

# HERCULES HOISTS LIMITED

51st ANNUAL REPORT 2012-2013



# FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Description	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<b>PROFIT &amp; LOSS ACCOUNT</b>							
Gross Sales	13,372.91	12,971.39	12,748.32	8,830.27	10,248.55	10,052.53	9,871.51
<b>Net Sales</b>	<b>12,034.89</b>	<b>11,789.69</b>	<b>11,635.11</b>	<b>8,167.40</b>	<b>9,141.70</b>	<b>8,850.73</b>	<b>8,630.37</b>
Sale of Power Units Generated	308.47	275.76	223.86	272.56	244.18	218.65	240.37
Other Income	1,164.78	955.20	559.81	497.95	330.91	389.20	255.34
<b>Gross Revenue</b>	<b>13,508.14</b>	<b>13,020.65</b>	<b>12,418.78</b>	<b>8,937.91</b>	<b>9,716.79</b>	<b>9,458.58</b>	<b>9,126.08</b>
Cost of Material	6,518.55	6,108.04	5,687.54	4,775.13	4,757.21	4,585.32	3,900.83
Operating & Other Expenses	2,680.81	2,277.15	2,129.18	1,497.34	1,675.78	1,760.86	1,756.55
Interest & Finance Expenses	10.11	5.51	24.29	46.99	76.01	118.55	137.20
Depreciation/Amortisation	201.79	203.32	202.65	196.99	175.71	175.55	169.99
<b>Profit Before tax and extra ordinary items</b>	<b>4,096.88</b>	<b>4,426.64</b>	<b>4,375.12</b>	<b>2,421.46</b>	<b>3,032.08</b>	<b>2,818.30</b>	<b>3,161.51</b>
Extra Ordinary Items	-	-	-	392.70	-	0.98	0.98
<b>Profit Before tax</b>	<b>4,096.88</b>	<b>4,426.64</b>	<b>4,375.12</b>	<b>2,028.76</b>	<b>3,032.08</b>	<b>2,817.32</b>	<b>3,160.53</b>
Current Tax (IncomeTax)	1201.99	1,274.00	1,369.55	712.61	1,035.93	964.12	805.51
Deferred Tax	52.14	41.56	30.68	(88.95)	(0.06)	10.45	162.84
Fringe Benefit Tax	-	-	-	-	7.60	7.20	6.67
Adjustment for earlier years	(10.35)	19.42	(16.07)	(34.03)	71.37	8.89	17.75
<b>Profit After Tax &amp; Adjustment for earlier Years</b>	<b>2,853.10</b>	<b>3,091.66</b>	<b>2,990.96</b>	<b>1,439.13</b>	<b>1,917.24</b>	<b>1,826.66</b>	<b>2,167.76</b>
Dividend -Interim / Proposed Dividend	560.00	560.00	480.00	320.00	320.00	320.00	320.00
Dividend Distribution Tax	95.17	90.85	77.87	53.15	54.38	54.38	44.88
<b>Retained Profit</b>	<b>2,197.93</b>	<b>2,440.82</b>	<b>2,433.09</b>	<b>1,065.98</b>	<b>1,542.86</b>	<b>1,452.28</b>	<b>1,802.88</b>
<b>BALANCE SHEET</b>							
Net Worth	15,985.50	13,787.57	11,346.76	8,913.67	7,847.68	6,304.83	4,868.34
<b>Loan Funds</b>							
- Secured Loan	-	-	-	397.78	531.77	705.68	1,805.26
- Unsecured Loan	31.02	23.52	22.02	22.02	22.12	22.12	22.12
Deferred Tax Liability (Net)	460.31	408.17	366.60	335.92	424.87	424.93	422.61
<b>Total Sources of Funds</b>	<b>16,476.83</b>	<b>14,219.26</b>	<b>11,735.38</b>	<b>9,669.39</b>	<b>8,826.44</b>	<b>7,457.56</b>	<b>7,118.33</b>
<b>Fixed Assets &amp; Intangible Assets</b>							
- Gross (including Capital WIP)	4,531.62	4,468.70	4,666.20	4,400.74	4,195.04	3,578.69	3,326.40
- Net	2,846.47	2,976.84	3,361.95	3,292.51	3,230.65	2,770.24	2,678.90
Investments	2,427.95	2,259.27	2,457.27	1,147.04	1,573.32	172.78	172.78
Long term Loans & Advances	915.91	489.93	312.94	635.35	251.76	371.35	218.41
Current Assets	12,697.92	10,577.53	7,820.46	6,254.73	5,015.25	5,669.66	5,461.41
Current Liabilities	(1,714.81)	(1,377.82)	(1,567.63)	(1,212.95)	(794.55)	(1,088.26)	(1,170.91)
Provisions	(696.60)	(706.48)	(649.61)	(447.29)	(449.99)	(438.21)	(243.24)
Miscellaneous Expenditure	-	-	-	-	-	-	0.98
<b>Total Application of Funds</b>	<b>16,476.83</b>	<b>14,219.26</b>	<b>11,735.38</b>	<b>9,669.39</b>	<b>8,826.44</b>	<b>7,457.56</b>	<b>7,118.33</b>
<b>RATIOS and STATISTICS</b>							
Proprietary Ratio	0.85: 1	0.85: 1	0.81: 1	0.79: 1	0.78: 1	0.7: 1	0.57: 1
Debt Equity Ratio	0: 1	0: 1	0: 1	0.05: 1	0.07: 1	0.12: 1	0.38: 1
Current Ratio	5.27: 1	5.07: 1	3.53: 1	3.77: 1	4.03: 1	3.71: 1	3.86: 1
Return on Proprietor's Fund	17.85%	22.42%	26.36%	16.15%	24.43%	28.97%	44.54%
Return on Capital Employed	24.93%	31.17%	37.49%	25.53%	35.21%	39.38%	46.34%
Operating Ratio	24.04%	21.09%	20.25%	21.32%	21.08%	23.22%	23.91%
Net Profit Ratio	23.71%	26.22%	25.71%	17.62%	20.97%	20.64%	25.12%
Dividend Per Share (Rs.)	1.75	3.50	3.00	2.00	2.00	2.00	2.00
Earning per Equity Share (Rs.)	8.92	19.32	18.70	8.99	11.98	114.17	135.48
Book Value per Equity Share (Rs.)	49.95	86.17	70.92	55.71	49.05	394.05	304.21
No. of Equity Shareholders	9816	9146	9147	8865	9302	8276	3748
No. of Employees	116	113	108	99	143	131	130

