency in operational management and to reduce avoidable administrative expenses,

leading to improvement in overall profitability of the larger Company. Amalgamation will take effect from April 01, 2003, subject to approval by Hon. High Court.

- The relations with the employees have continued to be cordial.
- Shri Vinaya L. Mehrotra and Shri Naresh Chandra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.
- On the basis of information placed by the management and the Auditors, the Directors confirm that:
 - in the preparation of the annual accounts, the applicable standards have been followed and that no material departures have been made from the same;
 - such accounting policies have been selected and applied consistently and that reasonable and prudent judgements and estimates are made 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 or loss of the Company for the period;
 - proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken; and
 - the annual accounts are prepared on a going concern basis.
- 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.
- No employees are getting remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act 1956 (as amended) read with Companies (Particulars of Employees) Rules, 1975. Your Directors furnish in the annexure hereto the additional information as required under section 217 (1) (e) of the Companies Act, 1956, (as amended) read with the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.
- The Compliance Certificate from Secretary in whole-time practice M/s. S.N. Ananthasubramanian & Co., Thane, under Section 383-A(1) of the Companies Act, 1956, is annexed hereto.

On behalf of the Board of Directors,

SHEKHAR BAJAJ
Chairman.

Mumbai, 3rd June, 2003.

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 :

The Company's manufacturing process is not energy intensive. The details of energy consumption and costs are as follows :-

(a) Power and Fuel Consumption		Current Year	Previous Year
1. Electricity:			
(a) Purchased			
Units		419,907	398,613
Total Amount (Rs.)		1,925,415	1,962,322
Rate/Unit (Rs.)		4.59	4.93
(b) Own Generation			
Through Diesel Generator			
Units		1158	1,758
Units per litre of Diesel Oil		1.38	1.35
Diesel Cost (Rs.)		36,796	33,564
Rate/Unit (Rs.)		12.76	11.46
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 has developed new range of Hand Chain, Electric Chain, Electric Wire Rope and Ratchet Lever Hoists. These hoists are being sold locally also and have been well received in the market. The Company's engineers have continued to improve the design and quality of the existing products.

C. Foreign Exchange Earnings & Outgoings:

(i) Foreign Exchange Earnings	24,276,252	18,396,839
(ii) Foreign Exchange Outgo	9,679,267	10,549,513

- 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 31st March, 2003. - Nil

**S.N. ANANTHASUBRAMANIAN & CO.
COMPANY SECRETARIES**

12, Paridhi Kolbad Road, Thane – 400 601.

COMPLIANCE CERTIFICATE

The Members

HERCULES HOISTS LIMITED

110, Minerva Industrial Estate, Mulund (West),
Mumbai - 400 080

We have examined the registers, records, books and papers of **HERCULES HOISTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2003. In our opinion and to the best of our information and according to the examinations, carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, comment under this paragraph is not required.
4. The Board of Directors of the Company duly met four times respectively on 5th June 2002, 29th July 2002, 30th October 2002 and 29th January 2003 and in respect of these meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 22nd July 2002 to 29th July 2002 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2002 was held on 29th July 2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act and the same was placed before all the meetings of the Board of Directors of the Company.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - i) has delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) has deposited the amount of dividend declared in a separate Bank Account on 2nd August 2002.
 - iii) has paid/posted warrants for dividends to all members on 20th August 2002 within a period of 30 (Thirty) days from the date of declaration.
 - iv) the Company has transferred to Investor Education and Protection Fund, an amount of Rs.3,000/- in respect of matured deposits which remained unclaimed or unpaid for a period of seven years. Apart from the aforesaid, the Company did not have amounts in the unpaid dividend account, application money due for refund, matured debentures and the interest accrued thereon which remained unclaimed or unpaid for a period of seven years.
 - v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of Directors, additional Directors and Directors to fill in the casual vacancies have been duly made.
15. The appointment of Mr. H. A. Nevatia as Whole-time Director at the Annual General Meeting of the Company held on 29th July 2002 has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act.
19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. The Company has not issued any Preference Shares or Debentures and hence redemption if any of Preference Shares or Debentures does not arise.

22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registrations of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans within the purview of Section 58A during the financial year.

24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2003 are within the borrowing limits of the Company.

25. The Company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to share capital of the Company during the year under scrutiny.

30. The Company has not altered its Articles of Association during the financial year.

31. There were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has made the contribution towards Provident Fund to the Recognized Provident Fund Commissioner.

S. N. Ananthasubramanian

C. P. No.: 1774

Thane, May 30, 2003.

