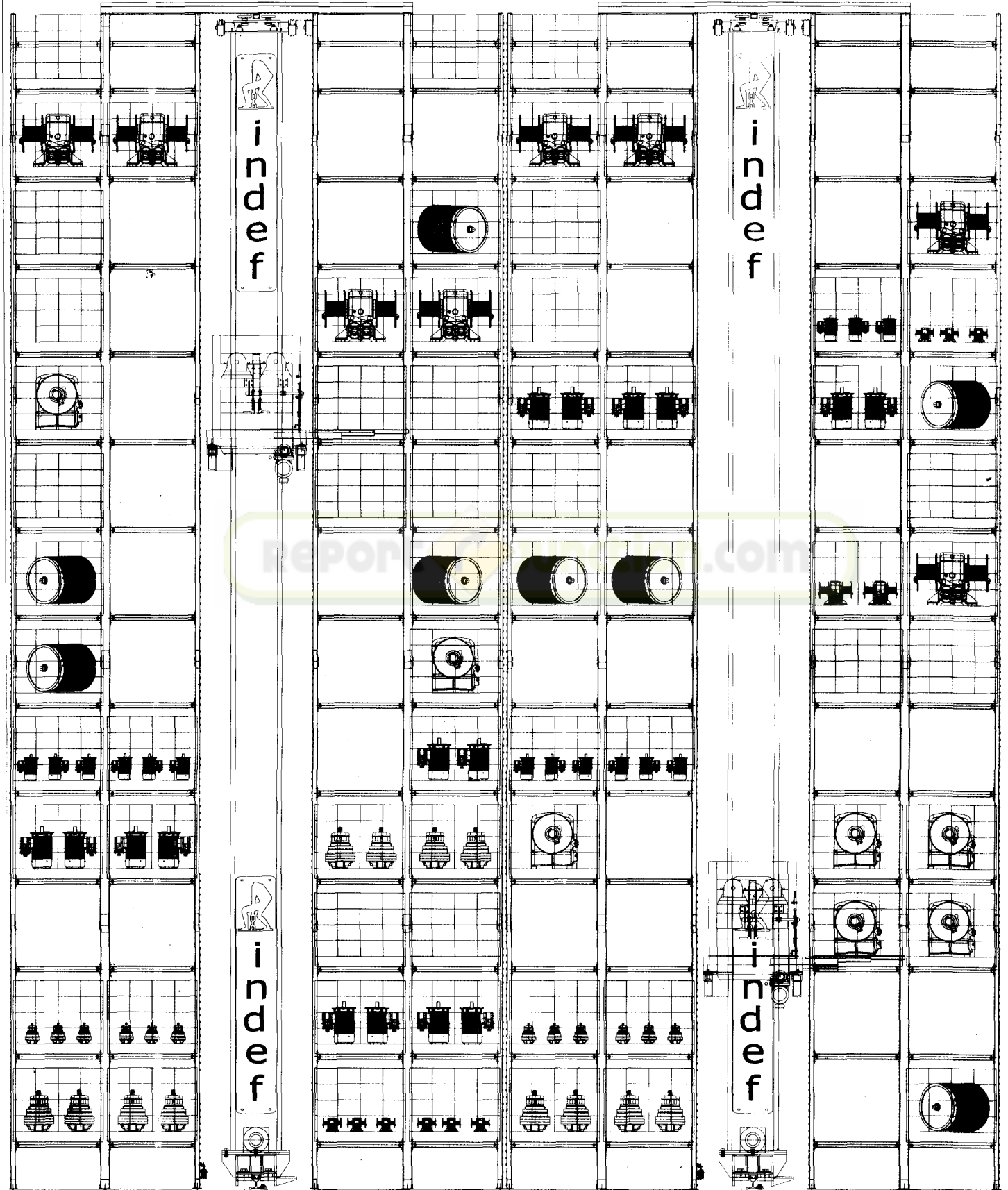
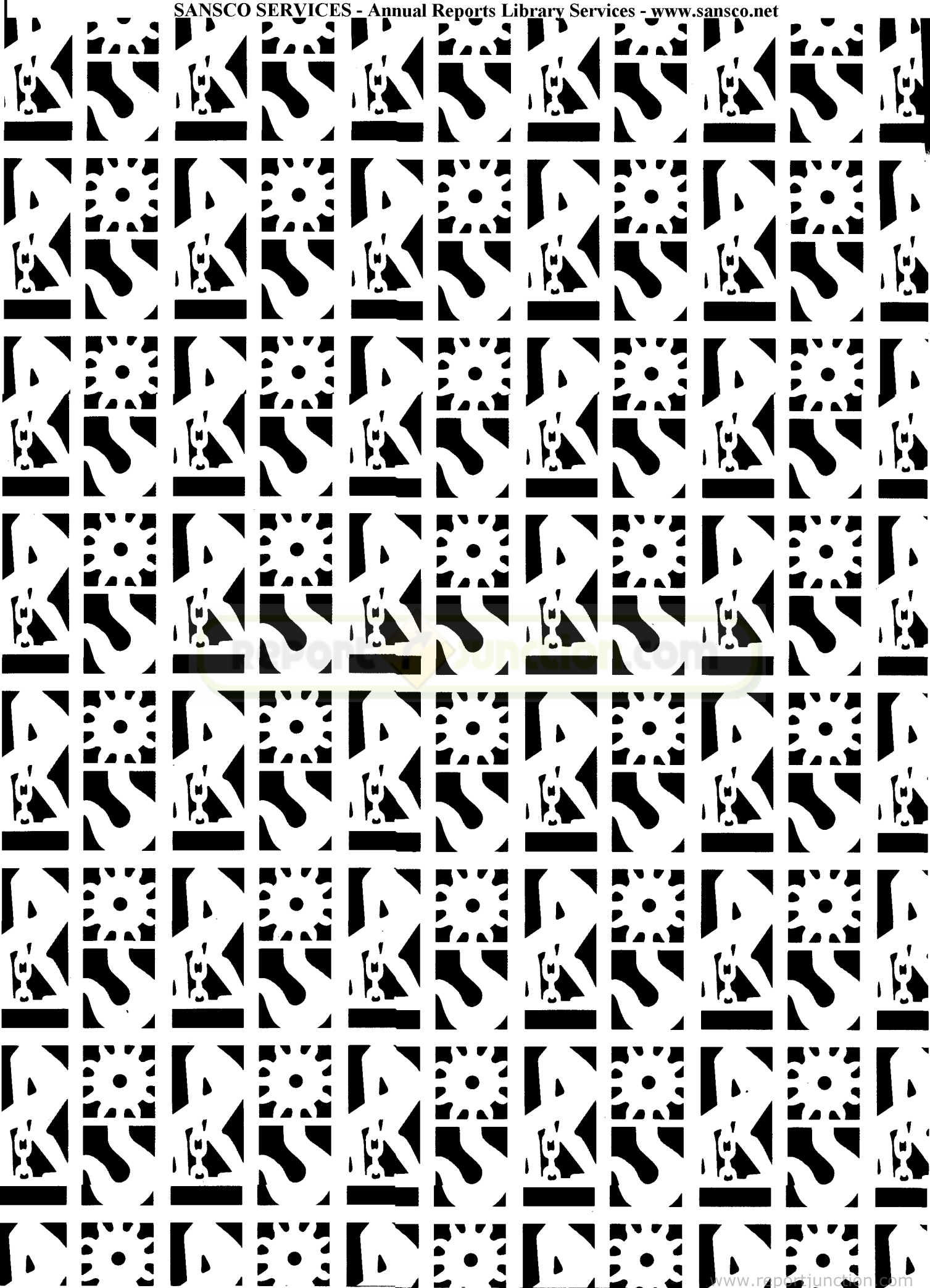
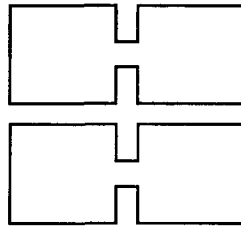


