

HERCULES HOISTS LIMITED

57th ANNUAL REPORT 2018-19



FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Description	2018-19	2017-18	2016-17	2015-16	2014-15
PROFIT & LOSS ACCOUNT					
Gross Sales	11,764.27	7,421.63	7,810.45	9803.79	10,378.15
Net Sales	9,952.72	7,261.02	6,987.36	8888.07	9,482.49
Sale of Power Units Generated	264.12	286.09	318.30	225.48	265.68
Other Income	976.05	980.69	1,174.56	1216.47	973.12
Gross Revenue	11,192.89	8,527.80	8,480.22	10,330.02	10,721.29
Cost of Material	5,576.08	4,308.75	4,535.78	5192.36	5,693.14
Operating & Other Expenses	3,702.49	2,853.49	2,667.90	3223.83	3,008.93
Interest & Finance Expenses	-	3.80	22.51	24.57	-
Depreciation/Amortisation	301.54	292.23	259.05	220.17	259.30
Profit Before tax and exceptional items	1,612.78	1,069.53	994.98	1,669.09	1,759.92
Less-Exceptional Items	-	-	-	-	-
Profit Before tax	1612.78	1,069.53	994.98	1,669.09	1,759.92
Current Tax (Income Tax)	361.61	232.26	158.53	433.13	535.40
Deferred Tax	(29.18)	(141.12)	40.83	(86.53)	(31.48)
Adjustment for earlier years/ MAT Credit	-	-	-	(6.43)	(8.45)
Profit After Tax & Adjustment for earlier Years	1,280.35	978.39	795.62	1,328.92	1,264.45
Dividend / Proposed Dividend	480.00	400.00	320.00	480.00	480.00
BALANCE SHEET					
Net Worth	42,677.61	38,005.28	33,929.26	18773.01	18,021.80
Other Liabilities	74.78	47.00	41.50	36.00	39.00
Deferred Tax Liability (Net)	685.66	243.39	297.20	331.04	417.56
Current Liabilities	1,629.62	1,405.48	1,145.89	5138.74	3,052.64
Total Equity and Liabilities	45,067.68	39,701.15	35,413.85	24278.79	21531.01
Fixed Assets -Gross (including Capital WIP)	4,436.38	4,073.79	3,829.37	4967.69	4,907.01
Fixed Assets- Net	3,598.81	3,523.63	3,570.72	2621.47	2,684.11
Investments	29,784.36	26,044.08	20,472.47	5139.49	4,362.40
Other Assets	257.33	455.20	1,011.95	1369.68	1,553.52
Current Assets	11,427.18	9,678.24	10,358.71	15148.15	12,930.97
Total Assets	45,067.68	39,701.15	35,413.85	24,278.79	21,531.00
RATIOS and STATISTICS					
Proprietary Ratio	0.95:1	0.96:1	0.93: 1	0.77: 1	0.83:1
Debt Equity Ratio	0:1	0:1	0: 1	0: 1	0: 1
Current Ratio	7.01:1	6.88:1	9.04:1	2.95: 1	4.24:1
Return on Proprietor's Fund	3.00%	2.57%	2.34%	7.08%	7.02%
Return on Capital Employed	3.71%	2.80%	2.97%	8.85%	9.52%
Operating Expenses Ratio	93.77%	98.77%	102.15%	94.76%	91.93%
Operating Profit Ratio	6.23%	1.18%	-2.46%	4.97%	8.07%
Net Profit Ratio	12.53%	12.96%	10.89%	14.58%	12.97%
Dividend Per Share (Rs.)	1.50	1.25	1.00	1.50	1.50
Earning per Equity Share (Rs.)	4.00	3.06	2.49	4.15	3.95
Price Earning Ratio	28.93	34.20	61.29	34.89	43.95
Debtors Turnover Ratio	4.07	2.51	2.00	2.38	2.87
Inventory Turnover Ratio	1.54	1.31	1.14	1.32	1.81
Book Value per Equity Share (Rs.)	133.37	118.77	106.03	58.67	56.32
No.of Equity Shareholders	11,387	10,845	9,754	8,213	8,207
No.of Employees	141	136	132	122	119

- 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 Expenses Ratio = (Cost of Material + Operating & Other Expenses + Depreciation&Amortisation) / (Net Sales+windmill income)
7) Operating Profit Ratio= (Profit before Tax-Other Income)/ (Net Sales+windmill income)
8) Net Profit Ratio = Profit After Tax / (Net Sales+windmill income)
9) Price Earning Ratio=Market Price Per Share/ Earning Per Share
10) Debtors Turnover Ratio= (Net Sales+Windmill income)/(Average Trade Receivable)
10)Inventory Turnover Ratio= Cost of Materials / Average Inventory

