



Lifting

Moving

Storing

53rd ANNUAL REPORT 2014-2015

HERCULES HOISTS LIMITED

Material Handling. Delivered.

bajaj group

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Description	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
PROFIT & LOSS ACCOUNT							
Gross Sales	10,378.15	11147.80	13,372.91	12,971.39	12,748.32	8,830.27	10,248.55
Net Sales	9,482.49	10093.00	12,034.89	11,789.69	11,635.11	8,167.40	9,141.70
Sale of Power Units Generated	265.68	312.11	308.47	275.76	223.86	272.56	244.18
Other Income	973.12	1072.90	1,164.78	955.20	559.81	497.95	330.91
Gross Revenue	10,721.29	11,478.00	13,508.14	13,020.65	12,418.78	8,937.91	9,716.79
Cost of Material	5,693.14	5944.02	6,518.55	6,108.04	5,687.54	4,775.13	4,757.21
Operating & Other Expenses	3,008.93	2521.42	2,680.81	2,277.15	2,129.18	1,497.34	1,675.78
Interest & Finance Expenses	-	0.00	10.11	5.51	24.29	46.99	76.01
Depreciation/Amortisation	259.30	199.91	201.79	203.32	202.65	196.99	175.71
Profit Before tax and extra ordinary items	1,759.93	2,812.65	4,096.88	4,426.64	4,375.12	2,421.46	3,032.08
Extra Ordinary Items	-	-	-	-	-	392.70	-
Profit Before tax	1,759.93	2,812.65	4,096.88	4,426.64	4,375.12	2,028.76	3,032.08
Current Tax (IncomeTax)	535.40	804.97	1201.99	1,274.00	1,369.55	712.61	1,035.93
Deferred Tax	(31.48)	22.34	52.14	41.56	30.68	(88.95)	(0.06)
Fringe Benefit Tax	-	-	-	-	-	-	7.60
Adjustment for earlier years	(8.45)	8.95	(10.35)	19.42	(16.07)	(34.03)	71.37
Profit After Tax & Adjustment for earlier Years	1,264.46	1,976.39	2,853.10	3,091.66	2,990.96	1,439.13	1,917.24
Dividend -Interim / Proposed Dividend	480.00	480.00	560.00	560.00	480.00	320.00	320.00
Dividend Distribution Tax	97.72	81.58	95.17	90.85	77.87	53.15	54.38
Retained Profit	686.74	1,414.81	2,197.93	2,440.82	2,433.09	1,065.98	1,542.86
BALANCE SHEET							
Net Worth	18,021.80	17400.31	15,985.50	13,787.57	11,346.76	8,913.67	7,847.68
Loan Funds							
- Secured Loan	-	-	-	-	-	397.78	531.77
- Unsecured Loan	39.00	37.02	31.02	23.52	22.02	22.02	22.12
Deferred Tax Liability (Net)	417.56	482.65	460.31	408.17	366.60	335.92	424.87
Total Sources of Funds	18,478.36	17,919.99	16,476.83	14,219.26	11,735.38	9,669.39	8,826.44
Fixed Assets & Intangible Assets							
- Gross (including Capital WIP)	4,907.01	4630.83	4,531.62	4,468.70	4,666.20	4,400.74	4,195.04
- Net	2,684.11	2746.47	2,846.47	2,976.84	3,361.95	3,292.51	3,230.65
Investments	4,362.40	3977.95	2,427.95	2,259.27	2,457.27	1,147.04	1,573.32
Long term Loans & Advances	1,027.46	1016.68	915.91	489.93	312.94	635.35	251.76
Current Assets	13,457.03	13248.13	12,697.92	10,577.53	7,820.46	6,254.73	5,015.25
Current Liabilities	(2,368.84)	(2449.81)	(1,714.81)	(1,377.82)	(1,567.63)	(1,212.95)	(794.55)
Provisions	(683.80)	(619.44)	(696.60)	(706.48)	(649.61)	(447.29)	(449.99)
Miscellaneous Expenditure	-	-	-	-	-	-	-
Total Application of Funds	18,478.36	17,919.99	16,476.83	14,219.26	11,735.38	9,669.39	8,826.44
RATIOS and STATISTICS							
Proprietary Ratio	0.83:1	0.83:1	0.85:1	0.85:1	0.81:1	0.79:1	0.78:1
Debt Equity Ratio	0:1	0:1	0:1	0:1	0:1	0.05:1	0.07:1
Current Ratio	5.68:1	4.32:1	5.27:1	5.07:1	3.53:1	3.77 :1	4.03:1
Return on Proprietor's Fund	7.02%	11.36%	17.85%	22.42%	26.36%	16.15%	24.43%
Return on Capital Employed	9.52%	15.70%	24.93%	31.17%	37.49%	25.53%	35.21%
Operating Ratio	34.47%	26.96%	24.04%	21.09%	20.25%	21.32%	21.08%
Net Profit Ratio	13.33%	19.58%	23.71%	26.22%	25.71%	17.62%	20.97%
Dividend Per Share (Rs.)	1.50	1.50	1.75	3.50	3.00	2.00	2.00
Earning per Equity Share (Rs.)	3.95	6.18	8.92	19.32	18.70	8.99	11.98
Price Earning Ratio	42.89	18.62	11.75	13.13	12.22	25.60	7.22
Book Value per Equity Share (Rs.)	56.32	54.38	49.95	86.17	70.92	55.71	49.05
No.of Equity Shareholders	8,207	9648	9816	9146	9147	8865	9302
No.of Employees	119	121	116	113	108	99	143

