



# HERCULES HOISTS LIMITED

54<sup>th</sup> ANNUAL REPORT 2015-2016

**bajaj group**

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# FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Description	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>PROFIT &amp; LOSS ACCOUNT</b>							
Gross Sales	9803.79	10,378.15	11147.80	13,372.91	12,971.39	12,748.32	8,830.27
<b>Net Sales</b>	<b>8888.07</b>	<b>9,482.49</b>	<b>10093.00</b>	<b>12,034.89</b>	<b>11,789.69</b>	<b>11,635.11</b>	<b>8,167.40</b>
Sale of Power Units Generated	225.48	265.68	312.11	308.47	275.76	223.86	272.56
Other Income	1216.47	973.12	1072.90	1,164.78	955.20	559.81	497.95
<b>Gross Revenue</b>	<b>10,330.02</b>	<b>10,721.29</b>	<b>11,478.00</b>	<b>13,508.14</b>	<b>13,020.65</b>	<b>12,418.78</b>	<b>8,937.91</b>
Cost of Material	5192.36	5,693.14	5944.02	6,518.55	6,108.04	5,687.54	4,775.13
Operating & Other Expenses	3223.83	3,008.93	2521.42	2,680.81	2,277.15	2,129.18	1,497.34
Interest & Finance Expenses	24.57	-	-	10.11	5.51	24.29	46.99
Depreciation/Amortisation	220.17	259.30	199.91	201.79	203.32	202.65	196.99
<b>Profit Before tax and extra ordinary items</b>	<b>1,669.09</b>	<b>1,759.93</b>	<b>2,812.65</b>	<b>4,096.88</b>	<b>4,426.64</b>	<b>4,375.12</b>	<b>2,421.46</b>
Extra Ordinary Items	-	-	-	-	-	-	392.70
<b>Profit Before tax</b>	<b>1,669.09</b>	<b>1,759.93</b>	<b>2,812.65</b>	<b>4,096.88</b>	<b>4,426.64</b>	<b>4,375.12</b>	<b>2,028.76</b>
Current Tax (IncomeTax)	433.13	535.40	804.97	1201.99	1,274.00	1,369.55	712.61
Deferred Tax	(86.53)	(31.48)	22.34	52.14	41.56	30.68	(88.95)
Adjustment for earlier years	(6.43)	(8.45)	8.95	(10.35)	19.42	(16.07)	(34.03)
<b>Profit After Tax &amp; Adjustment for earlier Years</b>	<b>1,328.92</b>	<b>1,264.46</b>	<b>1,976.39</b>	<b>2,853.10</b>	<b>3,091.66</b>	<b>2,990.96</b>	<b>1,439.13</b>
Dividend -Interim / Proposed Dividend	480.00	480.00	480.00	560.00	560.00	480.00	320.00
Dividend Distribution Tax	97.72	97.72	81.58	95.17	90.85	77.87	53.15
<b>Retained Profit</b>	<b>751.20</b>	<b>686.74</b>	<b>1,414.81</b>	<b>2,197.93</b>	<b>2,440.82</b>	<b>2,433.09</b>	<b>1,065.98</b>
<b>BALANCE SHEET</b>							
Net Worth	18773.01	18,021.80	17400.31	15,985.50	13,787.57	11,346.76	8,913.67
<b>Loan Funds</b>							
- Secured Loan	-	-	-	-	-	-	397.78
- Unsecured Loan	36.00	39.00	37.02	31.02	23.52	22.02	22.02
Deferred Tax Liability (Net)	331.04	417.56	482.65	460.31	408.17	366.60	335.92
<b>Total Sources of Funds</b>	<b>19,140.05</b>	<b>18,478.36</b>	<b>17,919.99</b>	<b>16,476.83</b>	<b>14,219.26</b>	<b>11,735.38</b>	<b>9,669.39</b>
<b>Fixed Assets &amp; Intangible Assets</b>							
- Gross (including Capital WIP)	4967.69	4,907.01	4630.83	4,531.62	4,468.70	4,666.20	4,400.74
- Net	2621.47	2,684.11	2746.47	2,846.47	2,976.84	3,361.95	3,292.51
Investments	5139.49	4,362.40	3977.95	2,427.95	2,259.27	2,457.27	1,147.04
Long term Loans & Advances	1369.68	1,553.52	1016.68	915.91	489.93	312.94	635.35
Current Assets	15148.15	12,930.97	13248.13	12,697.92	10,577.53	7,820.46	6,254.73
Current Liabilities	(4456.78)	(2,368.84)	(2449.81)	(1,714.81)	(1,377.82)	(1,567.63)	(1,212.95)
Provisions	(681.96)	(683.80)	(619.44)	(696.60)	(706.48)	(649.61)	(447.29)
Miscellaneous Expenditure	-	-	-	-	-	-	-
<b>Total Application of Funds</b>	<b>19,140.05</b>	<b>18,478.36</b>	<b>17,919.99</b>	<b>16,476.83</b>	<b>14,219.26</b>	<b>11,735.38</b>	<b>9,669.39</b>
<b>RATIOS and STATISTICS</b>							
Proprietary Ratio	0.77: 1	0.83:1	0.83: 1	0.85: 1	0.85: 1	0.81: 1	0.79: 1
Debt Equity Ratio	0: 1	0: 1	0: 1	0: 1	0: 1	0: 1	0.05: 1
Current Ratio	2.95: 1	4.24:1	4.32 : 1	5.27 : 1	5.07 : 1	3.53 : 1	3.77 : 1
Return on Proprietor's Fund	7.08%	7.02%	11.36%	17.85%	22.42%	26.36%	16.15%
Return on Capital Employed	8.72%	9.52%	15.70%	24.93%	31.17%	37.49%	25.53%
Operating Ratio	39.03%	34.47%	26.96%	24.04%	21.09%	20.25%	21.32%
Net Profit Ratio	14.95%	13.33%	19.58%	23.71%	26.22%	25.71%	17.62%
Dividend Per Share (Rs.)	1.50	1.50	1.50	1.75	3.50	3.00	2.00
Earning per Equity Share (Rs.)	4.15	3.95	6.18	8.92	19.32	18.70	8.99
Price Earning Ratio	38.80	42.89	18.62	11.75	13.13	12.22	25.60
Book Value per Equity Share (Rs.)	58.67	56.32	54.38	49.95	86.17	70.92	55.71
No.of Equity Shareholders	8,213	8,207	9,648	9,816	9,146	9,147	8,865
No.of Employees	122	119	121	116	113	108	99