Note: Ratio from FY 2016-17 onwards are based on financials prepared under IND AS and ratio of FY 2014-15 & FY 2015-16 are based on financials prepared under IGAAP



HERCULES HOISTS LIMITED

57th ANNUAL REPORT 2018-2019

BOARD OF DIRECTORS

Shekhar Bajaj - *Chairman*
H A Nevatia (*Whole-time Director*)
Gaurav V Nevatia
Shruti Jatia
Vandan Shah
Vinaya L Mehrotra **
Naresh Chandra*
Kishorilal F Jhunjhunwala*
Mukul M Upadhyaya**
Klaus Carl Uebel*
Darius J Kakalia (*Alternate Director to Shri K C Uebel*)*
(* Did not seek reappointment as on 31-03-2019)
(**Independent Director term expired as on 31-03-2019)

MANAGEMENT TEAM

Prakash Subramaniam (*President & CEO*)
Vivek Mahendru (*Vice President-Operations*)
Vijay Singh (*Chief Financial Officer*)
Debi Prasad Padhy (*General Manager-Sales & Marketing*)
Kailas Menon (*General Manager-Supply Chain Management*)

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COMPANY SECRETARY

Maheshkumar Sharma*
(*Resigned with effect from May 24, 2019)

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: L45400MH1962PLC012385

Website: www.indef.com

ANNUAL GENERAL MEETING

On Friday, August 9, 2019 at 11.30 am 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. 71

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.: 022-45417300/01/05/06



NOTICE

NOTICE is hereby given that the 57th **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 9, 2019 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, 2019 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, 2019.
3. 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.

Special Business

4. 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 of Rs. 45,000/- plus service tax, reimbursement of out of pocket expenses payable to the Cost Auditor, M/s R Nanabhoy & Co, Cost Accountants appointed by the Board of Directors of the Company, for the financial year 2019-20, be and are hereby ratified and confirmed”.
5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution:
“**RESOLVED THAT**, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, be and is hereby re-appointed Mr. Gaurav Vinod Nevatia (DIN: 01005866) as an Independent Director of the Company for a period of five years with effect from April 1, 2019.
6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Niravnayan Niraj Bajaj (DIN: 08472468), who was appointed by the Board of Directors as an Additional Director of the Company effective from June 5, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby confirmed a Director of the Company liable to retire by rotation”.

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, 2019 to August 9, 2019 both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after August 9, 2019
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 2018-19 and the Notice of the 57th 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 2018-19 and the Notice of the 57th 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. 4

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 2019-20. 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. 4 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. 5

The Members at the 52nd Annual General Meeting held on August 11, 2014 approved the appointment of Mr. Gaurav Vinod Nevatia as an Independent Director of the Company for a period of five years with effect from April 1, 2014. He completed his present term on March 31, 2019. The Board of Directors of the Company at the meeting held on March 27, 2019, on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, his re-appointment as an Independent Director of the Company for another five year term with effect from April 1, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof. The Board recommends passing of the Special 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 except Mr. Gaurav Nevatia.

Item No. 6

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Niravnayan Niraj Bajaj as an Additional Director (Non-Executive) of the Company effective from June 05, 2019. Pursuant to the provisions of Section 161 of the Act, he will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, proposing the candidature. He, once appointed, will be liable to retire by rotation. His profile and specific areas of expertise are given under corporate governance report. 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 except Mr. Shekhar Bajaj

On behalf of the Board of Directors

Shekhar Bajaj
Chairman
(DIN No. 00089358)

Dated : 24/05/2019
Place : Mumbai

**DIRECTORS' REPORT**

Dear Members,

We present our **57th Annual Report** together with the Audited Financial Accounts for the year ended **March 31, 2019**:

1. Financial Results**(Rs. in Lakhs)**

Financial Results	As on March 31, 2019	As on March 31, 2018
Revenue from Operations	10216.84	7707.73
Other Income	976.05	980.69
Total Income	11192.89	8688.42
Profit before Finance Cost & Depreciation	1914.32	1,365.58
Less- Finance Cost	-	3.80
Less-Depreciation	301.54	292.23
Profit before Taxes	1612.78	1,069.55
Provision for Taxation for the year (including Deferred tax and earlier year's Income-Tax adjustment)	332.43	91.15
Profit after Taxes	1280.35	978.40

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 each for the year ended March 31, 2019 as against Rs. 1.25 per Equity Shares of Rs.1.00 each in the previous year.