ANNEXURE A

Registers as maintained by the Company

Sr. No.	Registers	Under Section
1.	Register of Members and Index of Members	150 and 151
2.	Register of Share Transfers	-
3.	Register of Directors, Managing Directors	303
4.	Register of Director's Share and Debenture Holdings	307
5.	Register of Charges (including Debentures)	143
6.	Register of Contracts	301
7.	Register of Contracts, Companies and Firms in which Directors are interested	301(3)
8.	Register of Renewed and Duplicate Certificates	the (Companies (Issue of Share Certificates) Rules, 1960
9.	Register of Directors' Attendance	-
10.	Register of Shareholders' Attendance	-
11.	Register of Proxies	-
12.	Register of Documents Sealed	-
13.	Minutes Book	193
14.	Books of Accounts	209

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March 2003.

Sr. No.	Form No	Filed u/s.	For
1.	Annual Return	159 on 5 th September 2002.	As on the date of the Annual General Meeting held on 29 th July 2002.
2.	Balance Sheet	220 on August 2002.	For the year ended 31 st March 2002 adopted at the Annual General Meeting of the Company held on 29 th July 2002.
3.	Form 32	269 on 23 rd August 2002.	Appointment of Mr. H. A. Nevatia as Whole-time Director of the Company at the Annual General Meeting of the Company held on 29 th July 2002.
4.	Form 25C	269 on 23 rd August 2002.	Appointment of Mr. H. A. Nevatia as Whole-time Director of the Company at the Annual General Meeting of the Company held on 29 th July 2002.
5.	Return of Deposits	58A on 25 th June 2002.	For the year ended 31 st March 2002.

AUDITORS' REPORT TO THE MEMBERS OF HERCULES HOISTS LIMITED

1. We have audited the attached Balance Sheet of MESSRS. HERCULES HOISTS LIMITED, as at 31st March, 2003 and also the annexed Profit and Loss Account of the Company for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India 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.
4. Further to our comments in the Annexure referred above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. 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 those books;
 - c. The said Balance Sheet and the Profit and Loss Account are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report have been prepared in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the directors as on 31st March, 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2003 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

J. P. Bairagra
Partner

MUMBAI, 3rd June, 2003

ANNEXURE REFERRED TO IN THE AUDITORS' REPORT**Annexure referred to in the Auditors' report of even date for the year ended 31st March, 2003**

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All these assets have been physically verified by the Management at reasonable intervals during the year. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) Stocks of finished goods, stores, spare parts and raw materials have been physically verified by the Management at reasonable intervals.
- iv) In our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and

adequate in relation to the size of the Company and the nature of its business.

- v) According to the information given to us, no material discrepancies were noticed on such verification as compared to the book records.
- vi) On the basis of our examination of the stock records, we are satisfied that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The Company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section are not applicable to a company on or after 31st October, 1998.
- viii) In our opinion, the rate of interest and other terms and conditions of an unsecured loan given to a Company listed in the register maintained under Section 301 of the Companies Act, 1956 are, prima facie, not prejudicial to the interest of the Company. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section are not applicable to a company on or after 31st October, 1998.
- ix) The parties (including employees) to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as stipulated, wherever applicable and are also regular in paying interest, wherever applicable.
- x) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- xi) In our opinion and according to the information and explanations given to us, the prices paid for the purchase and sale of goods and materials made in pursuance of contracts entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 or more in respect of each party, are reasonable having regards to reasonable market prices and/or the prices at which transaction for similar goods or services have been made with other parties. There are no sale of services to such parties.
- xii) As informed to us, there are no unserviceable or damaged stores, raw materials or finished goods as at the year end.
- xiii) In our opinion, the Company has complied with the provisions of Section 58-A of the Act and the Rules framed thereunder with regard to the deposits accepted from the public.
- xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. There are no by-products of the Company.
- xv) In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
- xvi) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- xvii) The Company is regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities. There were no arrears of either Provident Fund or Employees' State Insurance as at 31st March, 2003.
- xviii) According to the information and explanations given to us, the Company does not have any undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March, 2003 for a period of more than six months from the date they became payable.
- xix) On the basis of (i) the examination of books of account, (ii) the vouchers examined by us and (iii) the explanation given to us on our inquiries, no personal expenses except those payable under contractual obligations with the Company's employees/directors and/or accepted business practices, have been charged to revenue account.
- xx) The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (i) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xxi) As explained to us, in respect of the trading activities of the Company, there are no damaged goods determined by the Company.

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

J.P. Bairagra
Partner.

MUMBAI, 3rd June, 2003