- Note:**
- 1) Proprietary Ratio = (Equity Capital + Reserves & Surplus - Miscellaneous Expenses) / Total Assets
 - 2) Debt Equity Ratio = Debt / Equity
 - 3) Current Ratio = Current Assets / Current Liabilities
 - 4) Return on Proprietor's Funds = Profit After Tax / (Equity Capital + Reserves & Surplus - Miscellaneous Expenses)
 - 5) Return on Capital Employed = Profit Before Tax / (Equity Capital + Reserves & Surplus+Loan Funds - Miscellaneous Expenses)
 - 6) Operating Ratio = (Operating & Other Expenses+Depreciation/Amortisation+Interest & Finance Expenses) / Net Sales
 - 7) Net Profit Ratio = Profit After Tax / Net Sales
 - 8) Price Earning Ratio = Market Price Per Share / Earning Per Share



HERCULES HOISTS LIMITED

53rd ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS

Shekhar Bajaj - *Chairman*
Vinaya L Mehrotra
H A Nevatia (*Whole-time Director*)
Klaus Carl Uebel
Naresh Chandra
Kishorilal F Jhunjunwala
Mukul M Upadhyaya
Gaurav V Nevatia
Tushar P Shah
Shruti Jatia (*Additional Director from Nov. 12, 2014*)

MANAGEMENT TEAM

Prakash Subramaniam (*President & CEO*)
Vivek Mahendru (*Vice President-Operations*)
Vijay Singh (*Chief Financial Officer*)

COMPANY SECRETARY

Kiran Mukadam

BANKERS

HDFC Bank, Axis Bank, ICICI Bank,
Bank of Maharashtra, Yes Bank

AUDITORS

M L Bhuwania & Co.,- *Chartered Accountants*

COST AUDITORS

R Nanabhoy and Co., - *Cost Accountants*

SECRETARIAL AUDITORS

S N Ananthasubramaniam & Co.,- *Company Secretaries*

CIN: L45400MH1962PLC012385

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ANNUAL GENERAL MEETING

On Monday, August 10, 2015 at Kamalnayan Bajaj Hall, Bajaj Bhawan, Ground Floor, 226, Jamanlal Bajaj Marg, Nariman Point, Mumbai 400021 (MH)

A REQUEST

Members are requested to kindly bring their copies of the Annual Report to the Meeting along with the attendance slip on page no. 55

REGISTERED OFFICE

Bajaj Bhawan, 2nd floor, 226, Jamanlal Bajaj Marg, Nariman Point, Mumbai, 400021(MH)

CORPORATE OFFICE & WORKS

43/2B, Savroli – Kharpada Road, Dhamani, Khalapur, 410202 (MH)

Website: www.indef.com

**NOTICE**

NOTICE is hereby given that the 53rd **Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Kamalnayan Bajaj Hall, Bajaj Bhawan, Ground Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021, on **Monday, August 10, 2015 at 11.30 a.m.** to transact the following businesses :-

