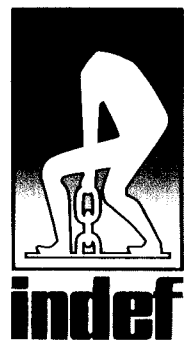


Hercules Hoists Limited

42nd Annual Report 2003-2004



bajaj group



ReportJunction.com

HERCULES HOISTS LIMITED

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

NOTICE

NOTICE is hereby given that the **Forty Second 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 Friday, the 30th day of July, 2004, 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, 2004 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 K.F. Jhunjhunwala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K.C. Uebel, 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.

AS SPECIAL BUSINESS :

6. To consider, and if thought fit, to pass with or without modification, the following Resolution as a special Resolution:

"RESOLVED that the authorised share capital of the Company be and is hereby increased from Rs.10,000,000 (Rupees Ten Million) divided into 1,000,000 (One Million) Equity Shares of Rs.10/- (Ten) each to Rs.20,000,000 (Rupees Twenty Million) divided into 2,000,000 (Two Million) Equity Shares of Rs.10/- (Ten) each and accordingly, the respective capital clauses in the Memorandum and Articles of Association of the Company do stand altered as provided in the succeeding resolutions."

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

"RESOLVED that the Memorandum of Association of the Company be altered by deleting the figures and words Rs.10,000,000 (Rupees Ten Million) divided into 1,000,000 (One Million) Equity Shares of Rs.10/- (Ten) each appearing in Paragraph V thereof and substituting therefor the figures and words Rs.20,000,000 (Rupees Twenty Million) divided into 2,000,000 (Two Million) Equity Shares of Rs.10 (Ten) each."

8. To consider, and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED that the Articles of Association of the Company be altered by deleting the figures and words Rs.10,000,000 (Rupees Ten Million) divided into 1,000,000 (One Million) Equity Shares of Rs.10/- (Ten) each appearing in Article 4 thereof and substituting therefor the figures and words Rs.20,000,000 (Rupees Twenty Million) divided into 2,000,000 (Two Million) Equity Shares of Rs.10 (Ten) each. "

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Authorised Capital of the Company is Rs.10,000,000 (Rupees Ten Million). Your Directors feel it necessary to increase the Authorised Share Capital of the Company to Rs.20,000,000 (Rupees Twenty Million) and recommend passing of the following Resolution set out in Item No. 6 of the accompanying Notice.

The increase in the Authorised Share Capital would require consequential amendments to the Memorandum and Articles of Association of the Company and are set out in the Resolutions proposed under Item No. 7 and 8 of the accompanying Notice.

Copies of the Memorandum and Articles of Association of the Company incorporating the proposed amendments are available for inspection at the Registered Office of the Company on all days except Sundays and holidays between 11.00 A.M. and 1.00 P.M. and would also be available at the Meeting.

None of the Directors are interested in the passing of the Resolutions.

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 Friday, the 23rd July, 2004 to Friday, the 30th July, 2004, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made on or after 29th July, 2004, to those members, whose names appear in the Register of Members of the Company as on 29th July, 2004.
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

Shekhar Bajaj
Chairman

Mumbai, 9th June, 2004.

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 42nd ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th July, 2004 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 _____ 2004

Please affix
Rs.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)

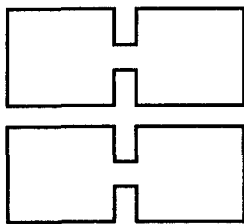
I hereby record my presence at the 42nd ANNUAL GENERAL MEETING of the Company at Bajaj Bhavan, 2nd Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021.

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

42ND ANNUAL REPORT 2003-2004

BOARD OF DIRECTORS

SHEKHAR BAJAJ Chairman

KLAUS CARL UEBEL

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

NARESH CHANDRA

VINAYA L. MEHROTRA

KISHORILAL F. JHUNJHUNWALA

H. A. NEVATIA Whole Time Director

BANKERS

BANK OF MAHARASHTRA

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 42nd Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2004:

2. Financial Results	This Year Rupees	Previous Year Rupees
Sales (Net)	293,902,163	231,194,321
Gross Profit	49,965,014	36,481,211
Depreciation	6,019,899	5,776,698
Profit after Depreciation	43,945,115	30,704,513
Provision for taxation for the year (including deferred tax)	15,132,073	11,173,329
Net Profit after tax	28,813,042	19,531,184
Earlier year's income-tax adjustment	-	(62,202)
Balance brought forward	7,500,000	7,500,000
Profit available for appropriation	36,313,042	26,968,982
Proposed Dividend	5,600,000	4,000,000
Corporate Tax on Dividend	717,500	512,500
Transferred to General Reserve	22,495,542	14,956,482
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.7.00 per share for the year ended 31st March, 2004, subject to deduction of tax, if any, as against Rs.5.00 per share in the last year.
- The sales of the Company are 27.12% (Rs.627.00 Lakhs) higher than previous year. The increase in sales growth was achieved due to increase in market demand, aggressive marketing, wider product range, competitive price & faster deliveries. The cost cutting and operational restructuring have helped in improving the performance of the Company considerably. The net profit has increased by 47.70%.
- The Company is constantly expanding and upgrading its product range. The company has procured a big order of Rs.16 Crores for Stacker Cranes which is likely to be executed within a period of 18-24 months. It is hoped that, with the improvement in the economy and continuous efforts to improve operational efficiency, the Company's performance should improve further.
- The amalgamation of Indef Marketing Service Ltd. (100% Subsidiary) with the Company is likely to be completed soon.
- The wage agreement with workmen expired on 31st December, 2003. Negotiations for new agreement are in progress. The relation with the employees have continued to be cordial.
- Shri K.F. Jhunjhunwala and Shri K.C. Uebel, 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 judgments 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.

- None of the employees is 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 and 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. Your Directors furnish the additional information as required in the annexure hereto.
- 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, 9th June, 2004.

Annexure

- 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	426900	419907
Total Amount (Rs.)	1,911,104	1,925,415
Rate/Unit (Rs.)	4.48	4.59
(b) Own Generation		
Through Diesel Generator		
Units	1164	1158
Units per litre of Diesel Oil	1.41	1.38
Diesel Cost (Rs.)	21,203	19,825
Rate/Unit (Rs.)	18.21	17.12

2,3 & 4.Coal,Furnace Oil, Others/Internal Generation Nil Nil

- 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 Wire Rope Hoists, and Pulling & Lifting Machines. The Company's engineers have continued to improve the design and quality of the existing products.

C. Foreign Exchange Earnings & Outgoings:

	Current Year	Previous Year
(i) Foreign Exchange Earnings	20,418,247	24,276,252
(ii) Foreign Exchange Outgo	16,626,225	9,679,267

- 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, 2004 - None.

S.N. ANANTHASUBRAMANIAN & CO.

Company Secretaries

Building No. 10, Flat No. 26, Brindaban, Thane 400 601.

**COMPLIANCE CERTIFICATE
TO THE MEMBERS OF HERCULES HOISTS LIMITED**

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, 2004. 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 3rd June, 2003, 29th July, 2003, 30th October, 2003 and 28th January, 2004 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, 2003 to 29th July, 2003 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, 2003 was held on 29th July, 2003 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 Board of Directors of the Company has approved the issue of 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 within five days from the date of declaration of dividend.
 - iii. has paid/posted warrants for dividends to all members 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.1,039/- in respect of unclaimed interest on fixed deposit 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 Company has not appointed Managing Director / Whole time Director / Manager during the financial year under review.
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, 2004 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 Recognised Provident Fund Commissioner.

Thane, 20th May, 2004.

S. N. Ananthasubramanian
C. P. No.: 1774

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	Rule 7 of 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, 2004.**

Sr. No.	Form No.	Filed u/s.	For
1.	Annual Return	159 on 17 th September, 2003.	As on the date of the Annual General Meeting held on 29 th July, 2003.
2.	Balance Sheet	220 on 6 th August, 2003.	For the year ended 31 st March, 2003 adopted at the Annual General Meeting of the Company held on 29 th July, 2003.
3.	Compliance Certificate	383A (1) on 6 th August, 2003.	Statutory Compliance Certificate obtained from a Practising Company Secretary.
4.	Form 8 & 13	125 on 8 th October, 2003.	Modification of charge created in favour of Bank of Maharashtra from Rs. 40 lakhs to Rs.300 Lakhs.
5.	Form 17 & 13	138 on 26 th December, 2003.	Satisfaction of charge created in favour of Bank of Rajasthan and Bank of India for Rs.360 Lakhs on 5 th December, 2003.
6.	Form 17 & 13	138 on 26 th December, 2003.	Satisfaction of charge for created in favour of Bank of Rajasthan and Bank of India for Rs.440 Lakhs.
7.	Form 32	303/313 on 9 th March, 2004.	Cessation of Mr. E. B. Desai as a Director alternate to Mr. K. C. Uebel, Director with effect from 10 th February, 2004 and re-appointment thereof from 17 th February, 2004.
8.	Return of Deposits	58A on 25 th June, 2003.	For the year ended 31 st March, 2003.

AUDITOR'S REPORT TO THE MEMBERS OF HERCULES HOISTS LIMITED

- We have audited the attached Balance Sheet of HERCULES HOISTS LIMITED, Mumbai as at 31st March, 2004, and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. 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.
- We have conducted our audit in accordance with the 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.
- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 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 3 above, we report that:
 - 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;
 - 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;
 - The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - On the basis of written representations received from the directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2004;
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
M. L. Bhuwania & Co.
 Chartered Accountants

Ashish Baira
 Partner
 Membership No.109931

Mumbai, 9th June, 2004

Annexure referred to in paragraph 3 of Auditor's report to the members of Hercules Hoists Limited for the year ended 31st March, 2004.

