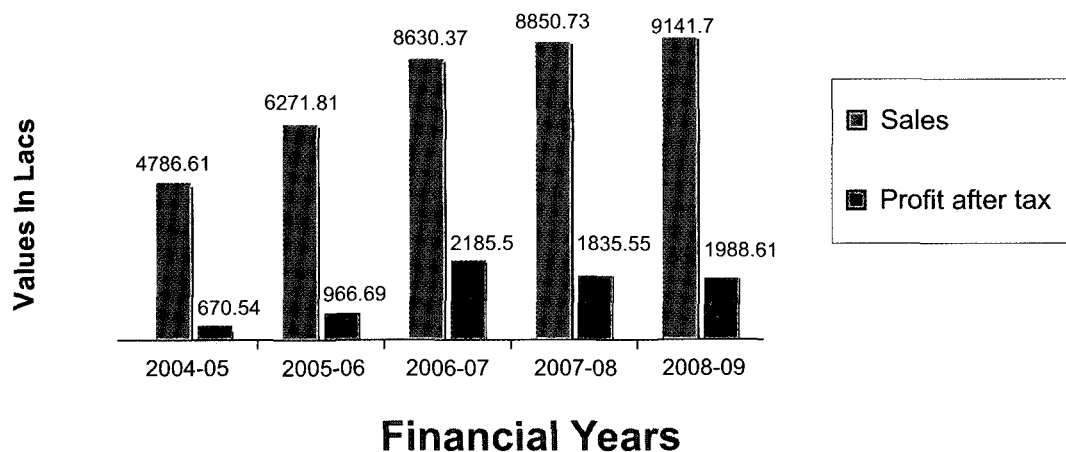


The Unbeatable Range...