1. To receive, consider and adopt the audited statement of Profit and Loss Account for the year ended March 31, 2015 and the Balance Sheet as at that date and Report of Directors and Auditors thereon.
2. To declare dividend for the financial year ended March 31, 2015.
3. To appoint a Director in place of Shri K C Uebel [DIN No. 00668399] who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shekhar Bajaj [DIN No. 00089358] who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify appointment of the Auditors of the Company and to fix their remuneration for FY 2015-16 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provision of Section 139 (1) of the Companies Act, 2013 and the rules made thereunder, the appointment of M/s M L Bhuwania & Co., Chartered Accountants, Mumbai, as auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the Next Annual General Meeting be and is hereby ratified, on such remuneration as shall be fixed by the Board of Directors."

Special Business :

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration payable of Rs.35000 plus service tax, reimbursement of out of pocket expenses to Cost Auditor, M/s R Nanabhoy & Co, Cost Accountants appointed by the Board of Directors of the Company, for the financial year 2015-16, be and are hereby ratified and confirmed.
7. To consider and if thought fit, to pass with or without modification(s) , the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013, (including any statutory modification(s) or enactment(s) thereof), Shri H A Nevatia [DIN No. 00066955] be and is hereby re-appointed as a Director in Whole-time employment of the Company for a period of three years from November 22, 2014 to November 21, 2017 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 V of the Companies Act, 2013 or any statutory modification(s) or substitution (s) thereof.

 - a) Remuneration: Rs.25,000/- per month.
 - b) 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.

RESOLVED FURTHER THAT in any financial year during the period November 22, 2014 to November, 21, 2017, 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 V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all the acts, deeds and things which are necessary for the re-appointment of aforesaid person as a Whole-time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the Rules made thereunder and Clause 49 of the Listing Agreement, Smt. Shruti Jatia [DIN No. 00227127] who was appointed as an Additional Director of the Company with effect from November 12, 2014 by the Board of Directors of the Company pursuant to section 161 of the Companies Act, 2013 and who holds office as such upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice from a member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Director , be and is hereby confirmed as an Independent Director of the Company at the ensuing Annual General Meeting ,to hold office for five consecutive years with effect from the date of her appointment, not liable to retire by rotation and on such terms and conditions & in the manner set out in Schedule IV to the Companies Act, 2013.

NOTES:

1. **A member entitled to attend and vote is allowed 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 of the meeting.** A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from August 4, 2015 to August 10, 2015 both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after August 10, 2015
4. Members holding shares physically are requested to notify immediately any change of address to the Company.
5. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions as to reach the Company at least 10 days before the Annual General Meeting, so that the same can be suitably replied.
6. As per section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, electronic copies of the Annual Report 2014-15 and the Notice of the 53rd AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 and the Notice of the 53rd AGM are sent in the physical mode.
7. The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.
8. All documents referred to in the accompanying Notice and Explanatory statement shall be open for inspection at the Registered Office of the Company during the office hours on all working days up to the date of the Annual General Meeting of the Company.
9. The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in Corporate Governance" showing paperless compliances by Companies through electronic mode. The Companies can send various notices/documents to its shareholder through electronic mode to the registered email addresses of shareholders. Accordingly, members are requested to intimate their email address to the Company's Registrar and Share Transfer Agent. Please note that as a member of the Company, you are entitled to receive on request a physical copy of the said documents in accordance with the provisions of the Companies Act, 2013.

Explanatory Statements in respect of Special Business pursuant to section 102 of the Companies Act, 2013 for Item No.6 to 8:

Item No. 6

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s R Nanabhoy & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2015-16. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them. The Board recommends passing of the Ordinary Resolution as set out in item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

Item No. 7

Shri H A Nevatia was appointed as a Director in the whole-time employment of the Company from November 22, 2001 after retiring as Managing Director of the Company. His current term expired on November 21, 2014.

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 November 12, 2014 to continue the services of Shri H A Nevatia as a Director in the whole-time employment of the Company for a further period of three years from November 22, 2014 to November 21, 2017 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, Key Managerial Personnel and relatives thereof other than Shri H A Nevatia are concerned or interested in the said Resolution.