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management during the year. To the best of our knowledge, no material discrepancies were noticed on such verification.
There was no substantial disposal of fixed assets during the year.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. As informed to us, the Company has not taken any loan, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The company has granted unsecured loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956. The detail of unsecured loan granted is as under :

Number of party	Amount (Rs)	Maximum Amount During the year (Rs)	Outstanding Balance (Rs)
1	5,000,000	5,000,000	5,000,000

The rate of interest and other terms and conditions on such loan is prima facie not prejudicial to the interest of the Company. The Company to whom loans have been granted is regular in payment of interest as per stipulation. There is no overdue amount in respect of loan granted.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transaction need to be entered into the register maintained under section 301 have been so entered. In respect of the transactions with parties with whom transactions exceeding value of Rupees Five Lakhs have been entered into during the financial year are at prices which are reasonable having regards to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an Internal audit system commensurate with the size and nature of its nature of business.
8. 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.
9. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund Investor Education and Provident Fund Employees' State Insurance, Income-tax, Sales-tax, Customs Duty, wealth tax, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, wealth tax and excise duty were outstanding at the year end for a period of more than six months from the date they became payable.

According to the records of the Company, there are no dues of Customs Duty, Wealth-Tax and Cess, which have not been deposited on account of any dispute. The following are the disputed amount in respect of Excise duty, Sales tax and Income tax:

Description	Amount (Rs.)	Period to which it relates	Forum where dispute is pending.
Income Tax	4,423,110	2000-01	Commissioner of Income Tax (Appeals)
Income Tax	5,131,275	2001-02	Commissioner of Income Tax (Appeals)
Sales Tax	125,300	1998-99	Deputy Commissioner of Sales Tax
Excise Duty	10,382	1993	Deputy Commissioner of Excise

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately proceeding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the bank. The company does not have any borrowings from financial institution and by way of debenture.
12. Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute application to chit fund and nidhi/mutual benefit fund/societies.
14. The Company is not dealing / trading in shares, securities, debentures and other investment.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Due to the malafide act done by one of the employee's of the transporter, a total sum of Rs. 368,475 was paid in excess to the transporter over a period of three years. However on detection of the said act, the transporter has agreed to reimburse the amount to the Company. The Company has signed an agreement with the transporter to that effect and the amount involved has been credited to the Profit & Loss Account by the Company.

For and on behalf of
M. L. Bhuwania & Co.
Chartered Accountants

Ashish Bairagra
Partner
Membership No.109931

Mumbai, 9th June, 2004



HERCULES HOISTS LIMITED

Balance Sheet

			As at 31.03.2004 Rupees	As at 31.03.2003 Rupees
	Schedule	Rupees		
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	8,000,000		8,000,000
b) Reserves & Surplus	2	161,563,798		139,068,256
			169,563,798	147,068,256
2. LOAN FUNDS				
a) Secured Loans	3	3,355,901		4,880,101
b) Unsecured Loans	4	6,635,000		11,068,000
			9,990,901	15,948,101
3. DEFERRED TAX LIABILITY	5		11,084,457	11,090,662
			<u>190,639,156</u>	<u>174,107,019</u>
APPLICATION OF FUNDS				
1. FIXED ASSETS	6			
a) Gross Block		90,892,320		88,149,575
Less: Depreciation/Amortisation		<u>35,926,837</u>		<u>30,336,540</u>
Net Block			54,965,483	57,813,035
2. INVESTMENTS	7		24,192,543	11,045,543
3. DEFERRED TAX ASSET	8		1,616,887	1,189,165
4. CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories	9	76,319,751		46,794,675
b) Sundry Debtors	10	54,733,372		34,779,560
c) Cash & Bank Balances	11	2,613,641		2,257,371
d) Other Current Assets	12	4,021,665		3,707,285
e) Loans & Advances	13	27,346,469		44,364,555
		<u>165,034,898</u>		<u>131,903,446</u>
Less : CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	14	49,881,505		28,713,113
b) Provisions	15	10,009,981		5,694,577
		<u>59,891,486</u>		<u>34,407,690</u>
NET CURRENT ASSETS			105,143,412	97,495,756
5. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	16		4,720,831	6,563,520
			<u>190,639,156</u>	<u>174,107,019</u>

Notes forming part of the Accounts

21

As per our report attached of even date

For and on behalf of
M.L. BHUWANIA & CO.
Chartered Accountants

For and on behalf of the Board

ASHISH BAIRAGRA
Partner
Membership No.109931
Mumbai, 9th June, 2004.

SHEKHAR BAJAJ - Chairman

H.A.NEVATIA - Whole Time Director