



**HERCULES HOISTS LIMITED**

**55<sup>th</sup> ANNUAL REPORT  
2016-2017**

***Material Handling. Delivered.***

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Description	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>PROFIT &amp; LOSS ACCOUNT</b>							
Gross Sales	7895.70	9803.79	10,378.15	11147.80	13,372.91	12,971.39	12,748.32
<b>Net Sales</b>	<b>7098.16</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>
Sale of Power Units Generated	318.30	225.48	265.68	312.11	308.47	275.76	223.86
Other Income	848.72	1216.47	973.12	1072.90	1,164.78	955.20	559.81
<b>Gross Revenue</b>	<b>8265.17</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>
Cost of Material	4563.04	5192.36	5,693.14	5944.02	6,518.55	6,108.04	5,687.54
Operating & Other Expenses	3047.17	3223.83	3,008.93	2521.42	2,680.81	2,277.15	2,129.18
Interest & Finance Expenses	22.51	24.57	-	-	10.11	5.51	24.29
Depreciation/Amortisation	259.05	220.17	259.30	199.91	201.79	203.32	202.65
<b>Profit Before tax and extra ordinary items</b>	<b>373.40</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>
Less - Extra Ordinary Items	(326.62)	-	-	-	-	-	-
<b>Profit Before tax</b>	<b>700.02</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>
Current Tax (IncomeTax)	158.53	433.13	535.40	804.97	1201.99	1,274.00	1,369.55
Deferred Tax	(10.80)	(86.53)	(31.48)	22.34	52.14	41.56	30.68
Adjustment for earlier years / MAT Credit	(47.58)	(6.43)	(8.45)	8.95	(10.35)	19.42	(16.07)
<b>Profit After Tax &amp; Adjustment for earlier Years</b>	<b>599.87</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>
Dividend -Interim / Proposed Dividend	320.00	480.00	480.00	480.00	560.00	560.00	480.00
<b>BALANCE SHEET</b>							
Net Worth	19372.88	18773.01	18,021.80	17400.31	15,985.50	13,787.57	11,346.76
<b>Loan Funds</b>							
- Secured Loan	-	-	-	-	-	-	-
- Unsecured Loan	41.50	36.00	39.00	37.02	31.02	23.52	22.02
Deferred Tax Liability (Net)	320.23	331.04	417.56	482.65	460.31	408.17	366.60
<b>Total Sources of Funds</b>	<b>19734.61</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>Fixed Assets &amp; Intangible Assets</b>							
- Gross (including Capital WIP)	6162.91	4967.69	4,907.01	4630.83	4,531.62	4,468.70	4,666.20
- Net	3570.72	2621.47	2,684.11	2746.47	2,846.47	2,976.84	3,361.95
Investments	5545.36	5139.49	4,362.40	3977.95	2,427.95	2,259.27	2,457.27
Long term Loans & Advances	1077.51	1369.68	1,553.52	1016.68	915.91	489.93	312.94
Current Assets	10697.85	15148.15	12,930.97	13248.13	12,697.92	10,577.53	7,820.46
Current Liabilities	(1105.77)	(4456.78)	(2,368.84)	(2449.81)	(1,714.81)	(1,377.82)	(1,567.63)
Provisions	(51.06)	(681.96)	(683.80)	(619.44)	(696.60)	(706.48)	(649.61)
Miscellaneous Expenditure	-	-	-	-	-	-	-
<b>Total Application of Funds</b>	<b>19,734.61</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>RATIOS and STATISTICS</b>							
Proprietary Ratio	0.93: 1	0.77: 1	0.83:1	0.83: 1	0.85: 1	0.85: 1	0.81: 1
Debt Equity Ratio	0: 1	0: 1	0: 1	0: 1	0: 1	0: 1	0: 1
Current Ratio	9.25: 1	2.95: 1	4.24:1	4.32: 1	5.27: 1	5.07: 1	3.53: 1
Return on Proprietor's Fund	3.10%	7.08%	7.02%	11.36%	17.85%	22.42%	26.36%
Return on Capital Employed	3.55%	8.72%	9.52%	15.70%	24.93%	31.17%	37.49%
Operating Ratio	46.90%	39.03%	34.47%	26.96%	24.04%	21.09%	20.25%
Net Profit Ratio	8.45%	14.95%	13.33%	19.58%	23.71%	26.22%	25.71%
Dividend Per Share (Rs.)	1.00	1.50	1.50	1.50	1.75	3.50	3.00
Earning per Equity Share (Rs.)	1.87	4.15	3.95	6.18	8.92	19.32	18.70
Price Earning Ratio	81.60	34.89	43.95	18.62	11.75	13.13	12.22
Book Value per Equity Share (Rs.)	60.54	58.67	56.32	54.38	49.95	86.17	70.92
No.of Equity Shareholders	9,754	8,213	8,207	9,648	9,816	9,146	9,147
No.of Employees	132	122	119	121	116	113	108

