



## HERCULES HOISTS LIMITED

49<sup>th</sup> ANNUAL REPORT 2010-2011

### BOARD OF DIRECTORS

**SHEKHAR BAJAJ** – Chairman

**KLAUS CARL UEBEL**

**NARESH CHANDRA**

**VINAYA L. MEHROTRA**

**KISHORILAL F. JHUNJHUNWALA**

**MUKUL M. UPADHYAYA**

**GAURAV V. NEVATIA**

**TUSHAR P. SHAH**

**SHAILESH V. HARIBHAKTI**

(Alternate Director to Mr. K. C. Uebel)

**H. A. NEVATIA** – Whole Time Director

### PRESIDENT & CEO

**M. S. SAIGAL**

### BANKERS

**BANK OF MAHARASHTRA**

### AUDITORS

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

Chartered Accountants

### REGISTERED OFFICE

Bajaj Bhawan, 2nd Floor,  
226, Jamnalal Bajaj Marg,  
Nariman Point, Mumbai 400 021.

### ADMINISTRATIVE OFFICE

Survey Nos. 43/2B, 43/5, 45/2,  
Kharpada-Savroli Road,  
At Village Dhamani, Taluka-Khalapur, Khopoli,  
Dist. - Raigad, Maharashtra - 410 202.

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### ANNUAL GENERAL MEETING

Wednesday, 27th July, 2011, 11.00 A.M.

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 39  
and their copy of the Balance Sheet**

# HERCULES HOISTS LIMITED

**Regd. Office:** Bajaj Bhawan, 2nd floor, 226, Jamnalal Bajaj Marg,  
Nariman Point, Mumbai - 400 021.  
Tel. 91-22-22023626, Fax : 91-22-22025160

**Admn. Office :** Survey Nos. 43/2B, Village Dhamani, Savroli Kharpada Road,  
Raigad, Pin Code : 410202 Maharashtra.  
Tel. (02192) 274135, Fax : (02192) 274325. E-Mail : indef@indef.com

## NOTICE

**NOTICE** is hereby given that the **Forty Ninth 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 27th day of July, 2011, at 11.00 A.M. to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2011 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 a Director in place of Shri Naresh Chandra, 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.

### **SPECIAL BUSINESS:**

7. To consider, and if thought fit, to pass with or without modification, 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 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, 2010 to 21st November, 2012, 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, 2010 to 21st November, 2012, 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.**

#### **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 Adviser from 22nd November, 2001. His current term expired on 21st November, 2010.

The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. Accordingly, it was decided in the Board Meeting held on 26th October, 2010 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, 2010 to 21st November, 2012 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 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 20th July, 2011 to Wednesday, the 27th July, 2011, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after 27th July, 2011.
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 : 17<sup>th</sup> May, 2011

**Shekhar Bajaj**  
Chairman

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## **Important Communication**

The Ministry of Corporate Affairs (MCA) vide its Circular No. 17/2011 dated 21st April, 2011, clarify that as a measure of "Green Initiative in Corporate Governance", it will be in compliance, if the Annual Report (i.e. documents listed in Section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA M/s. Universal Capital Securities Pvt. Ltd. (formerly known as Mondkar Computers Pvt. Ltd.) and also update the e-mail address as and when there is any change. Once you have registered your e-mail ID with the Depository (in case of electronic holdings) or with us (in case of physical holdings), at any point of time, if you ever wish to obtain physical copies of the documents issued by e-mail to you, you can always request for the same by sending an e-mail to **Shareholders\_Grievance@indef.com** or by writing to us at our Registered/Corporate Office, duly quoting your Demat Account details or your Folio Number, as may be applicable.



