

HERCULES HOISTS LIMITED

56th ANNUAL REPORT
2017-18



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FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Description	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
PROFIT & LOSS ACCOUNT							
Gross Sales	7421.63	7810.45	9803.79	10,378.15	11147.80	13,372.91	12,971.39
Net Sales	7261.02	6987.36	8888.07	9,482.49	10093.00	12,034.89	11,789.69
Sale of Power Units Generated	286.09	318.30	225.48	265.68	312.11	308.47	275.76
Other Income	980.69	1174.56	1216.47	973.12	1072.90	1,164.78	955.20
Gross Revenue	8527.80	8480.22	10,330.02	10,721.29	11,478.00	13,508.14	13,020.65
Cost of Material	4308.75	4535.78	5192.36	5,693.14	5944.02	6,518.55	6,108.04
Operating & Other Expenses	2853.49	2667.90	3223.83	3,008.93	2521.42	2,680.81	2,277.15
Interest & Finance Expenses	3.80	22.51	24.57	-	-	10.11	5.51
Depreciation/Amortisation	292.23	259.05	220.17	259.30	199.91	201.79	203.32
Profit Before tax and exceptional items	1069.53	994.98	1,669.09	1,759.93	2,812.65	4,096.88	4,426.64
Less-Exceptional Items	-	-	-	-	-	-	-
Profit Before tax	1069.53	994.98	1,669.09	1,759.93	2,812.65	4,096.88	4,426.64
Current Tax (IncomeTax)	232.26	158.53	433.13	535.40	804.97	1201.99	1,274.00
Deferred Tax	(141.12)	40.83	(86.53)	(31.48)	22.34	52.14	41.56
Adjustment for earlier years/ MAT Credit	0.00	0.00	(6.43)	(8.45)	8.95	(10.35)	19.42
Profit After Tax & Adjustment for earlier Years	978.39	795.62	1,328.92	1,264.46	1,976.39	2,853.10	3,091.66
Dividend / Proposed Dividend	400.00	320.00	480.00	480.00	480.00	560.00	560.00
BALANCE SHEET							
Net Worth	38005.28	33929.26	18773.01	18,021.80	17400.31	15,985.50	13,787.57
Other Liabilities	47.00	41.50	36.00	39.00	37.02	31.02	23.52
Deferred Tax Liability (Net)	243.39	297.20	331.04	417.56	482.65	460.31	408.17
Current Liabilities	1405.48	1145.89	5138.74	3,052.64	3069.24	2,411.41	2,084.30
Total Equity and Liabilities	39701.15	35413.85	24278.79	21531.01	20989.23	18888.25	16303.57
Fixed Assets -Gross (including Capital WIP)	4073.79	3829.37	4967.69	4,907.01	4630.83	4,531.62	4,468.70
Fixed Assets- Net	3523.63	3570.72	2621.47	2,684.11	2746.47	2,846.47	2,976.84
Investments	26044.08	20472.47	5139.49	4,362.40	3977.95	2,427.95	2,259.27
Other Assets	455.20	1011.95	1369.68	1,553.52	1016.68	915.91	489.93
Current Assets	9678.24	10358.71	15148.15	12,930.97	13248.13	12,697.92	10,577.53
Total Assets	39,701.15	35,413.85	24,278.79	21,531.00	20,989.23	18,888.25	16,303.57
RATIOS and STATISTICS							
Proprietary Ratio	0.96:1	0.93: 1	0.77: 1	0.83:1	0.83: 1	0.85: 1	0.85: 1
Debt Equity Ratio	0:1	0: 1	0: 1	0: 1	0: 1	0: 1	0: 1
Current Ratio	6.88:1	9.04:1	2.95: 1	4.24:1	4.32 : 1	5.27 : 1	5.07 : 1
Return on Proprietor's Fund	2.57%	2.34%	7.08%	7.02%	11.36%	17.85%	22.42%
Return on Capital Employed	2.80%	2.97%	8.85%	9.52%	15.70%	24.93%	31.17%
Operating Ratio	43.38%	42.21%	39.03%	34.47%	26.96%	24.04%	21.09%
Net Profit Ratio	13.47%	11.39%	14.95%	13.33%	19.58%	23.71%	26.22%
Dividend Per Share (Rs.)	1.25	1.00	1.50	1.50	1.50	1.75	3.50
Earning per Equity Share (Rs.)	3.06	2.49	4.15	3.95	6.18	8.92	19.32
Price Earning Ratio	34.20	61.29	34.89	43.95	18.62	11.75	13.13
Book Value per Equity Share (Rs.)	118.77	106.03	58.67	56.32	54.38	49.95	86.17
No.of Equity Shareholders	10845	9,754	8,213	8,207	9,648	9,816	9,146
No.of Employees	136	132	122	119	121	116	113