**Note**

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



## HERCULES HOISTS LIMITED

51<sup>st</sup> ANNUAL REPORT 2012-2013

### Board of Directors

Shekhar Bajaj – Chairman  
Klaus Carl Uebel  
Naresh Chandra  
Vinaya L. Mehrotra  
Kishorilal F. Jhunjhunwala  
Mukul M. Upadhyaya  
Gaurav V. Nevatia  
Tushar P. Shah  
Shailesh V. Haribhakti (*Alternate Director to Mr. K. C. Uebel*)  
H. A. Nevatia – *Whole Time Director*

### Corporate Management Team

Prakash Subramaniam- (President & CEO)  
Harbhajan Singh Bindra (Vice President – Operations)  
Vivek Mahendru (Vice President-Marketing)  
Vijay Singh (General Manager- Fin. & Accts.)

### Bankers

Axis Bank  
HDFC Bank  
ICICI Bank  
Bank of Maharashtra  
Yes Bank

### Auditors

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

### Cost Auditor

R Nanabhoy and Co.- *Cost Accountants*

### Registered Office

Bajaj Bhawan, 2nd Floor, 226,  
Nariman Point, Mumbai 400021.

### Factory & Administrative Office:

Survey Nos. 43/2B, Village Dhamani,  
Savroli Kharpada Road, Khalapur, (Raigad)  
Khopoli, Maharashtra 410202.

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## ANNUAL GENERAL MEETING

### Date and Time:

7th August 2013 at 11.00 a.m.