## DIRECTORS' REPORT

Dear Shareholders,

We present our 49th Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2011:

- | 1. | Financial Results  | Current Year<br>Rupees | Previous Year<br>Rupees |
|----|--|------------------------|-------------------------|
|    | Sales (Net)  | 1,185,897,003          | 843,996,306             |
|    | Gross Profit   | 458,399,218            | 261,845,562             |
|    | Depreciation   | 20,265,218             | 19,699,351              |
|    | Profit after Depreciation                                    | 438,134,000            | 242,146,211             |
|    | Extraordinary Items (VRS)                                    | 0                      | 39,270,317              |
|    | Provision for taxation for the year (including deferred tax) | 140,644,866            | 62,366,394              |
|    | Net Profit after tax & VRS                                   | 297,489,134            | 140,509,500             |
|    | Earlier year's income-tax adjustment                         | 1,606,709              | 3,403,442               |
|    | Balance brought forward                                      | 15,000,000             | 15,000,000              |
|    | Profit available for appropriation                           | 314,095,843            | 158,912,942             |
|    | Proposed Dividend  | 48,000,000             | 32,000,000              |
|    | Corporate Tax on Dividend                                    | 7,786,800              | 5,314,880               |
|    | Transferred to General Reserve                               | 243,309,043            | 106,598,062             |
|    | Balance carried to BALANCE SHEET                             | 15,000,000             | 15,000,000              |
2. The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.3.00 per Equity Share of Re.1/- for the year ended 31st March, 2011, as against Rs.2.00 per Equity Share of Re.1/- in the previous year.
  3. The sales of the Company at Rs.118.59 Crores are 41% higher compared to last year's sales of Rs.84.40 Crores. The net profit of Rs.29.75 Crores is also 112% higher, as compared to last year's net profit of Rs.14.05 Crores. As a result of higher sales, the company was able to negotiate better prices from some of its component suppliers. The economy seems to be slowly stabilising and the Directors are hopeful of improved performance in the year 2011-12 also.
  4. The Company's 4 Windmills produced 54.27 lakhs units of energy in the year 2010-11, as against 68.53 lakhs units of energy produced in the previous year.
  5. To comply with the requirements of Corporate Governance pursuant to 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.
  6. Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information/representations received from the Management, confirm that :
    - i. in the preparation of the annual accounts, the applicable standards have been followed and that no material departures have been made from the same;
    - ii. 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;
    - iii. 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
    - iv. the annual accounts are prepared on a going concern basis.
  7. The Board of Directors are grieved to inform that Shri E.B. Desai, who has been a Director since 6th January, 1964, expired on 24th December, 2010 after a brief illness. The Board of Directors place on record the significant contribution made by late Shri E.B. Desai for the progress of the company.  
 Shri Shailesh V. Haribhakti resigned as Director, which was accepted in the Board Meeting held on 26th October, 2010. In the same Meeting, he was appointed as 'Alternate Director to Shri K.C. Uebel'.  
 Shri Shekhar Bajaj, Shri Vinaya L. Mehrotra and Shri Naresh Chandra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.
  8. Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising "Group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969, are disclosed in the Annual Report for the purpose of Regulation 3(1)(e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
  9. 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.
  10. 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.
13. The relationship with the employees continued to be cordial.
14. Your Directors take this opportunity to thank the banks, government authorities, regulatory authorities, stock exchanges, employees and stake holders for their continued co-operation and support to the Company.

On behalf of the Board of Directors,

Place : Mumbai  
Date : 17th May, 2011.

**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 :-

#### (i) Power and Fuel Consumption

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| 1. Electricity:                                       |              |               |
| (a) Purchased   |              |               |
| Units   | 316,776      | 381,860       |
| Total Amount (Rs.)                                    | 2,063,410    | 2,558,420     |
| Rate/Unit (Rs.)                                       | 6.51         | 6.70          |
| (b) Own Generation                                    |              |               |
| Through Diesel Generator                              |              |               |
| Units   | 31,571       | 7973          |
| Units per litre of Diesel Oil                         | 2.43         | 2.62          |
| Diesel Cost (Rs.)                                     | 525,886      | 107,475       |
| Rate/Unit (Rs.)                                       | 16.66        | 13.48         |
| 2,3 & 4.Coal, Furnace Oil, Others/Internal Generation | Nil          | Nil           |

#### (ii) 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 are constantly improving the designs and quality of the Company's products as well as production procedures.