- 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 Interest & Tax / (Equity Capital + Reserves & Surplus+ Non Current Liabilities - 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

Note: Ratios of FY 2017-18 and FY 2016-17 have been calculated based on financials prepared under IND AS and ratios of FY 2011-12 to FY 2015-16 have been calculated based on financials prepared under IGAAP.



HERCULES HOISTS LIMITED

56th ANNUAL REPORT 2017-2018

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
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*)
Kailas Menon (*General Manager- Supply Chain Management*)

COMPANY SECRETARY

Kiran Mukadam

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BANKERS

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

AUDITORS

Kanu Doshi Associates LLP - *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 Friday, August 10, 2018 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. 75

REGISTERED OFFICE

Bajaj Bhawan, 2nd Floor, 226, Jamnalal Bajaj Marg,
Nariman Point, Mumbai, 400021 (MH)

CORPORATE OFFICE

501 - 504, Shelton Cubix, Plot No. 87, Sector 15
CBD Belapur, Navi Mumbai, 400614 (MH)
Tel.: 022-45417300/01/05



NOTICE

NOTICE is hereby given that the 56th **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 **Friday, August 10, 2018 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, 2018 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, 2018.
3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:
“**RESOLVED THAT** Shri Naresh Chandra [DIN No. 00027696], who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby appointed as Director”
4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:
“**RESOLVED THAT** Shri K F Jhunjhunwala [DIN No. 00055822], who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby appointed as Director”

Special Business

5. 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. 45000/- 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 2018-19, be and are hereby ratified and confirmed.

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, 2018 to August 10, 2018 both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after August 10, 2018
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 2017-18 and the Notice of the 56th 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 2017-18 and the Notice of the 56th 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 under the Companies Act, 2013 and SEBI (LODR) Regulations 2015:**Item No. 3**

As per section 152 (6) of the Companies Act, 2013, Shri Naresh Chandra [DIN No. 00027696] is liable to retire by rotation and being eligible, he has offered himself for reappointment . As per regulation no. 17 (1A) of the SEBI (LODR) Amendment Regulations 2018, approval of the shareholders vide special resolution is required in case a Director seeking appointment, has attained the age of 75. Accordingly, your approval is sought for the re-appointment of Shri Naresh Chandra as a Director of the Company, as his age is 83 years. He is Director of the Company since 1972. He has vast experience in overall management and engineering industry. He attends Board & Committee Meetings and actively participates in discussions. The Board of Directors of your Company feel that his continued contribution on various matters will be in the interest of the Company. The Board recommends passing of the Special Resolution as set out in item No. 3 of the Notice.

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

Item No. 4

As per section 152 (6) of the Companies Act, 2013, Shri K F Jhunjunwala [DIN No. 00055822] is liable to retire by rotation and being eligible, he has offered himself for reappointment . As per regulation no. 17 (1A) of the SEBI (LODR) Amendment Regulations 2018, approval of the shareholders vide special resolution is required in case a Director seeking appointment has attained the age of 75. Accordingly, your approval is sought for the re-appointment of Shri K F Jhunjunwala as a Director of the Company, as his age is 81 years. He attends Board & Committee Meetings and actively participates in discussions. He is an industrialist having vast experience in business and manufacturing activities. The Board of Directors of your Company feel that his continued contribution on various matters will be in the interest of the Company. The Board recommends passing of the Special Resolution as set out in item No. 4 of the Notice.