# HERCULES HOISTS LIMITED

43<sup>rd</sup> ANNUAL REPORT 2004 -2005







## HERCULES HOISTS LIMITED

43<sup>RD</sup> ANNUAL REPORT 2004-2005

### BOARD OF DIRECTORS

**SHEKHAR BAJAJ** – Chairman

**KLAUS CARL UEBEL**

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

**NARESH CHANDRA**

**VINAYA L. MEHROTRA**

**KISHORILAL F. JHUNJHUNWALA**

**H.A.NEVATIA** – Whole Time Director

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### PRESIDENT & CEO

**M.S.SAIGAL**

### BANKERS

**BANK OF MAHARASHTRA**

### AUDITORS

**M.L.BHUWANIA & CO.**

Chartered Accountants

### ANNUAL GENERAL MEETING

on Wednesday,

27th July, 2005

at 4.30 p.m.

at Bajaj Bhavan,

2nd Floor, 226, Jarnalal Bajaj Marg,

Nariman Point, Mumbai - 400 021

### REGISTERED OFFICE

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

**Shareholders are requested  
to bring with them the  
Attendance Slip on Page 19  
and their copy of the Balance Sheet**

**HERCULES HOISTS LIMITED**

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

**NOTICE**

**NOTICE** is hereby given that the **Forty Third Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Bajaj Bhawan, 2<sup>nd</sup> Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Wednesday, the 27<sup>th</sup> day of July, 2005, 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 31<sup>st</sup> March, 2005 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 Shekhar Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vinaya L. Mehrotra, 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 pursuant to Sections 198, 269, 309 and applicable provisions read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and Articles of Association of the Company and subject to such sanctions, if any, as may be required to be obtained from any authority, the Company hereby accords its approval and consent to the re-appointment of Shri H.A. Nevatia as a Director in whole-time employment of the Company as an Adviser for a period of two years from 22<sup>nd</sup> November, 2004 to 21<sup>st</sup> November, 2006, on the following remuneration and perquisites 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 within the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modification or substitution thereof.

1. **Remuneration** : Rs.,10,000/- per month.

2. **Perquisites:**

- (i) Free use of Company's Car for Company's work as well as for personal purposes, along with Driver.
- (ii) Telephone at residence and a mobile phone at Company's cost."

"FURTHER RESOLVED THAT in any financial year during the period 22<sup>nd</sup> November, 2004 to 21<sup>st</sup> November, 2006, when the Company has made no profits or its profits are inadequate, it will pay to the Whole-time Director by way of remuneration and perquisites as specified above, subject to restrictions, if any, set forth in Schedule XIII of the Companies Act, 1956."

"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 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Re : Item No. 6.**

After retiring as Managing Director of the Company, Shri H.A. Nevatia was appointed as a Director in the whole-time employment of the Company as an Adviser for a period of 3 years from 22<sup>nd</sup> November, 2001 to 21<sup>st</sup> November, 2004.

The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. Accordingly, it was decided to continue the services of Shri H.A. Nevatia as a Director in the whole-time employment of the Company as an Adviser for a further period of two years from 22<sup>nd</sup> November, 2004 to 21<sup>st</sup> November, 2006 on the terms as set out in the Resolution. The approval of the shareholders is accordingly sought for the re-appointment of Shri H.A. Nevatia as a Director in whole-time employment of the Company and the remuneration payable to him. The perquisites like Provident Fund, Gratuity, Superannuation and Leave are not applicable to Shri H.A. Nevatia. The Board recommends passing of this Resolution as set out in Item No. 6 of the Notice.

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

The above may also be treated as an abstract of the terms of appointment of Shri Nevatia as a Director in the whole-time employment of the Company 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. 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 Wednesday, the 20<sup>th</sup> July, 2005 to Wednesday, the 27<sup>th</sup> July, 2005, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made on or after 27<sup>th</sup> July, 2005, to those members, whose names appear in the Register of Members of the Company as on 27<sup>th</sup> July, 2005.
4. Members are requested to notify immediately any change of address to the Company.

On behalf of the Board of Directors

**Shekhar Bajaj**  
Chairman

Mumbai, 6<sup>th</sup> June, 2005.