#### i. Foreign Exchange Earnings & Outgoings:

| Particulars                   | Current Year | Previous Year |
|-------------------------------|--------------|---------------|
| (i) Foreign Exchange Earnings | 9,096,449    | 6,967,119     |
| (ii) Foreign Exchange Outgo   | 21,975,460   | 9,531,109     |

## 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, 2011 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.             | 7,802,742                   | 5,687,041                 | A.M.I.E.,<br>M.B.M. | 68          | 48                     | 10.10.1990                         | Works Manager,<br>Sesa Goa Ltd.<br>(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, taxable rent, furniture perks, etc.
3. Shri M.S. Saigal is not related to any Director of the Company.

**Group :**

Persons constituting group within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

| Sr No | Name of the Person / Entity | Sr No | Name of the Person / Entity   | Sr No | Name of the Person / Entity  |
|-------|-----------------------------|-------|---|-------|--|
| 1     | Anant Bajaj                 | 27    | Bachhraj And Company Pvt. Ltd.  | 53    | Sanraj Nayan Investments Pvt. Ltd.   |
| 2     | Deepa Bajaj                 | 28    | Bachhraj Factories Pvt. Ltd.  | 54    | Shekhar Holdings Pvt. Ltd.   |
| 3     | Geetika Bajaj               | 29    | Bajaj Allianz Financial Distributors Ltd.   | 55    | Shishir Holdings Pvt. Ltd.   |
| 4     | Kiran Bajaj                 | 30    | Bajaj Allianz General Insurance Company Ltd.  | 56    | The Hindustan Housing Co Ltd.  |
| 5     | Kriti Bajaj                 | 31    | Bajaj Allianz Life Insurance Company Ltd.   | 57    | Hind Lamps Ltd.  |
| 6     | Kumud Bajaj                 | 32    | Bajaj Auto Employees' Welfare Funds – through the Trustees Kevin D'Sa, VS Raghavan & Madhur Bajaj | 58    | Bajaj Ventures Ltd.  |
| 7     | Madhur Bajaj                | 33    | Bajaj Auto Finance Ltd.   | 59    | Bajaj Electricals Limited Employees Welfare Funds I To IV through the Trustees Shekhar Bajaj and Anant Bajaj |
| 8     | Minal Bajaj                 | 34    | Bajaj Auto Holdings Ltd.  | 60    | Anant Trading Company  |
| 9     | Nimisha Bajaj               | 35    | Bajaj Auto Ltd.   | 61    | Bachhraj Trading Company   |
| 10    | Niraj Bajaj                 | 36    | Bajaj Electricals Ltd.  | 62    | Bajaj Trading Company  |
| 11    | Niravnayan Bajaj            | 37    | Bajaj Financial Securities Ltd.   | 63    | Rishabh Trading Company  |
| 12    | Pooja Bajaj                 | 38    | Bajaj Financial Solutions Ltd.  | 64    | Anant Trust  |
| 13    | Rahul Kumar Bajaj           | 39    | Bajaj Finserv Ltd.  | 65    | Aryaman Trust  |
| 14    | Rajivnayan Bajaj            | 40    | Bajaj Holdings & Investment Ltd.  | 66    | Deepa Trust  |
| 15    | Rishab Bajaj                | 41    | Bajaj International Pvt. Ltd.   | 67    | Geetika Trust  |
| 16    | Ruparani Bajaj              | 42    | Bajaj Sevashram Private Ltd.  | 68    | Kriti Trust  |
| 17    | Sanjali Bajaj               | 43    | Baroda Industries Pvt Ltd.  | 69    | Minal Trust  |
| 18    | Sanjivnayan Bajaj           | 44    | Hercules Hoists Ltd.  | 70    | Neelima Trust  |
| 19    | Shefali Bajaj               | 45    | Hind Musafir Agency Ltd.  | 71    | Nimisha Trust  |
| 20    | Shekhar Bajaj               | 46    | Jamnalal Sons Pvt. Ltd.   | 72    | Niravnayan Trust   |
| 21    | Siddhant Bajaj              | 47    | Kamalnayan Investment & Trading Pvt Ltd.  | 73    | Rishabnayan Trust  |
| 22    | Sunaina Kejriwal            | 48    | Madhur Securities Pvt. Ltd.   | 74    | Sanjali Trust  |
| 23    | Manish Kejriwal             | 49    | Mukand Engineers Ltd.   | 75    | Siddhant Trust   |
| 24    | Aryaman Kejriwal            | 50    | Mukand Ltd.   | 76    | Suman Jain   |
| 25    | Neelima Bajaj Swamy         | 51    | Niraj Holdings Pvt Ltd.   | 77    | Nirvaan Kejriwal   |
| 26    | Aditya Swamy                | 52    | Rahul Securities Pvt Ltd.   | 78    | Nirvaan Trust  |