- 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 Fund = 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

55<sup>th</sup> ANNUAL REPORT 2016-2017

## 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  
Darius J Kakalia (*Alternate Director to Shri K C Uebel*)

## 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

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## BANKERS

HDFC Bank, Axis 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:** L454 00MH1962PLC012385

**Website:** www.indef.com

## ANNUAL GENERAL MEETING

On Wednesday, August 9, 2017 at Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhavan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021

**Note:** 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, Jamnalal Bajaj Marg, Nariman Point, Mumbai, 400021 (MH)

## CORPORATE OFFICE

501 to 504, 5<sup>th</sup> Floor, Shelton Cubix, Plot No. 87, Sector 15, CBD-Belapur, Navi Mumbai 400614 (MH)  
Tel.: 022-45477300/01/05



## NOTICE

**NOTICE** is hereby given that the 55<sup>th</sup> **Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Kamalnayan Bajaj Hall, Ground Floor, Bajaj Bhavan, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021 on Wednesday, August 9, 2017 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, 2017 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, 2017.
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 appoint Auditors of the Company and to fix their remuneration 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 M/s. Kanu Doshi Associates LLP Chartered Accountants, Mumbai be and are hereby appointed as auditors of the Company to hold the office for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the 60th Annual General Meeting, subject to ratification by the shareholders annually 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. 42,000/-, 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 2017-18, 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, the re-appointment of Shri H A Nevatia [DIN No. 00066955] as a Director in Whole-time employment of the Company for a period of three years from November 22, 2017 to November 21, 2020 on the following remuneration and perquisites, is hereby approved, 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, 2017 to November, 21, 2020, 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.”

### 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 3, 2017 to August 9, 2017 both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after August 9, 2017
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 2016-17 and the Notice of the 55<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 2016-17 and the Notice of the 55<sup>th</sup> AGM are sent in the physical mode.
7. 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.
8. 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.
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 Businesses pursuant to section 102 of the Companies Act, 2013 for Item No.6 to 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 2017-18. 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 term of the Whole-time Director, Shri H A Nevatia expires on November 21, 2017. The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. On the recommendation of Nomination & Remuneration Committee, it was decided in the Board Meeting dated May 30, 2017, to re-appoint 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, 2017 to November 21, 2020 on the terms as set out in the resolution. Under the section 196 (3) proviso, the age of Shri H A Nevatia is more than seventy. Hence, the approval of the shareholders vide special resolution 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.

**On behalf of the Board of Directors**

Dated : 30/05/2017  
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 6, 2017 (9:00 am) and ends on August 8, 2017 (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 2, 2017, 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:
- 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.
  - 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.
  - Steps:
    - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - Click on Shareholder – Login
    - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - 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.
    - Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
    - Select "EVEN" of "Hercules Hoists Limited".
    - Now you are ready for e-voting as Cast Vote page opens.
    - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - Upon confirmation, the message "Vote cast successfully" will be displayed.
    - Once you have voted on the resolution, you will not be allowed to modify your vote.
    - 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**
    - 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](http://www.evoting.nsdl.com)** or call on toll free no.: 1800-222-990.
    - 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 2, 2017
    - 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 2, 2017, may obtain the login ID and password by sending a request at **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)** or **[karlekar@unisec.in](mailto:karlekar@unisec.in)**.
    - 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.
    - 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.
    - 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.
    - 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.
    - 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 9, 2017.