**Venue:** Kamalnayan Bajaj Hall, Bajaj Bhawan,  
Ground Floor, 226, Jamnalal Bajaj Marg, Nariman  
Point, Mumbai 400021

### “A request”

Shareholders are requested to bring with them  
the attendance slip on page 39 and their copy of  
the Balance Sheet

## NOTICE

**NOTICE** is hereby given that the **51st Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Kamalnayan Bajaj Hall, Bajaj Bhawan, Ground Floor, 226, Jammalal Bajaj Marg, Nariman Point, Mumbai 400021, on Wednesday, the 7th August 2013, at 11.00 a.m. to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date and Reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March 2013.
3. To appoint a Director in place of Shri. Tushar P. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. K.C. Uebel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri. Shekhar Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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, the following resolution as an ordinary resolution.

**“RESOLVED THAT** M/s M. L. Bhuwania & Co., Chartered Accountants, 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 next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors on recommendation of the audit committee”

### **Special business:**

7. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, (including any statutory modification(s) or enactment thereof) and Articles of Association of the Company, Shri. H.A. Nevatia be and is hereby re-appointed as a Director in whole-time employment of the Company as an Adviser for a period of two years from 22nd November, 2012 to 21st November, 2014, on the following remuneration and perquisites with powers to the Board of Directors to alter and vary the terms and conditions of remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board may deem fit within the limits specified in schedule XIII of the Companies Act, 1956 or any statutory modification or substitution thereof.

a) **Remuneration** : Rs.10,000/- 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 22nd November, 2012 to 21st November, 2014, 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 XIII of the Companies Act, 1956.”

**“RESOLVED FURTHER THAT** Shri. Shekhar Bajaj, Director 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.”

### **Explanatory Statement Pursuant to Section 173(2) of the Companies Act 1956 for Item No.7**

Shri H.A. Nevatia was appointed as a Director in the whole-time employment of the Company as an Adviser from 22nd November, 2011 after retiring as Managing Director of the Company, His current term expired on 21st November, 2012.

The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. Accordingly, it was decided in the Board Meeting held on 2nd November 2012 to continue the services of Shri H.A. Nevatia as a Director in the whole-time employment of the Company as an Adviser on the terms as set out in the resolution. The approval of the shareholders is accordingly sought for the re-appointment of Shri H.A. Nevatia as a Director in the whole-time employment of the Company and the remuneration payable to him. The perquisites like Provident Fund, Gratuity, Superannuation and Leave are not applicable to Shri H.A. Nevatia. The Board recommends passing of the Special Resolution as set out in Item No. 7 of the Notice.

None of the Directors of the Company except Shri H.A. Nevatia is concerned or interested in the said resolution.

The above may also be treated as an abstract of the terms of appointment of Shri H.A. Nevatia as a Director in the whole-time employment of the Company and the nature of the concern or interest of the Directors therein as required by Section 302 of the Companies Act, 1956

**NOTES :**

1. **A member entitled to attend and vote is entitled 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 the meeting.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd August 2013 to 7th August 2013, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after 7th August 2013.
4. Members holding shares physically are requested to notify immediately any change of address to the Company.
5. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions as to reach the Company at least 10 days before the Annual General Meeting, so that the same can be suitably replied.

**On behalf of the Board of Directors**

**Place : Mumbai  
Dated : 29/05/2013**

**Shekhar Bajaj  
Chairman**

**DIRECTORS' REPORT**

Dear Members,

We present our **51st** Annual Report together with the Audited Financial Accounts for the year ended **31st March, 2013**:

## 1. Financial Results:-

**(In Rupees)**

<b>Financial Results</b>	<b>As on 31st March 2013</b>	<b>As on 31st March 2012</b>
Revenue from Operations	<b>1,236,626,399</b>	1,210,014,433
Profit before Depreciation and Taxes	<b>429,866,632</b>	462,996,223
Depreciation	<b>20,178,665</b>	20,331,958
Profit after Depreciation and Taxes	<b>409,687,967</b>	442,664,265
Provision for taxation for the year (including deferred tax)	<b>125,412,772</b>	131,556,409
Net Profit after tax & VRS	<b>284,275,195</b>	311,107,856
Earlier year's income-tax adjustment	<b>1,035,138</b>	(1,941,624)
Balance brought forward	<b>15,000,000</b>	15,000,000
Profit available for appropriation	<b>300,310,333</b>	324,166,232
Proposed Dividend	<b>56,000,000</b>	56,000,000
Corporate Tax on Dividend	<b>9,517,200</b>	9,084,600
Transferred to General Reserve	<b>184,793,133</b>	244,081,632
Balance carried to BALANCE SHEET	<b>50,000,000</b>	15,000,000