Item No. 8

The Board of Directors of the Company (based on the recommendation of Nomination & remuneration Committee) appointed Smt. Shruti Jatia as an Additional Director of the Company with effect from November 12, 2014 pursuant to the provisions of Section 161 (1) of the Act and the Articles of Association of the Company. In terms of the provisions of the act, Smt Shruti Jatia would hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice in writing from a member along with deposit of requisite amount under section 160 of the act proposing her candidature of Director. The Company has received a declaration of independence from her under section 149 (6) of the Companies Act, 2013. Her detailed profile is given under the head "Corporate Governance". The Board recommends passing of ordinary resolution as set out in item no. 8

None of the Directors, Key Managerial Personnel and relatives thereof other than Smt. Shruti Jatia are concerned or interested in the said Resolution.

On behalf of the Board of Directors

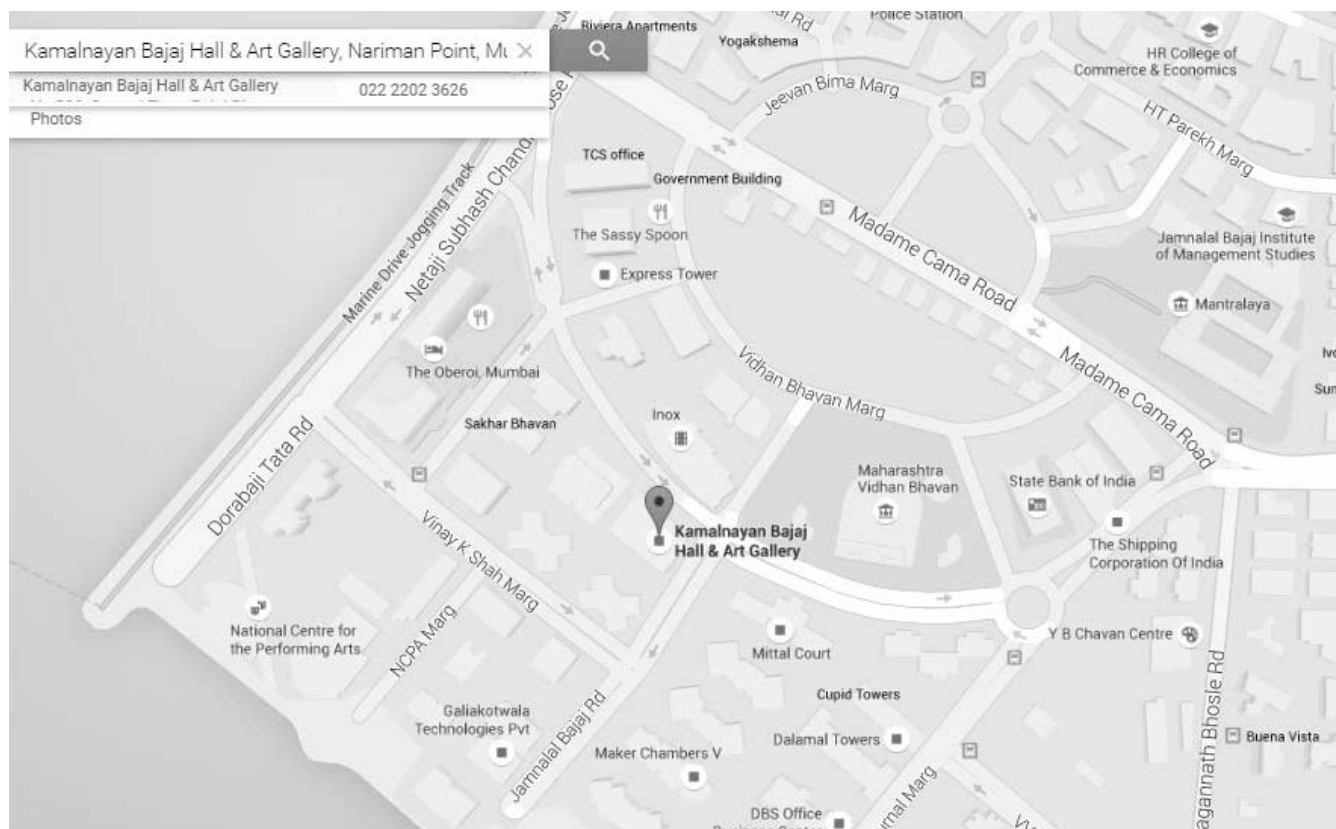
Dated : May 27, 2015

Place : Mumbai

Shekhar Bajaj

Chairman

(DIN No. 00089358)