# HERCULES HOISTS LIMITED

## DIRECTORS' REPORT

The Members,

The Directors present their 43<sup>rd</sup> Annual Report together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2005:

	Current Year Rupees	Previous Year Rupees
Sales (Net)	478,710,199	293,902,163
Gross Profit	86,357,730	52,594,086
Depreciation	6,063,691	6,175,971
Profit after Depreciation	80,294,039	46,418,115
Provision for taxation for the year (including deferred tax)	13,239,756	16,097,244
Net Profit after tax	67,054,283	30,320,871
Earlier year's income-tax adjustment	(251,013)	29,187
Balance brought forward	7,500,000	7,500,000
Profit available for appropriation	74,303,270	37,850,058
Proposed Dividend	9,600,000	5,600,000
Corporate Tax on Dividend	1,360,750	717,500
Transferred to General Reserve	55,842,520	24,032,558
Balance carried to BALANCE SHEET	7,500,000	7,500,000

3. The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.12 per share for the year ended 31<sup>st</sup> March 2005, subject to deduction of tax, if any, as against Rs.7.00 per share in the last year.

4. The Directors are pleased to report an excellent performance of the Company for the year under review. The sales are 62.88% higher than previous year. The net profit has increased by 121.14%. The sales have been better due to improvement in the country's economy. As a result of introduction of higher capacity hoists' range in various models and aggressive marketing efforts, the Company's order book position is quite healthy. To cope with the rising demand of its products, the Company is planning to enhance its capacity. Besides, the Company has started executing the order of 26 Stacker Cranes worth Rs.16.00 Crores, which is expected to be completed by March, 2006. It is expected that the performance should improve further in the current year.

5. The Company has started a new business of Wind Energy. It has invested Rs.1250 Lakhs for 2 Nos. of Windmills of 1.25 M.W. each, which are installed at villages Khori and Petale in Dhule District of Maharashtra. The turbines became operational on 25<sup>th</sup> March, 2005.

6. The amalgamation of M/s. Indef Marketing Services Limited (Company's 100% subsidiary) with the Company was completed during the year.

7. The negotiations for the Wage Agreement with the workmen, which expired on 31<sup>st</sup> December, 2003, are still going on and it is expected that a Settlement will be arrived soon. The relation with the employees have continued to be cordial.

8. Shri Shekhar Bajaj and Shri Vinaya L. Mehrotra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

9. 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.

10. 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.

11. 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.

12. 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, 6<sup>th</sup> June, 2005.

### 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

#### 1. Electricity:

##### (a) Purchased

Units	475254	426900
Total Amount (Rs.)	1,949,170	1,911,104
Rate/Unit (Rs.)	4.10	4.48

##### (b) Own Generation

Through Diesel Generator		
Units	1966	1164
Units per litre of Diesel Oil	1.09	1.41
Diesel Cost (Rs.)	52,504	21,203
Rate/Unit (Rs.)	26.68	18.21

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 Wire Rope Electric Hoists specially designed for project requirements. 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	22,165,533	20,418,247
(ii) Foreign Exchange Outgo	52,929,643	16,626,225

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, 2005 - 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 LTD.

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 31<sup>st</sup> March 2005. 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:

- 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.
- 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.
- The Company, being a public limited Company, comment under this paragraph is not required.
- The Board of Directors of the Company duly met four times respectively on 9<sup>th</sup> June 2004, 30<sup>th</sup> July 2004, 28<sup>th</sup> October 2004 and 31<sup>st</sup> January 2005 and in respect of these meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
- The Company closed its Register of Members from 23<sup>rd</sup> July 2004 to 30<sup>th</sup> July 2004 and necessary compliance of Section 154 of the Act has been made.
- The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2004 was held on 30<sup>th</sup> July 2004 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- No Extraordinary General Meeting was held during the financial year under review. The Company has however, passed Special Resolutions by postal ballot to amend the Object clause of its Memorandum of Association.
- The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
- The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
- 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.
- 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.
- The Board of Directors of the Company has approved the issue of duplicate share certificates during the financial year under review.
- The Company:
  - 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.
  - has deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of dividend.
  - has paid / posted warrants for dividends to all members within a period of 30 (thirty) days from the date of declaration.
  - the Company has transferred to Investor Education and Protection Fund, an amount of Rs.2,274.29 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.
  - has duly complied with the requirements of Section 217 of the Act.
- 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.
- The Company has reappointed Mr. H. A. Nevatia as Whole time Director of the Company from 22<sup>nd</sup> November 2004 at the meeting of Board of Directors held on 28<sup>th</sup> October 2004, during the financial year under review.
- The Company has not appointed any sole selling agents during the financial year under review.
- The Company has obtained all necessary approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities as prescribed under the various provisions of the Act in respect of:
  - Amalgamation of the Company's wholly owned subsidiary Indef Marketing Services Limited with itself.
  - Amendment to the object clause of its Memorandum of Association of the Company.
- The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act.
- The Company has not issued any shares, debentures or other securities during the financial year under review.
- The Company has not bought back any shares during the financial year under review.
- The Company has not issued any Preference Shares or Debentures and hence redemption if any of Preference Shares or Debentures does not arise.
- 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.
- The Company has not invited / accepted any deposits including any unsecured loans within the purview of Section 58A during the financial year under review.
- The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31<sup>st</sup> March 2005 are within the borrowing limits of the Company.
- 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.