**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

54<sup>th</sup> ANNUAL REPORT 2015-2016

## BOARD OF DIRECTORS

Shekhar Bajaj - *Chairman*  
Vinaya L Mehrotra  
H A Nevatia (*Whole-time Director*)  
Klaus Carl Uebel  
Naresh Chandra  
Kishorilal F Jhunjhunwala  
Mukul M Upadhyaya  
Gaurav V Nevatia  
Shruti Jatia  
Vandan Shah (*Additional Director w.e.f. Feb 6, 2016*)  
Darius J Kakalia (*Alternate Director to Shri K C Uebel*)  
Tushar Shah (*Till Feb 6, 2016*)

## MANAGEMENT TEAM

Prakash Subramaniam (*President & CEO*)  
Vivek Mahendru (*Vice President - Operations*)  
Vijay Singh (*Chief Financial Officer*)  
Vilas Kakade (*General Manager - Sales & Marketing*)

## COMPANY SECRETARY

Kiran Mukadam

## BANKERS

HDFC 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 & WEBSITE

CIN: L454 00MH1962PLC012385  
Website: [www.indef.com](http://www.indef.com)

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## ANNUAL GENERAL MEETING

**On Friday, August 12, 2016 at 4:00 pm** at Cultural Hall, 4<sup>th</sup> Floor, Yeshwantrao Chavan Centre, Genreal Jagannathrao Bhosale Marg, Near to Mantralaya, 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, Jamanalal Bajaj Marg, Nariman Point, Mumbai, 400021 (MH)