Location Map - to reach at the venue of Annual General Meeting

VOTING THROUGH ELECTRONIC MEANS

- A) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
- B) The facility for voting through poll paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through poll paper.
- C) The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- D) The e-voting period commences on **August 7, 2015 (9:00 am)** and ends on **August 9, 2015 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **August 3, 2015**, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- E) The process and manner for remote e-voting are as under:
- i. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)], Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - ii. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy], the EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN is provided in separate enclosed letter.
 - iii. Steps:
 1. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 2. Click on Shareholder – Login
 3. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 4. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 5. Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 6. Select "EVEN" of "Hercules Hoists Limited".
 7. Now you are ready for e-voting as Cast Vote page opens.
 8. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 9. Upon confirmation, the message "Vote cast successfully" will be displayed.
 10. Once you have voted on the resolution, you will not be allowed to modify your vote.
 11. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **Shareholders_grievance@indef.com** and **scrutinizer@snaco.net** with a copy marked to **evoting@nsdl.co.in**
 12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 13. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **August 3, 2015**
 14. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **August 3, 2015**, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in**
 15. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 16. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting /voting at the AGM through poll paper.
 17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poll Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.
 18. The Scrutinizer (M/s S N Ananthasubramanian & Co., Company Secretaries, Thane) shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 19. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE /NSE. The resolution shall be deemed to be passed at the Annual General Meeting of the Company scheduled to be held on August 10, 2015.

**DIRECTORS' REPORT**

Dear Members,

We present our **53rd Annual Report** together with the Audited Financial Accounts for the year ended **March 31, 2015**:

1. Financial Results

(₹ in Lacs)

Financial Results	As on March 31, 2015	As on March 31, 2014
Revenue from Operations and other Incomes	10721.29	11478.00
Profit before Finance Cost & Depreciation	2019.23	3012.56
Less- Finance Cost	-	-
Less-Depreciation	259.30	199.91
Profit before taxes	1759.93	2812.65
Provision for taxation for the year (including deferred tax and Earlier year's income-tax adjustment)	495.47	836.27
Profit after Taxes	1264.46	1976.38
Add: Balance brought forward from previous year	914.81	500.00
Profit available for appropriation	2179.27	2476.38
Less- Appropriations		
a) Proposed Dividend	480.00	480.00
b) Tax on Dividend	97.72	81.57
c) Transferred to General Reserve	500.00	1000.00
Balance Carried Forward	1101.55	914.81

2. Dividend

The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs. 1.50/- per Equity Share of Re.1/- for the year ended March 31, 2015 as against Rs.1.50/- per Equity Shares of Re.1/- in the previous year.

3. Operations

The revenue from operations of Rs. 97.48 Crores is 6.46% lower than last year's revenue from operations of Rs. 104.22 crores. The net profit of Rs. 12.64 Crores is 36.03 % lower, as compared to last year's net profit of Rs.19.76 Crores. The decrease in revenue has been mainly due to macro economic reasons: stagnating economic growth across the sectors where the Company's customers operate. This resulted in a situation where there was no or poor progress of new projects or expansion projects or lack of investments in capital equipment which could have otherwise resulted in a demand for the material handling equipment made by the Company. The Directors are hopeful that steps will be taken by the present Government to revive the economic growth which could result in an economic upsurge leading to creation of demand for the Company's products / solutions.

The Company's 4 Windmills produced 57.72 Lakhs units of energy in the current year, as against 69.79 Lakhs units of energy produced in the previous year.

4. Directors and Key Managerial Personnel-Changes

Shri K C Uebel and Shri Shekhar Bajaj retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors had appointed Smt Shruti Jatia as an Additional Director (Independent) of the Company for a term of five consecutive years in the category of Independent Director with effect from November 12, 2014 and she holds office till the ensuing Annual General Meeting. The Ordinary Resolution for confirmation of her appointment as a Director is given in the Notice.

Shri H A Nevatia was re-appointed as a Director in whole-time employment of the Company with effect from November 22, 2014 for a period of three years by the Board of Directors in their meeting held on November 12, 2014. The Special Resolution for approval of his appointment as a "Whole-time Director" is given in the notice.

The detailed profiles of above mentioned Directors are given under the head "Corporate Governance".