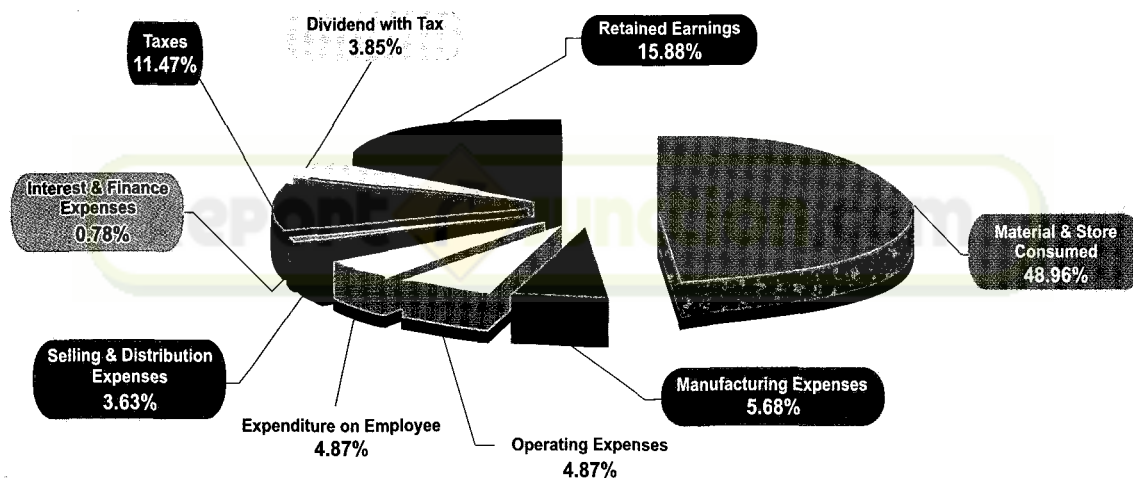


HERCULES HOISTS LIMITED
47th ANNUAL REPORT 2008-2009

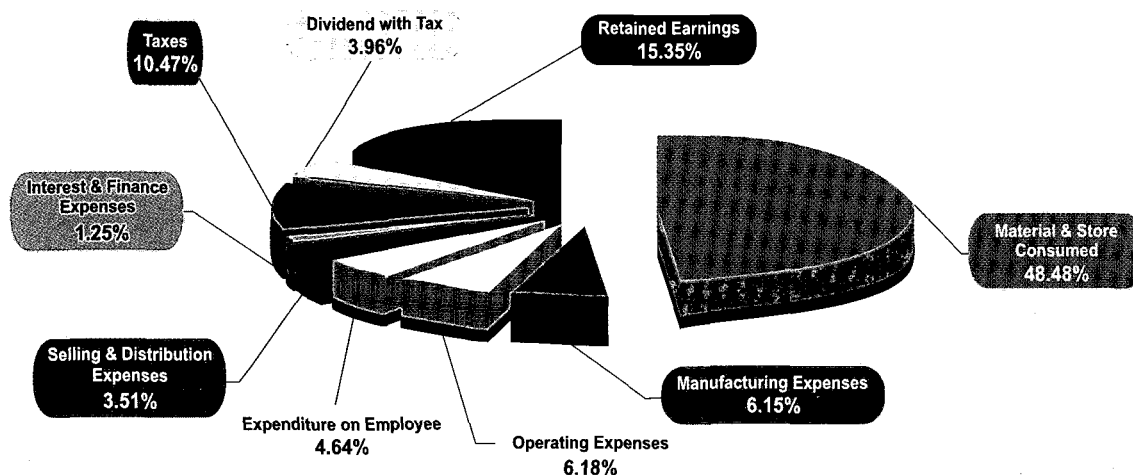
Sales & Profit Analysis for last 5 years

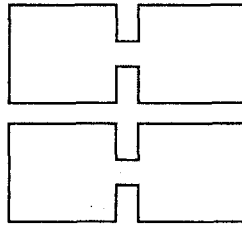


Distribution of Revenue (Sales & Other Income) in the Financial Year 2008 - 09



Distribution of Revenue (Sales & Other Income) in the Financial Year 2007 - 08





HERCULES HOISTS LIMITED

47th ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

SHEKHAR BAJAJ – Chairman
KLAUS CARL UEBEL
NARESH CHANDRA
VINAYA L. MEHROTRA
KISHORILAL F. JHUNJHUNWALA
E. B. DESAI
SHAILESH V. HARIBHAKTI
MUKUL M. UPADHYAYA
GAURAV V. NEVATIA
TUSHAR P. SHAH
H. A. NEVATIA – Whole Time Director

PRESIDENT & CEO

M. S. SAIGAL

BANKERS

BANK OF MAHARASHTRA

AUDITORS

M. L. BHUWANIA & CO.
 Chartered Accountants

REGISTERED OFFICE

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

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ANNUAL GENERAL MEETING

on Wednesday,

29th July, 2009

at 12:00 NOON

at Kamalnayan Bajaj Hall, Bajaj Bhavan,
 Ground Floor, 226, Jamnalal Bajaj Marg,
 Nariman Point, Mumbai - 400 021

**Shareholders are requested
 to bring with them the
 Attendance Slip on page 35
 and their copy of the Balance Sheet**

HERCULES HOISTS LIMITED

Regd. Office: 110, Minerva Industrial Estate, Mulund (West), Mumbai - 400 080.
Tel. 91-22-25680381, Fax : 91-22-25683933, E-Mail indef@bom5.vsnl.net.in, Website : www.indef.com

NOTICE

NOTICE is hereby given that the **Forty Seventh Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Kamal Nayan Bajaj Hall, Bajaj Bhawan, Ground floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Wednesday, the 29th day of July, 2009, at 12.00 Noon to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2009 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 E.B. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.V. Haribhakti, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Mukul M. Upadhyaya, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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 :

7. **To consider and if thought fit, to pass with or without any modifications, the following Resolution as a Special Resolution :-**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or enactment thereof) and the 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 22nd November, 2008 to 21st November, 2010, 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 22nd November, 2008 to 21st November, 2010, 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 SEC. 173(2) OF THE COMPANIES ACT, 1956.

Re : Item No. 7.

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 Advisor from 22nd November, 2001. His current term expired on 21st November, 2008.

The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. Accordingly, in the Board Meeting held on 22nd October, 2008, 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 22nd November, 2008 to 21st November, 2010, 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 the 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 the Special Resolution as set out in Item No. 7 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 H.A. Nevatia as a Director in the whole-time employment of the Company and the nature of concern or interest of the Directors therein as required by Section 302 of the Companies Act, 1956.

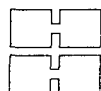
NOTES :

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 22nd July, 2009 to Wednesday, the 29th July, 2009, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after 29th July, 2009, to those shareholders, whose names appear in the Register of Members of the Company as on 29th July, 2009.
4. Members holding shares physically are requested to notify immediately any change of address to the Company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 27th May, 2009

Shekhar Bajaj
Chairman



HERCULES HOISTS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We are delighted to present our 47th Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2009:

1. Financial Results	Current Year Rupees	Previous Year Rupees
Sales (Net)	938,587,704	906,938,107
Gross Profit	320,779,293	299,384,553
Depreciation	17,570,640	17,554,584
Profit after Depreciation	303,208,653	281,731,951
Provision for taxation for the year (including deferred tax/Fringe Benefit tax)	104,347,378	98,176,928
Net Profit after tax	198,861,275	183,555,023
Earlier year's income-tax adjustment	(7,137,325)	(889,011)
Balance brought forward	15,000,000	15,000,000
Profit available for appropriation	206,723,950	197,666,012
Proposed Dividend	32,000,000	32,000,000
Corporate Tax on Dividend	5,438,400	5,438,400
Transferred to General Reserve	154,285,550	145,227,612
Balance carried to BALANCE SHEET	15,000,000	15,000,000

- The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.2/- per Equity Share of Re.1/- for the year ended 31st March, 2009, as against Rs.20.00 per Equity Share of Rs.10/- in the last year.
- The sales of the Company are marginally higher as compared to previous year by Rs.31,649,597/- (3.49%). However, the general economic slow-down has affected the Company's business also since September, 2008 with the result that by 31st March, 2009, the pending orders came down substantially. The effect of economic slow-down is continuing. The investments in capital goods are being postponed or delayed. Under the circumstances, it may be difficult to maintain the same performance in the current year. The Company hopes that the situation will improve soon. The construction of the new factory at Khopoli has been completed and the production has started in December, 2008.
- The Company has installed capacity of 5.00 M.W. with investment of Rs.25.00 Crores in wind energy business in 4 Windmills. 63.84 lakhs units of energy were produced in the year 2008-09 as against 38.26 lakhs units of energy produced in the previous year.
- To comply with the requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited, the Management Discussion and Analysis Statement, Corporate Governance Report and the Practising Company Secretary's Certificate are included in the Annual Report.
- Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information/representations received from the Management, 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.
- Shri E.B. Desai, Shri Shailesh V. Haribhakti and Shri Mukul M. Upadhyaya, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. Shri Hariprasad A. Nevatia was re-appointed as a Director in the whole-time employment of the Company as an Adviser with effect from 22nd November, 2008 for a period of two years by the Board of Directors in their Meeting held on 22nd October, 2008. The Special Resolution for approval of this appointment by the shareholders is given in the Notice.
- 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.
- The relationship with the employees continued to be cordial throughout the year.
- The particulars prescribed 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 regarding conservation of energy, technology absorption, etc. to the extent applicable are set out in Annexure-I hereto.

11. Particulars with regard to employees as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming an integral part of the Directors' Report are given in Annexure-II 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,

Place : Mumbai
Date : 27th May, 2009.

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:

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

(a) Power and Fuel Consumption

Particulars	Current Year	Previous Year
1. Electricity:		
(a) Purchased		
Units	478173	491046
Total Amount (Rs.)	2,641,560	2,583,480
Rate/Unit (Rs.)	5.52	5.26
(b) Own Generation		
Through Diesel Generator		
Units	55518	45366
Units per litre of Diesel Oil	7.71	5.04
Diesel Cost (Rs.)	283838	322434
Rate/Unit (Rs.)	5.11	7.10
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's engineers continuously improve the design and quality of the Company's products.

C. Foreign Exchange Earnings & Outgoings:

Particulars	Current Year	Previous Year
(i) Foreign Exchange Earnings	29,532,457	37,045,987
(ii) Foreign Exchange Outgo	35,499,807	39,493,149

Annexure - 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, 2009 is given below.

Name	Designation & Nature of Duties	Remuneration (Gross) Rupees	Remuneration (Net) Rupees	Qualification	Age (Years)	Experience No of Years	Date of commencement of employment	Last employment and designation (Period of Service)
Shri. M.S. Saigal	President & C.E.O.	4,940,154/-	2,896,196/-	A.I.M.E., M.B.M.	67	46	10.10.1990	Works Manager Sesa Goa Ltd. (10 years)

Notes :

1. The appointment of Shri. M.S. Saigal is on contractual basis.
2. Gross Remuneration includes Salary, Ex-gratia, Incentive, Perquisites, Contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Mediclaim Premium, Personal Accident Insurance Premium, etc. Net Remuneration is arrived at after deducting Income-Tax, contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Mediclaim Premium, Personal Accident Insurance Premium, telephone expenses, car expenses, etc.
3. Shri M.S. Saigal is not related to any Director of the Company.