- 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 review.
- The Company has altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the year under review and has complied with the provisions of the Act.
- 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 review.
- The Company has altered the provisions of the Memorandum of Association of the Company with respect to share capital during the financial year under review. The Company has increased the authorised capital of the Company from Rs.1 Crore to Rs.2 Crores and has complied with the provisions of the Act.
- The Company has altered its Articles of Association of the Company with respect to share capital during the financial year under review. The Company has increased the authorised capital of the Company from Rs.1 Crore to Rs.2 Crores during the financial year under review.
- There were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
- The Company has not received any money as security from its employees during the financial year under review.
- The Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner.

S. N. Ananthasubramanian

Thane, May 28, 2005

C. P. No.. 1774

### ANNEXURE A

#### Registers as maintained by the Company

Sr. No.	Registers	Under Section
01.	Register of Members and Index of Members	150 and 151
02.	Register of Share Transfers	-
03.	Register of Directors, Managing Directors	303
04.	Register of Director's Share & Debenture Holdings	307
05.	Register of Charges (including Debentures)	143
06.	Register of Contracts	301
07.	Register of Contracts, Companies and Firms in which Directors are interested	301(3)
08.	Register of Renewed and Duplicate Certificates	Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
09.	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 31<sup>st</sup> March 2005.

Sr. No.	Form No	Filed u/s.	For
01.	Balance Sheet	220 on 10 <sup>th</sup> August 2004.	For the year ended 31 <sup>st</sup> March 2004 adopted at the Annual General Meeting of the Company held on 30 <sup>th</sup> July 2004.
02.	Compliance Certificate	383A (1) on 10 <sup>th</sup> August 2004.	Statutory Compliance Certificate obtained from a Practising Company Secretary.
03.	Statement in lieu of advertisement	58A on 10 <sup>th</sup> August 2004	
04.	Annual Return	159 on 16 <sup>th</sup> September 2004	As on the date of the Annual General Meeting held on 30 <sup>th</sup> July 2004.
05.	Form 5	97 on 17 <sup>th</sup> August 2004	Increase in the authorised capital of the Company from Rs.1 Crore to Rs.2 Crores.
06.	Form 23	192 on 17 <sup>th</sup> August 2004	Special resolution passed at the Annual General Meeting held on 30 <sup>th</sup> July 2004 to amend the Memorandum of Association and Articles of Association of the Company.
07.	Calendar of events	Postal Ballot Rules on 3 <sup>rd</sup> November 2004	Passing resolutions for alteration of object clause of Memorandum of Association of the Company by postal ballot
08.	Form 20A	149 on 31 <sup>st</sup> December 2004	Commencement of new business by the Company
09.	Form 23	192 on 31 <sup>st</sup> December 2004	Special resolution passed by postal ballot to amend the object clause of Memorandum of Association.
10.	Form 21	372 on 9 <sup>th</sup> February 2005	The Hon'ble High Court of Judicature at Bombay passed an order in respect of amalgamation of Indef Marketing Services Limited with the Company on 3 <sup>rd</sup> December 2004. The certified true copy was received by the Company on 27 <sup>th</sup> January 2005.
11.	Return of Deposits	58 A on 24 <sup>th</sup> June 2004	For the Year ended 31 <sup>st</sup> March 2004.