**Note:** Shareholdings of HUFs, are held in the names of the respective individuals in the capacity of Karta. Hence HUFs, are not separately listed hereinabove.

## COMPLIANCE CERTIFICATE

To,

The Members  
HERCULES HOISTS LIMITED

CIN: L45400MH1962PLC012385

AUTHORISED CAPITAL: Rs. 2,00,00,000

PAID-UP CAPITAL: Rs. 1,60,00,000

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 2011**. 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 filed the forms and returns with the payment of additional fees in the event of delayed filing as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, comment under this paragraph relating to *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:*
  - (i) *has not invited public to subscribe for its shares or debentures; and*
  - (ii) *has not invited or accepted any deposits from persons other than its members, Directors or their relatives.*
  - (iii) *is prohibited from making 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 **five** times respectively on **19th May 2010, 7th June 2010, 10th August 2010, 26th October 2010, and 5th February 2011** 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 3rd August 2010 to 10th August 2010 (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 2010 was held on 10th August 2010 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. The Company conducted a Postal Ballot for amending the Object Clause of its Memorandum of Association. The amendment wherein two new clauses viz., Clause 11-A and 11-B were inserted after the existing Clause 11 was carried out vide the Special Resolution passed by way of Postal Ballot on **20th December 2010**. Necessary compliance in this regard was made by the Company.
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 duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
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. We were informed that there were no instances falling within the purview of Section 314 of the Act and consequently, the Company was not required to obtain any approval from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates.
13. The Company:
  - i. was not required to deliver any certificate as there was no allotment/transfer/transmission of the securities.
  - ii. has deposited the amount of dividend declared on 10th August 2010 in a separate Bank Account on 13th August 2010, which is within five days from the date of declaration of such dividend.
  - iii. has posted dividend warrants/ made ECS credits within 30 days from the date of declaration of the aforesaid dividend.
  - iv. has transferred the following amounts to Investor Education and Protection Fund which has remained unclaimed or unpaid for a period of seven years:-