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

Item No. 5

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 2018-19. 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. 5 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.

On behalf of the Board of Directors

Dated : 22/05/2018
Place : Mumbai

Shekhar Bajaj
Chairman
(DIN No. 00089358)

**DIRECTORS' REPORT**

Dear Members,

We present our **56th Annual Report** together with the Audited Financial Accounts for the year ended **March 31, 2018**:

1. Financial Results

(Rs. In Lakhs)

Financial Results	As on March 31, 2018	As on March 31, 2017
Revenue from Operations and other Incomes	8,702.70	9,330.57
Profit before Finance Cost & Depreciation	1,365.57	1,276.54
Less- Finance Cost	3.80	22.51
Less-Depreciation	292.23	259.05
Profit Before Taxes	1,069.55	994.98
Provision for Taxation for the year (including deferred tax and earlier year's income-tax adjustment)	91.15	199.37
Profit After Taxes	978.40	795.61

2. Dividend

The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs. 1.25 per Equity Share of Re.1.00 for the year ended March 31, 2018 as against Rs.1.00 per Equity Shares of Re.1.00 in the previous year.

3. Operations

The revenue from operations of Rs. 7,707.73 Lakhs is 5.18% lower than last year's revenue from operations of Rs. 8,128.75 Lakhs. The net profit of Rs. 978.40 Lakhs is 22.97% more, as compared to last year's net profit of Rs. 795.61 lakhs

Investment in capital goods and heavy industries is still to pick up. The Company is hopeful that with various steps taken by the government, the situation should improve during the course of the year. The implementation of Theory of Constraints (ToC) based demand and supply management system model adopted by the Company last year is progressing satisfactorily and it is slowly showing result in customer and supplier management as also debtor and inventory areas. The Companies is actively pursuing to add new / enhanced product lines in Companies portfolio. This should help the Company in offering wider range of the product.

The Company's 4 Windmills produced 54.04 Lakhs units of energy in the current year, as against 58.75 Lakhs units of energy produced in the previous year.

4. Directors and Key Managerial Personnel-Changes

As per section 152 (6) of the Companies Act, 2013, Shri Naresh Chandra and Shri K F Jhunjhunwala are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment . As per regulation no. 17 (1A) of the SEBI (LODR) Amendment Regulations 2018, approval of the shareholders vide special resolution is required in case a Director seeking appointment, if he has attained the age of 75. Accordingly, resolutions seeking Members' approval vide special resolution for approval of appointments are given in the notice with explanatory statement.

The members at the Annual General Meeting dated August 9, 2017 had approved re-appointment of 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.

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 Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the auditors of the Company, M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai were appointed in the previous Annual General Meeting of the Company by the shareholders for five years terms at the 55th Annual General Meeting to hold office until the conclusion of the 60th Annual General Meeting.

As per Companies (Audit and Auditors) Amendment Rules, 2014 dated 07/05/2018, the provision regarding ratification of auditor at every Annual General Meeting is omitted. Further, the appointment of statutory auditor is not being ratified at the Annual General Meeting of the Company, as it is no longer required. Accordingly, M/s Kanu Doshi Associates, LLP Auditor of the Company will hold office till the conclusion of the 60th Annual General Meeting of the Company

B) Cost Auditors

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 2018-19 at a remuneration of Rs. 45,000/-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 Auditors

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. 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, 2018 have been disclosed as per Schedule III of the Companies Act, 2013.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules 2006 as amended and other relevant provisions of the act.