3. Operations

The revenue from operations of Rs.10,216.84 Lakhs is 32.55% more than last year's revenue from operations of Rs. 7,707.73 Lakhs. The net profit of Rs. 1,280.35 Lakhs is 30.86% more, as compared to last year's net profit of Rs. 978.40 Lakhs.

The implementation of Theory of Constraints (ToC) on based demand and supply management system model adopted by the Company since the last two years is progressing satisfactorily and has helped bring improvement in the operating processes for improved customer and supplier management and working capital. The Companies is actively working on adding new / enhanced product lines in its portfolio. This should help the Company in offering an improved range of the products, going forward.

The Company's 4 Windmills produced 70.80 Lakhs units of energy in the current year, as against 54.04 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, Mr. Shekhar Bajaj is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Shekhar Bajaj has been given in Corporate Governance Report.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee re-appointed Mr. Gaurav Vinod Nevatia as an Independent Director on the Board of Directors of the Company in accordance with Section 149(4) of the Act, with effect from April 1, 2019 to hold office for term of 5 (five) consecutive years subject to approval of the ensuing Annual General Meeting of the Company. His brief profile has been given in Corporate Governance Report.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Niravnayan Niraj Bajaj as an Additional Director with effect from June 5, 2019 In terms of Section 161 of the Act. He holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing him for the office of Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Niravnayan Bajaj as a Non-executive Director, for the approval by the members of the Company. His brief profile has been given in the Corporate Governance Report.

Being pre-occupied with other activities, Mr. Kishorilal Jhunjhunwala, Mr. Klaus Ubel and Mr. Naresh Chandra expressed their desire to step down from the Directorship of the Company with effect from March 31, 2019. The five-year tenure of Mr. Vinaya Mehrotra and Mr. Mukul Upadhyay, Independent Directors ended on March 31, 2019. The Board places on record its deep appreciation for the services rendered by them during their tenure as Director and Member of various Committees of the Board of Directors of the Company.

5. Declaration by Independent Directors

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

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 as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on August 9, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on August 9, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought. There is no audit qualification, reservation or adverse remark for the year under review.

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 2019-20 at a remuneration of Rs. 45,000/-plus GST, 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". There is no secretarial audit qualification for the year under review.

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's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s Aneja Associates, a firm of Chartered Accountants. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. 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, 2019 have been disclosed as per Schedule III of the Companies Act, 2013.

The financial statements up to year ended March 31, 2019 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.

11. Risk Management Policy

Risk Management is embedded in your Company's operating framework. The Risk Management framework is reviewed periodically by the Board and the Audit Committee. Information on the development and implementation of a risk management framework for the company is given under 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. The Company had one employee who was employed throughout the year and were in receipt of remuneration more than Rs. 102 Lakhs per annum.

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, 13 and 17 to the Financial Statements.

19. Number of Meetings of the Board and Audit Committee

During the year, five 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 transactions entered with Related Parties for the year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. 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. All related party transactions are mentioned in the notes to the accounts.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are verified and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is placed on the Company's website www.indef.com.

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 : 24/05/2019
Place : Mumbai

Shekhar Bajaj
Chairman
(DIN No. 00089358)

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





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)-** There were no such transactions
- 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		2018-19	2017-18
(a) Electricity Purchased	Units	3,03,858	2,90,667
	Total Amount (Rs.)	33.82	32.15
	Rate/Unit (Rs. in Lakhs)	11.13	11.06
(b) Own Generation Electricity	Units	5598	4482
	Units per litre of Diesel Oil	2.62	2.62
	Diesel Cost (Rs. in Lakhs)	6.05	2.70
	Rate/Unit (Rs.)	27.53	23.00
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 electric Chain Hoists series and new series 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	2018-19	2017-18	Particulars	2018-19	2017-18
Foreign Exchange Earnings	38.68	NIL	Foreign Exchange Outgo	916.09	433.49

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

- 1. 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 Jammalalji 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

2. Composition of the CSR Committee:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy. The composition of CSR Committee as on the date of Director's Report is as follows:

- Shri Shekhar Bajaj- Chairman
- Shri H A Nevatia- Member
- Smt Shruti Jatia- Member (Independent Director)
- Shri Mukul Upadhyaya (Till March 31, 2019)

3. Average Net Profit of the Company for last three financial years: Rs. 9,98,77,569/-

4. Prescribed CSR Expenditure for FY 2018-19 (2% of the amount as in item '3' above): Rs. 19,97,551/-

5. Details of CSR spent during the financial year 2018 - 19:

- Total amount spent for the financial year : Rs. 26.08 Lakhs
- Amount un-spent: NIL