- a. Rs.346/- (Rupees Three Hundred and Forty Six Only) on 13th April 2010, being interest on matured fixed deposits with the Company.
  - b. Rs. 35/- (Rupees Thirty Five Only), being interest on matured deposits and Rs. 75/- (Rs. Seventy Five), being unclaimed dividend for the year 2002-2003 on 8th October 2010 within the prescribed time
  - v. has duly complied with the requirements of Section 217 of the Act
14. The Board of Directors of the Company is duly constituted. Mr. Shailesh Haribhakti ceased to be a Director of the Company w.e.f 25th August 2010 & was appointed as an Alternate Director to Mr. K. C. Uebel with effect from 26th October 2010. There was no other appointment of additional directors, alternate directors and directors to fill casual vacancy during financial year under review.
  15. The Company has re-appointed Mr. H.A. Nevatia as a Whole-Time Director of the Company with effect from **22nd November 2010** for a period of 2 years and necessary compliance with the provisions of Section 269 read with Schedule XIII of the Act have been made.
  16. The Company has not appointed any sole selling agents.
  17. The Company has obtained the necessary approval from Registrar of Companies, for the amendment to the Object Clause of the Memorandum of Association.
  18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act and the rules made thereunder.
  19. The Company has not issued any shares, debentures or other securities.
  20. The Company has not bought back any of its shares.
  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. As the ownership of 3,88,240 equity shares registered in the name of Late Mr. Pramod Kumar S. Nevatia is under dispute, the Company has kept in abeyance the corporate rights entitled pertaining to the said shares.
  23. The Company has not invited / accepted any deposits including any unsecured loans within the purview of Section 58A of the Act during the year under review.
  24. The Company has not made any borrowings during the year under review.
  25. The Company has not made loans and advances or given guarantees or provided securities to other bodies corporate. The investments made by the Company are in compliance with the provisions of the Act and necessary entries have been made 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 amended the provisions of the Memorandum of Association with respect to Objects Clause of the Company and necessary compliance in this regard has been made.
  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 review.
  29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to share capital during the year under review.
  30. The Company has not altered the Articles of Association of the Company during the year under review.
  31. We were informed that there were no prosecutions initiated against or show cause notices received by the Company, during the year under review, for offences under the Act.
  32. We were informed that the Company has not received any money as security from its employees during the year under review.
  33. We were further informed that the Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner during the year under review.

Place : Thane  
Date : 11<sup>th</sup> May 2011

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



## ANNEXURE 'A'

Registers as maintained by the Company

| Sr. No. | Registers  | Under Section  |
|---------|--|--|
| 01.     | Register of Directors, Managing Directors                                    | 303  |
| 02.     | Register of Director's Share and Debenture Holdings                          | 307  |
| 03.     | Register of Charges (including Debentures)                                   | 143  |
| 04.     | Register of Contracts  | 301  |
| 05.     | Register of Contracts, Companies and Firms in which Directors are interested | 301(3)   |
| 06.     | Register of Renewed and Duplicate Certificates                               | Rule 7 of the (Companies (Issue of Share Certificates) Rules, 1960 |
| 07.     | Register of Documents Sealed   | -  |
| 08.     | Minutes Book   | 193  |
| 09.     | Books of Accounts  | 209  |
| 10.     | Register of Loans  | -  |
| 11.     | Register of Investments  | 372(A)   |

## 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 2011.

| Sr. No. | Form                              | Filed u/s.                                    | For  |
|---------|-----------------------------------|---|--|
| 1.      | Form 1                            | u/s 205C on 3rd May 2010                      | Transfer of Rs. 346/- on 13th April 2010 to Investor Education and Protection Fund.  |
| 2.      | Compliance Certificate in Form 66 | u/s 383 (1)(A) on 25th August 2010            | The financial year ended 31st March 2010.  |
| 3.      | Form 8                            | u/s 135 on 27th August 2010                   | Modification of Charge ID 10116671 on account of enhancement in Bank guarantee limit from Rs.2 Crore to Rs.3.50 Crore.                             |
| 4.      | Balance Sheet in Form 23AC, 23ACA | u/s 220 on 3rd September 2010                 | Balance Sheet & Profit & Loss A/C for the year ended 31st March 2010 adopted at Annual General Meeting held on 10th August 2010.                   |
| 5.      | Annual Return in Form 20B         | u/s 159 on 15th September 2010                | As on the date of Annual General Meeting on 10th August 2010.  |
| 6.      | Form 1                            | u/s 205C on 19th October 2010                 | Transfer of unclaimed interest of Rs. 35/- on matured deposit and unclaimed dividend of Rs. 75/- for the year 2002-03 to IEPF on 8th October 2010. |
| 7.      | Form 61                           | Pursuant to Section 192A on 2nd November 2010 | Filing of Board Resolution and Calendar of Events pertaining to the conduct of Postal Ballot.  |
| 8.      | Form 32                           | u/s 303(2) on 15th November 2010              | Cessation of Mr. Shailesh .V. Haribhakti as Director with effect from 25th August 2010.  |
| 9.      | Form 25C                          | u/s 269(2) on 24th November 2010              | Re-appointment of Mr. H. A. Nevatia as Whole Time Director of the Company with effect from 22nd November 2010.                                     |
| 10.     | Form 32                           | u/s 303(2) on 10th December 2010              | Appointment of Mr. Shailesh .V. Haribhakti as an Alternate Director to Mr. Klaus Carl Uebel with effect from 26th October 2010                     |
| 11.     | Form 23                           | u/s 192 on 31st December 2010                 | Special Resolution for amending the Object Clause of the Memorandum of Association passed through Postal Ballot.                                   |
| 12.     | Form 32                           | u/s 303(2) on 10th January 2011               | Cessation of Mr. E.B. Desai as a Director with effect from 24th December 2010.   |