Pursuant to section 149(4) of the Companies Act, 2013, the Board, in its meeting held on May 28, 2014 appointed the existing Independent Directors under clause 49 as "Independent Directors". The Board appointed a woman Director in its meeting held on November 12, 2014 under the proviso of the section 149 (1) (b). The members at the Annual General Meeting held on August 11, 2014, approved the appointment of the existing Independent Directors for a term of five years, effective from April 1, 2014.

Pursuant to Section 203 of the Companies Act, 2013, the Board has appointed, in its meeting held on May 28, 2014, Shri Prakash Subramaniam, President and CEO, Shri Vijay Singh, Chief Financial Officer and Shri Kiran Mukadam, Company Secretary as Key Managerial Personnel of the Company.

5. Declaration by Independent Directors

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section 149 (6).

6. Auditors**A) Statutory Auditor**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, the auditors of the Company, M/s M L Bhuwania & Co, Chartered Accountants, Mumbai were appointed by the shareholders for three years terms at the 52nd Annual General Meeting to hold office until the conclusion of the 55th Annual General Meeting, subject to ratification by the shareholders at each Annual General Meeting.

The members are requested to ratify the appointment of M/s M L Bhuwania & Co, Chartered Accountants, Mumbai as statutory auditors of the company and to fix their remuneration for the financial year 2015-16.

B) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 and rules made thereunder, the Board of Directors had, on the recommendation of the Audit Committee, appointed M/s R Nanabhoy & Co. Cost Accountants, to audit the cost accounts of the Company for the financial year 2015-16 at a remuneration of Rs. 35,000/-plus service tax, reimbursement of out-of pocket expenses, subject to ratification by the shareholders at ensuing Annual General Meeting. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Cost Auditors is given in the notice.

C) Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rule made thereunder, the Company has appointed M/s S N Ananthasubramaniam & Co, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure C".

7. Significant and Material orders passed by the Regulators or Court

During the year in review, there were no significant and material orders passed by the Regulators or Courts or tribunals, which may impact the going concern status of the Company and its operations in future.

8. Material Changes & Commitments

There have been no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the company and the date of this report.

9. Adequacy of Internal Financial Control

Internal financial controls with reference to the financial statements were adequate and operating effectively.

10. Presentation of Financial Results

The financial results of the Company for the year ended March 31, 2015 have been disclosed as per Schedule III to the Companies Act, 2013.

11. Risk Management Policy

Information on the development and implementation of a risk management policy for the company including identification therein of elements of risk which in the opinion of the board may threaten the existence of the Company is given in the annexed Management Discussion and Analysis.

12. Corporate Social Responsibility (CSR)

Detailed information on CSR Policy developed and implemented by the Company on CSR initiatives, taken during the year pursuant to section 134 & 135 of the Companies Act 2013 is given in the "Annexure A".

13. Directors' Responsibility Statement

As required under section 134(3)(c) of the Companies Act, 2013 Directors, to the best of their knowledge and belief, state that -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, 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 and loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;



- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Corporate Governance

Detailed reports on matters relating to Corporate Governance and Management Discussion and Analysis Report under Clause 49 of the Listing Agreement are annexed as part of this Annual report together with the report of Practicing Company Secretary on its compliance thereon.

15. Vigil Mechanism

The details of the Vigil Mechanism Policy covered under the Companies Act, 2013 and Clause 49 of the Listing Agreement are explained in the Corporate Governance Report and also posted on the website of the Company.

16. Directors' Remuneration Policy and Criteria for matters under section 178

Information regarding Directors' Remuneration Policy & criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 are provided in the annexed Corporate Governance Report.

17. Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

18. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Companies Act, 2013 are given in schedule No. 9 and 14 to the Financial Statements.

19. Number of Meetings of the Board and Audit Committee

During the year, four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report.

20. Formal Annual Evaluation of the performance of Board, its Committees and Directors

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, Board as a whole and committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

21. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company. The policy on Related Party Transactions as approved by the Board is placed on the Company's website.

22. Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. There were no complaints received during the year.

23. Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo

The information on conservation of energy, technology absorption, foreign exchange earning and outgo etc. to the extent applicable stipulated under section 134 (3) (m) of the Companies Act, 2013 read with Rule no. 8 of the Companies (Accounts) Rules, 2014 is set out in "Annexure A" annexed hereto.