COMPLIANCE CERTIFICATE

To,

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 2009. 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, following comments under this paragraph viz.,
 - (i) the Company has a minimum prescribed paid-up capital and its maximum number of members during the said financial year were upto fifty and the Company during the year under review:
 - (ii) has not invited public to subscribe for its shares or debentures; and
 - (iii) has not invited or accepted any deposits from persons other than its members, Directors or their relatives.
 - (iv) prohibits any invitation or acceptance of any deposits from persons other than its members, Directors or their relatives"
 are not required.
4. The Board of Directors of the Company duly met **four** times respectively on 21st May 2008, 25th July 2008, 22nd October 2008 and 31st January 2009 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 18th July 2008 to 25th July 2008 (both days inclusive) 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 2008 was held on 25th July 2008 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 under review.
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 issued 1 (one) duplicate share certificate during the financial year under review.
13. The Company:
 - i. has delivered all the certificates on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
 - ii. had deposited the amount of dividend declared on 25th July 2008 for the Financial Year 2007-08 on 29th July 2008 which is within 5 days from the date of declaration in a separate bank account.
 - iii. had mailed demand drafts/effectuated ECS payment for dividend to all members within a period of 30 (thirty) days from the date of declaration.

- iv. has transferred to Investor Education and Protection Fund, an amount of Rs. 3,638/- in respect of unclaimed interest on fixed 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. has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during financial year under review.
15. The provisions of Section 269 of the Companies Act, 1956 is not applicable to the Company. However, the Company has re-appointed Mr. H A Nevatia as a Whole-time Director of the Company from November 22, 2008 and also made the requisite compliance as required under Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year under review.
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 as 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 under review.
20. The Company has not bought back any shares during the financial year under review.
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 under review.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2009 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 review.
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 financial year under review.
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 financial year under review.
29. The Company has altered the provisions of the Memorandum of Association of the Company with respect to share capital by sub-dividing the face value of equity shares from Rs.10/- per fully paid-up share to Re.1/- per fully paid-up share during the financial year under review.
30. The Company has altered Article containing the Capital clause by sub-dividing the face value of equity shares from Rs.10/- per share to Re.1/- per share during the financial year under review.
31. There were no prosecutions initiated against or show cause notices received by the Company, during the financial year under review, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner during the financial year under review.

Sd/-

S. N. ANANTHASUBRAMANIAN
C. P. No.: 1774
Practising Company Secretary

Place : Thane
Date : May 4, 2009

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 Shareholders' Attendance	
10.	Register of Proxies	
11.	Register of Documents Sealed	
12.	Minutes Book	193
13.	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 2009.

Sr. No.	Form & Filed on	Filed u/s.	For and remarks
1.	23AC, 23ACA & Balance Sheet	210 on 13th August 2008	Annual Accounts for the Financial year ended 31st March 2008 and adopted as on the date of Annual General Meeting i.e. 25th July 2008.
2.	66 & Compliance Certificate	383 A(1) on 13th August 2008	For the Financial year ended 31st March 2008 as on the date of Annual General Meeting i.e. 25th July 2008.
3.	23	94(1)(d), 16 and 31 on 13th August 2008	Sub- division of equity shares of Rs. 10/- each fully paid up to equity shares of Re.1/- each fully paid up vide Special resolution passed in the Annual General Meeting held on 25th July 2008.
4.	5	94(1)(d) on 18th August 2008	Sub - division of equity shares of Rs. 10/- each fully paid up to equity shares of Re.1/- each fully paid up.
5.	8	125 on 18th August 2008	Creation of charge amounting to Rs. 12 crores in favour of Bank of Maharashtra on 19th June 2008.
6.	8	135 on 29th August 2008	Modification of charge amounting to Rs.12 crores in favour of Bank of Maharashtra on 1st August 2008.
7.	20B & Annual Return	159 on 17th September 2008	Annual Return for the Financial year ended 31st March 2008 as on the date of Annual General Meeting i.e. 25th July 2008.
8.	1	205C on 22nd October 2008	Transferred to Investor Education and Protection Fund an amount of Rs.2734/- on 15th October 2008.
9.	25 C	269(2) on 24th November 2008	Re-appointment of Mr. H A Nevatia as Whole-time Director with effect from 22nd November 2008.
10.	1	205C on 17th February 2009	Transferred to Investor Education and Protection Fund an amount of Rs. 904/- on 12th February 2009.

Sd/-

S. N. ANANTHASUBRAMANIAN
C. P. No.: 1774
Practising Company Secretary

Place : Thane
Date : May 4, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Development:

The Company manufactures 'Indef' brand material handling equipments, such as, Chain Pulley Blocks, Chain and Wire Rope Electric Hoists, Ratchet Hoists, Winches, Roll-out Racks, Light Profile Systems, Pulling and Lifting Machines, H.O.T./E.O.T./Jib Cranes, Floor Operated Stacker Cranes and Stores Stacker Cranes. The Company supplies its products to various industries, such as, iron and steel, cement, oil and gas, chemicals, construction, material handling equipments' manufacturers, state electricity boards, turn-key solutions providers, etc., wherever unit loads are moved.