2. The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs. 1.75/- per Equity Share of Re.1/- for the year ended 31st March, 2013 on the enhanced share capital after issue of 1:1 bonus shares. The Company had paid Rs.3.50 (including Rs.0.50 for the Golden Jubilee Year) per Equity Share of Re.1/- on paid up capital before issue of bonus shares in the previous year.
3. The revenue from operations of the Company at Rs.123.66 Crores are 2.20% higher compared to last year's revenue from operations of Rs.121.00 Crores. The net profit of Rs.28.53 Crores is 7.73% lower, as compared to last year's net profit of Rs.30.92 Crores. The Company has been able to maintain the sales, in spite of slow-down in capital goods industry on the one hand but, the profit is declined due to stiff competition, higher raw material cost and increase in overhead cost on the other hand. The economic outlook also remains uncertain. However, the Directors are hopeful of improved performance due to new products introduced in the last year. The company is constantly exploring the possibility of tie-ups with foreign firms for improving export as well as getting new products/designs.
4. The Company's 4 Windmills produced 71.42 lakhs units of energy in the year 2012-13, as against 64.48 lakhs units of energy produced in the previous year.
5. The Company has increased its authorized capital from Rs.2, 00, 00,000 (Twenty million) to Rs.4,00,00,000 (Forty Million) vide passing of ordinary resolution passed in the extra-ordinary general meeting held on 3rd July 2012. Further, the Company has allotted 1, 60, 00,000 Bonus shares to the existing shareholders whose names appeared in the Register of Members during the book closure period, at a ratio of 1:1 on 18th July 2012. The shares were credited to the shareholders respective accounts.
6. Shri. Tushar P. Shah, Shri. K.C. Uebel and Shri. Shekhar Bajaj retire by rotation at the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment. The detailed profiles of the above Directors are given under the head "Corporate Governance."
7. M/s M. L. Bhuwania & Co., Chartered Accountants, Mumbai, the statutory Auditors of the Company, retire at the ensuring Annual General Meeting and are eligible for appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit under section 224 (1B) of the Companies Act 1956. The Board recommends their appointment.
8. Pursuant to orders issued by the Ministry of Corporate Affairs, Government of India, under the provisions of section 233B of the Companies Act 1956, the Company has come under purview of Cost Audit for the first time in the Financial Year 2012-13.
9. Detailed reports on matters relating to Corporate Governance and Management Discussion and Analysis Report under Clause 49 of the Listing Agreement with Stock Exchanges are annexed as part of this Annual report together with the report of Practicing Company Secretary on its compliance thereon.
10. The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, etc. to the extent applicable are set out in Annexure-I hereto.
11. In terms of the provision of section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, as amended, the names and other particulars of the employees are set out in Annexure-II hereto.
12. Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information/representations received from the Management, confirm that:
  - I. in the preparation of the annual accounts, the applicable standards have been followed and that no material departures have been made from the same;
  - II. such accounting policies have been selected and applied consistently and that reasonable and prudent judgments and estimates are made 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 or loss of the Company for the period;
  - III. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken; and

IV. the annual accounts are prepared on a going concern basis.

13. The Compliance Certificate from secretary in whole-time practice M/s. S.N. Ananthasubramanian & Co., Thane, under Section 383-A(1) of the Companies Act, 1956, is annexed hereto.

14. The relationship with the employees continued to be cordial during the year. However, there has been a disruption in production due to agitation by the shopfloor workmen between the period 17th April 2013 to 25th May 2013.

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

Place : Mumbai  
Dated : 29/05/2013

Shekhar Bajaj  
Chairman

### ANNEXURE-I.

Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

#### 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		Current Year	Previous Year
(a) Electricity Purchased	Units	326868	298977
	Total Amount (Rs.)	3031140	2,392,580
	Rate/Unit (Rs.)	9.27	8.00
(b) Own Generation Electricity	Units	11419	25143
	Units per litre of Diesel Oil	2.62	2.62
	Diesel Cost (Rs.)	207,776	430,821
	Rate/Unit (Rs.)	18.20	17.13
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, 1956, 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 Company's engineers are constantly improving the designs and quality of the Company's products as well as production procedures. The Company has developed new models like Safe Chain Pulley Blocks with load limiter, new series of Compact Intelligent Chain Electric Hoists upto 20tons capacity, Crane kits, Automated Storage & Retrieval Solutions etc.