The annexed financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified as per Companies (Indian Account Standard) Rules 2015 under section 133 of the Companies Act 2013 and other relevant provisions of the act.

These financial statements are the first financial statements of the Company under IND AS. Detailed information on the impact the transition from previous GAAP to IND AS is provided in the annexed to financial statement.

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 note No. 8 and 17 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 Requirements) 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 remain 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 : 22/05/2018
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		2017-18	2016-17
(a) Electricity Purchased	Units	2,90,667	3,38,651
	Total Amount (Rs.)	32,15,030	36,09,200
	Rate/Unit (Rs.)	11.06	10.66
(b) Own Generation Electricity	Units	4,482	3,111
	Units per litre of Diesel Oil	2.62	2.61
	Diesel Cost (Rs.)	2,70,000	1,80,000
	Rate/Unit (Rs.)	23.00	22.36
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 Light Weight and competitive Chain Hoists series and Wire Rope Hoist with standardized parts and capacities which will reduce the variety of number of products. 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	2017-18	2016-17	Particulars	2017-18	2016-17
Foreign Exchange Earnings	NIL	5.02	Foreign Exchange Outgo	5.52	772.74

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 www.indef.com
b.	Composition of the CSR Committee:	<ol style="list-style-type: none"> 1) Shri Shekhar Bajaj- Chairman 2) Shri H A Nevatia- Member 3) Shri Mukul Updhyaya- Member (Independent Director) 4) Smt. Shruti Jatia- Member (Independent Director)



c.	Average net profit of the Company for last three financial years:	Rs. 11,70,49,039/-
d.	Prescribed CSR Expenditure for FY 2017-18 (2% of the amount as in item 'c' above):	Rs. 23,40,981/-
e.	CSR Project Details	<ul style="list-style-type: none"> A Krida Vikas project is an effort taken to inculcate the sports culture in Karjat and villages around Karjat. The lack of facilities for sports from government aided schools have been unsuccessful in generating interest in sports within the upcoming generations. The Krida Vikas project caters to 15 schools in the periphery, 1 school amongst the beneficiary schools has been chosen as sports academy. The project has been benefitting 200 students for the sports training conducted at the Krida Prabodhini (Central Academy). The identification of trainers, resource persons and requirement of equipment was made with help of experts in particular sports and personnel through Hercules Hoists. Resource persons & coaches have made the training more interesting with help of advanced training methods. As most of the students are from rural community, they have inherited swiftness and endurance required in sports. The right amount of training and technique has been gaining good results. It is being implemented through Hercules Hoists Charitable Trust (HHCT) with the help of Seva Sahyog Foundation. The activities of the projects included to participate in sports events such as Kabbadi, mallakhamb, Kho-Kho, Running, Shortput, Discuss Throw, Chess, Archery, Boxing, marathons, volleyball, table tennis, badminton court, to arrange health check up, to arrange sessions for students and Sport teachers. The students have developed liking for the sports facilities provided in the schools. The students have also started development in technique and skills in their sports. As the project has unfolded, students have won in various sports competitions conducted on school & district level. The support for project is required to be extended for the next year with improvisation in facilities, training and sustenance of the project.
f.	Details of CSR spend for the financial year 2017-18:	The project cost was Rs. 63 Lakhs. The amount spent on the project during the year is Rs.50,08,600/- till March 31, 2018.
g.	Reason for not spending the prescribed expenditure in "d" above.	<ol style="list-style-type: none"> There were delays in implementation of CSR project by the partner organization. Each project is implemented plan wise and funds are released post monitoring the completion of each phase. The unspent amount on CSR projects of Rs. 1,34,59,203/- since has been committed [From FY 2014-15 to FY 2017-18] is being carried forward to next financial year with the approval of Board of Directors.
h.	Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.	The CSR Committee has ensured that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Shekhar Bajaj
Chairman
(DIN No. 00089358)

H A Nevatia
Whole-time Director
(DIN No. 00066955)