## CORPORATE OFFICE & WORKS

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

## NOTICE

**NOTICE** is hereby given that the 54<sup>th</sup> **Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Cultural Hall, 4<sup>th</sup> Floor, Yeshwantrao Chavan Centre, Genreal Jagannathrao Bhosale Marg, Near to Mantralay, Nariman Point, Mumbai 400021 on Friday, August 12, 2016 at 4.00 p.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, 2016 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, 2016.
3. To appoint a Director in place of Shri Naresh Chandra [DIN No. 00027696] who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K F Jhunjhunwala [DIN No. 0055822] 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 2016-17 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. 42000/- 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 2016-17, 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 an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the Rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Shri Vandan Shah [DIN No. 00227127] who was appointed as an Additional Director of the Company with effect from February 6, 2016 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 his 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 his 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 6, 2016 to August 12, 2016 both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after August 12, 2016
4. Members holding shares physically are requested to notify immediately any change in 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 2015-16 and the Notice of the 54<sup>th</sup> 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 2015-16 and the Notice of the 54<sup>th</sup> 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 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 & 7**

**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**

The Board of Directors of the Company (based on the recommendation of Nomination & Remuneration Committee) appointed Shri Vandan Shah as an Additional Director of the Company with effect from February 6, 2016 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, Shri Vandan Shah would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice in writing from member along with deposit of requisite amount under section 160 of the act proposing his candidature as Director. The Company has received a declaration of independence from him under section 149 (6) of the Companies Act, 2013. His detailed profile is given under the head "Corporate Governance". The Board recommends passing of ordinary resolution's as set out in item no. 7

None of the Directors, Key Managerial Personnel and relatives thereof other than Shri Vandan Shah are concerned or interested in the said Resolution.

**On behalf of the Board of Directors**

Dated : June 14, 2016  
Place : Mumbai

**Shekhar Bajaj**  
Chairman  
(DIN No. 00089358)

**DIRECTORS' REPORT**

Dear Members,

We present our 54th Annual Report together with the Audited Financial Accounts for the year ended March 31, 2016:

**1. Financial Results**

(Rs. In Lakhs)

<b>Financial Results</b>	<b>As on March 31, 2016</b>	<b>As on March 31, 2015</b>
Revenue from Operations and other Incomes	<b>10330.02</b>	10721.29
Profit before Finance Cost & Depreciation	<b>1913.84</b>	2019.22
Less- Finance Cost	<b>24.58</b>	-
Less-Depreciation	<b>220.17</b>	259.30
Profit before taxes	<b>1669.09</b>	1759.93
Provision for taxation for the year (including deferred tax and earlier year's income-tax adjustment )	<b>340.17</b>	495.47
Profit after Taxes	<b>1328.92</b>	1264.46
Add: Balance brought forward from previous year	<b>1101.55</b>	914.81
Profit available for appropriation	<b>2430.47</b>	2179.27
Less- Appropriations		
a) Proposed Dividend	<b>480.00</b>	480.00
b) Tax on Dividend	<b>97.72</b>	97.72
c) Transferred to General Reserve	<b>500.00</b>	500.00
Balance Carried Forward	<b>1352.75</b>	1101.55

**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.1.00 for the year ended March 31, 2016 as against Rs.1.50 per Equity Shares of Re.1.00 in the previous year.

**3. Operations**

The revenue from operations of Rs. 91.14 Crores is 6.50% lower than last year's revenue from operations of Rs. 97.48 crores. The net profit of Rs. 13.29 Crores is 5.14% higher, as compared to last year's net profit of Rs.12.64 Crores. The decrease in revenue has been driven by poor economic growth across the sectors where the Company's customers operate. The business scenario continues to be sluggish and there have been no significant policy changes, which is reflected in the depressed industrial productivity indices. Consequently, investments in capital equipment especially for material handling either as direct investment or new / expansion projects have been tardy. The Directors are hopeful that steps will be taken by the Government to revive the economic growth, which along with industry participation, could result in some momentum to create demand for the Company's products / solutions.

The Company's 4 Windmills produced 46.21 Lakhs units of energy in the current year, as against 57.72 Lakhs units of energy produced in the previous year.

**4. Directors and Key Managerial Personnel-Changes**

Shri Naresh Chandra and Shri K F Jhunjunwala retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors had appointed Shri Vandan Shah as an Additional Director (Independent) of the Company for a term of five consecutive years in the category of Independent Director with effect from February 6, 2016 and he holds office till the ensuing Annual General Meeting. The Ordinary Resolution for confirmation of his appointment as a Director is given in the Notice. The detailed profiles of above mentioned Directors are given under the head "Corporate Governance".