The Company has a modern machine shop, assembly lines and testing facilities. Strict quality control is maintained through raw-materials, in line and finished product inspection. The Company is supported by well qualified vendors and ancillary workshops. The Company has ISO-9001 accreditation from RWTUV of Germany since May, 1997. To augment its production capacity, the Company has set-up a new bigger factory in Village Dhamani, Taluka Khalapur (near Khopoli) in Raigad District of Maharashtra and the production activities have started in December, 2008.

The Company has 4 Windmills of 1.25 M.W. each, installed at villages Khor-Titane, Amkhel and Phophade in Taluka Sakri, District Dhule of Maharashtra.

The global recession has also affected the capital goods industry very badly, resulting in fewer infrastructure projects coming up and the industries are either holding up or delaying their new projects/expansion. The demand for the Company's products, which are linked to infrastructure projects and capital goods industries, has been affected because of this.

(b) Opportunities and Threats:

The Company has expanded its capacity by setting up a new plant in a plot of approximately six acres in Village Dhamani, Taluka Khalapur (near Khopoli), District Raigad of Maharashtra and the production has started in December, 2008. This will not only give cost advantage to the Company, but also enable the Company to meet the market demand for its products. The Company has appointed an Authorised Marketing Associate in the Gulf Region to increase exports to the Gulf/Middle East countries. The Company is also trying to push exports to other countries and are making vigorous efforts in this direction. The Government in its economic revival packages had reduced the excise duty from 14% to 8% for Company's products, which has been fully passed on to the customers. The Company has appointed a Marketing Consultant to assess the market and the Company's market share and after the Report is received, it will take appropriate action to increase its business.

The Company faces competition from small units in the unorganized sector manufacturing similar products as well as products imported from China, which are cheaper in price. The Company has been successful in meeting this competition through cost effective production, reduction in prices of the products, aggressive marketing efforts, better quality products and good after-sales-service. The Company is also facing competition from foreign manufacturers, who have set-up operations in India in the upper value segment of our products. The Company has planned to upgrade its products to meet this challenge.

(c) Financial Review / Segment wise Performance :

The Company has achieved a business growth of 3.49% while reaching revenue of Rs.9385.88 lakhs. The profit before tax was Rs.3032.09 lakhs as against Rs.2817.31 Lakhs in the previous year. The net profit after tax stands at Rs.1988.61 lakhs as against Rs.1835.55 lakhs in the previous year.

Segment Performance :

Name of the segment	Segment Revenue for the year 2008-09	Segment Revenue for the previous year 2007-08
Materials Handling Equipments	941,350,764/-	909,513,584/-
Windmill Segment	24,417,743/-	21,865,406/-

(d) Internal Control Systems and their adequacy:

The Company has got adequate internal control system commensurate with its size and nature of business. The Company has engaged the services of a reputed Internal Audit firm. The report of the Internal Auditor is reviewed regularly by the Audit Committee of the Board of Directors and corrective actions are taken by the Management.

(e) Risks and Concerns:

The Company is engaged in the manufacturing and marketing of Material Handling Equipments and its demand potentialities are linked with infrastructural development, capital equipment growth and big projects' expansion activities. Any negative change in the outlook of this sector can affect the Company's performance.

The Company has set-up a new bigger factory at Village Dhamani (near Khopoli), District Raigad, in Maharashtra, which has started production in December, 2008. This will enable the Company to be more competitive, to meet the market demand and reduce delivery period. Effective steps are constantly taken to control costs and strengthen the internal control procedures.

(f) Business Out-look:

At the moment the economic situation is uncertain. Hopefully, the new Government will take suitable measures to give a boost to the economy. If the economic scenario improves, the Company will be able to achieve higher growth in view of its very good brand equity, wide range of good quality products and quicker delivery.

(g) Development in Human Resources / Industrial Relations front :

The Company continued its endeavour in maintaining peace and harmony at all levels of employment in the organization in the year under review. At present, the Company has 145 employees comprising of engineers, commercial staff and workmen.

(h) Cautionary Statement:

Statements in the Management Discussion and Analysis, describing the Company's growth prospects, are forward-looking statements. The actual results may vary, depending upon economic conditions, raw-material prices, government policies, regulations, tax laws and other incidental factors.

For and on behalf of Board of Directors