## DIRECTORS' REPORT

Dear Members,

We present our **55<sup>th</sup> Annual Report** together with the Audited Financial Accounts for the year ended **March 31, 2017**:

### 1. Financial Results

(Rs. In Lakhs)

Financial Results	As on March 31, 2017	As on March 31, 2016
Revenue from Operations and Other Incomes	<b>82,65.17</b>	103,30.02
Profit before Finance Cost & Depreciation	<b>9,81.58</b>	19,13.84
Less- Finance Cost	<b>22.51</b>	24.58
Less-Depreciation	<b>2,59.05</b>	2,20.17
Profit before taxes	<b>7,00.02</b>	16,69.09
Provision for taxation for the year (including deferred tax, earlier year's income-tax adjustment, and MAT credit )	<b>1,00.15</b>	3,40.17
Profit after Taxes	<b>5,99.87</b>	13,28.92
Add: Balance brought forward from previous year	<b>13,52.76</b>	11,01.55
Profit available for appropriation	<b>19,52.63</b>	24,30.47

### 2. Dividend

The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Re. 1.00 per Equity Share of Re.1.00 each for the year ended March 31, 2017 as against Rs.1.50 per Equity Shares of Re.1.00 in the previous year.

### 3. Operations

The revenue from operations of Rs. 74,16.45 Lakhs is 18.62% lower than last year's revenue from operations of Rs.91,13.55 Lakhs. The net profit of Rs. 5,99.87 Lakhs is 54.86% lower, as compared to last year's net profit of Rs.13,28.92 Lakhs.

With the Company's products / solutions being used as capital equipment, sectors which are the drivers of capital equipment industry have still not picked up to levels where capacity utilization of industry requires higher investment either for expansion or new projects. Sectors like automotive, metals, engineering, power and other manufacturing sectors where the Company's products / solutions are required are not seeing any noticeable growth yet.

The Company has invested in a highly efficient ERP system. To further the streamlining of operations and create a decisive competitive edge, the Company has commenced the implementation of a Theory of Constraints (ToC) based on demand and supply management system. This will enable the Company to significantly improve its sales distribution processes whereby it will be able to attend to customer requirements substantially faster. The Company expects to streamline its working capital with the full implementation of ToC based system.

The Company is shifting its commercial office to a new office situated at Belapur, Navi Mumbai for improving operational efficiency.

The Company has disposed inventory amounting to Rs. 2,06.95 Lakhs net of realizable value during the year, which had become obsolete due to design changes for improving performance and range of Company's products. The Company has made provision of Rs. 2,86.92 Lakhs for old and unrecoverable dues from customers during the year.

The Company's 4 Windmills produced 58.75 Lakhs units of energy in the current year, as against 46.21 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 have re-appointed Shri H A Nevatia as a Director in Whole-time employment of the Company with effect from November 22, 2017 for a period of three years. 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".

The members at the Annual General Meeting held on August 12, 2016, had approved the appointment of Shri Vandan Shah, as an Independent Director for a term of five years, effective from February 6, 2016.

### 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, the 3 years terms of present auditor M/s M L Bhuwania & Co, Chartered Accountants, expires on 55<sup>th</sup> Annual General Meeting. The Board of Directors places on record its appreciation to the services rendered by them, as the Statutory Auditor of the Company.

Further, on recommendation of audit committee, the Board considered a proposal to appoint from M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai for five years term with effect from 55<sup>th</sup> Annual General Meeting to 60<sup>th</sup> Annual General Meeting of the Company. Also, the Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit under the Act. The Board recommends their appointment.

**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 2017-18 at a remuneration of Rs. 0.42 Lakhs -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 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. Internal Control over system 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.

**9. 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.

**10. Presentation of Financial Results**

The financial results of the Company for the year ended March 31, 2017 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. 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.

**15. 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.

**16. 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.

**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 & 15 to the Financial Statements.

**19. Number of Meetings of the Board and Audit Committee**

During the year, five Board Meetings and five 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 the 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 : May 30, 2017  
Place : Mumbai

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

## 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		2016-17	2015-16
(a) Electricity Purchased	Units	338,651	400,424
	Total Amount (Rs. in Lakhs)	36.09	40.99
	Rate/Unit (Rs.)	10.66	10.24
(b) Own Generation Electricity	Units	3111	3815
	Units per litre of Diesel Oil	2.61	1.90
	Diesel Cost (Rs. in Lakhs)	1.80	2.00
	Rate/Unit (Rs.)	22.36	27.61
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 efforts of the Company's design and development team have been instrumental in improving the designs and quality of the Company's products. Products upgraded during the year include the compact, light-weight HC+ series Chain Hoists, the iCrane series of standard cranes, the iStacker series of Floor Operated Stacker Cranes. 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	2016-17	2015-16
Foreign Exchange Earnings	5.02	51.37

Particulars	2016-17	2015-16
Foreign Exchange Outgo	7,72.74	8,02.52

**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>