The members at the Annual General Meeting held on August 10, 2015, approved the appointment of Smt. Shruti Jatia, as an Independent Director for a term of five years, effective from November 12, 2014. Shri Tushar Shah resigned from the post of Directorship with effect from February 6, 2016. The Board records its sincere appreciation of the valuable contribution made by him during his tenure on the Board.

**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 (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 52<sup>nd</sup> Annual General Meeting to hold office until the conclusion of the 55<sup>th</sup> Annual General Meeting, subject to the 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 auditors of the company and to fix their remuneration for the financial year 2016-17.

**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 2016-17 at a remuneration of Rs. 42,000/-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 Report 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. Internal Control over Systems and Financial Reporting:**

The Company has adequate internal control systems to monitor its operations and also the Company has policies and procedure in place for reliable financial reporting.

**10. Presentation of Financial Results**

The financial results of the Company for the year ended March 31, 2016 have been disclosed as per Schedule III of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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.10 and 15 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 SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015, 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 and Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. 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.

**24. Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure B"

**25. Industrial Relations**

The relationship with the employees continued to be cordial during the year.

Your Directors take this opportunity to thank the Banks, Government authorities, Regulatory authorities, Stock exchanges, Employees and all Stakeholders for their continued co-operation and support to the Company.

**On behalf of the Board of Directors**

Dated : June 14, 2016  
Place : Mumbai

**Shekhar Bajaj**  
Chairman  
(DIN No. 00089358)



### 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 Regulation no. 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 9, 2016 (9:00 am) and ends on August 11, 2016 (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 5, 2016, 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 5, 2016.
    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 5, 2016, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **karlekar@uniseq.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 Ananthasubramaniam & Co., Practising Company Secretary, 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 12, 2016.

**ANNEXURE A**

Information as required under section 134 of the Companies Act, 2013 read with the Rule No. 8 of the Companies (Accounts) Rules, 2014 and Rule no. 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**I) Particulars of contracts or arrangements with related parties referred to section 188 (1) of the Companies Act, 2013 prescribed in form AOC-2 (Pursuant to section 134 (3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)-**

- 1) Details of contracts or arrangements or transactions not at arm's length basis: NIL
- 2) Details of material contracts or arrangement or transactions at arm's length basis: NIL

**II) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgoings**

**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		2015-16	2014-15
(a) Electricity Purchased	Units	4,00,424	3,41,630
	Total Amount (Rs.)	40,99,748	32,59,970
	Rate/Unit (Rs.)	10.24	9.54
(b) Own Generation Electricity	Units	3,815	13,829
	Units per litre of Diesel Oil	1.90	2.59
	Diesel Cost (Rs.)	2,00,000	3,30,240
	Rate/Unit (Rs.)	27.61	23.88
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, 2013, 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 in-house design and development team of the Company, has been constantly contributing towards improving the designs and quality of the Company's products as well as production procedures. The team took the lead in developing a new range of electrical chain hoists (the HC+ series) which has considerable advantages over the present range. Further work was carried on to enhance the "ICranes" crane development and the "IStacker" storage & retrieval equipment platforms. Steps have also been taken to enhance the levels of standardization in various products to capitalize the inherent benefits.

**C. Foreign Exchange Earnings & Outgoings**

(Rs. in Lakhs)

Particulars	2015-16	2014-15	Particulars	2015-16	2014-15
Foreign Exchange Earnings	51.37	126.05	Foreign Exchange Outgo	802.52	912.11

**III) Annual report under the Companies (Corporate Social Responsibility Policy) Rules, 2014**

a.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:	The Corporate Social responsibility (CSR) activities of Bajaj Group are guided by the vision and philosophy of its Founding Father, late Shri Jamnalalji Bajaj, who embodied the concept of Trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning. The objective of CSR policy is to undertake CSR activities to do overall good to the community, with special emphasis on activities for the benefit of the poor and needy sections of the society. The CSR Policy is placed on <a href="http://www.indef.com">www.indef.com</a>
b.	Composition of the CSR Committee:	<ol style="list-style-type: none"> <li>1) Shri Shekhar Bajaj-Chairman</li> <li>2) Shri H A Nevatia- Member</li> <li>3) Shri Mukul Updhayaya- Member (Independent Director)</li> <li>4) Smt. Shruti Jatia- Member (Independent Director)</li> </ol>