Place : Thane  
Date : 11<sup>th</sup> May 2011

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

## MANAGEMENT DISCUSSION AND ANALYSIS

**(a) Industry Structure and Development:**

The Company manufactures material handling equipments, such as, Chain Pulley Blocks, Chain and Wire Rope Electric Hoists, Ratchet Lever 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 is also marketing Shrouded Conductors of AKAPP, Netherlands.

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.

The Company has 4 Windmills of 1.25 M.W. each, installed in District Dhule of Maharashtra.

Even though the Indian industries could withstand the worldwide economic slow-down because of its large domestic consumption, the pace of growth, particularly capital goods industry, is still slow, with the result the order booking and the sales turnover are not increasing as expected.

**(b) Opportunities and Threats:**

The Company has adequate capacity to meet the market demand for its products and can effect quick delivery to the customers. The Company has developed good quality vendors, who can supply the components to the company according to its requirements. The Company had conducted a market survey for its products and is now trying to increase its sales and market share through aggressive marketing. The Company is strengthening its marketing set-up by appointing new Business Facilitators and are also advertising in industrial journals. The Company is participating in industrial exhibitions, such as, CeMat, etc. to promote the products. The Company is trying to enter into the Crane business, which is quite large in the country and is studying various options available.

The Company is making concerted efforts to export its products in the Middle East, U.S.A. and neighbouring countries. The company had participated in the ProMat exhibition, which was held in Chicago, USA, in March, 2011. The company is also making efforts to obtain CE marking for its products, so that, it can export its products to Europe and other countries.

The Company faces competition from the unorganized sector manufacturing similar products as well as imports from China, which are cheaper. 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. The Company is making efforts to upgrade its products to meet this challenge.

**(c) Financial Review / Segment wise Performance :**

The Company has achieved gross revenue of Rs.118.59 Crores, as against Rs.84.40 Crores in the previous year. The profit before tax is Rs.43.81 Crores as against Rs.24.21 Crores in the previous year. The net profit after tax stands at Rs.29.91 Crores as against Rs.14.39 Crores in the previous year.

**Segment Performance :**

| Name of the segment           | Segment Revenue for the year 2010-11 | Segment Revenue for the year 2009-10 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Materials Handling Equipments | 1,187,729,775/-                      | 834,144,958/-                        |
| Windmill Segment              | 22,386,140/-                         | 27,255,783/-                         |

**(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 Government of India and other state governments have given priority to infrastructural development and as such, the capital goods industry is expected to grow at a rapid pace.

The Company has adequate capacity in its Khopoli factory. This has enabled the Company to be more competitive, to meet the market demand and reduce delivery period. Effective steps are constantly taken to control costs, improve the quality of the products and strengthen the internal control procedures.

**(f) Business Out-look:**

The Indian economy appears to be steadily improving. The Company will be able to sustain the growth in view of its good brand image, 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 107 employees comprising of engineers, marketing staff, 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