#### C. Foreign Exchange Earnings & Outgoings:

Particulars	Current Year	Previous Year
(i) Foreign Exchange Earnings	4,453,126	12,539,652
(ii) Foreign Exchange Outgo	38,083,328	25,069,162

### ANNEXURE-II.

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March, 2013 is given below.

Name	Designation & Nature of Duties	Remuneration (Gross) Rupees	Remuneration (Net) Rupees	Qualification	Age (Years)	Experience No. of Years	Date of commencement of employment	Last employment and designation (Period of Service)
Shri. M.S. Saigal	President & C.E.O.	84,55,553	56,17,108	A.M.I.E., M.B.M.	70	50	10.10.1990	Works Manager, Sesa Goa Ltd. (10 years)

#### Notes :

- The appointment of Shri. M.S. Saigal was on contractual basis.
- Gross Remuneration includes Salary, Ex-gratia, Incentive, Perquisites, Contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Medclaim Premium, Personal Accident Insurance Premium, etc. Net Remuneration is arrived at after deducting Income-Tax, contribution to Provident Fund, Superannuation Fund, Gratuity Fund, Medclaim Premium, Personal Accident Insurance Premium, telephone expenses, car expenses, taxable rent, furniture perks, etc.
- Shri. M.S. Saigal was not related to any Director of the Company.
- Shri. M S Saigal retired on 31/03/2013.



**COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2013**

To,  
The Members  
**HERCULES HOISTS LIMITED**  
Bajaj Bhavan, 2nd Floor,  
226, Jammalal Bajaj Marg,  
Nariman Point, Mumbai- 400021

**CIN: L45400MH1962PLC012385**  
**AUTHORISED CAPITAL: Rs. 4,00,00,000**  
**PAID-UP CAPITAL: Rs. 3,20,00,000**

We have examined the registers, records, books and papers of **HERCULES HOISTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2013**. In our opinion and to the best of our information and according to the examinations, carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, comment under this paragraph relating to the Company has a minimum prescribed paid-up capital and its maximum number of members during the said financial year were upto fifty and the Company during the year under review:
  - (i) *has not invited public to subscribe for its shares or debentures; and*
  - (ii) *has not invited or accepted any deposits from persons other than its members, Directors or their relatives.*
  - (iii) *is prohibited from making any invitation or acceptance of any deposits from persons other than its members, Directors or their relatives" are not required.*
4. The Board of Directors of the Company duly met four times on **28th May 2012, 17th July 2012, 2nd November 2012 and 7th February 2013** and in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 13th July 2012 to 17th July 2012 (both days inclusive) for the purpose of the Annual General Meeting, declaration of dividend and issue of bonus equity shares. Necessary compliance of Section 154 of the Act was made by the Company.
6. The 50th Annual General Meeting for the financial year ended on 31st March 2012 was held on 17th July 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An Extraordinary General Meeting was held on **3rd July, 2012** to obtain approval of the members for the alteration of Share Capital in the Memorandum and Articles of Association and issue of bonus shares by capitalization of reserves of the Company. Due notices were given to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act and the same was placed before all the meetings of the Board of Directors of the Company.
11. There were no instances falling within the purview of Section 314 of the Act and consequently, the Company was not required to obtain any approval from the Board of Directors, Members or Central Government.
12. The Company has issued fourteen duplicate share certificates during the period under review after due approval from the Board of Directors.
13. The Company has:
  - i. delivered all the certificates on allotment of securities and on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
  - ii. deposited the amount of dividend declared on 17th July 2012 in a separate Bank Account on 18th July 2012 which is within five days from the date of declaration of such dividend.
  - iii. paid dividend through Electronic Clearing System / posted demand drafts to all the members within a period of 30 days from the date of declaration of such dividend and all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
  - iv. transferred an amount of Rs. 2040/- (Rupees Two thousand Forty Only) to Investor Education and Protection Fund on 8th August 2012, being unclaimed dividend for the year 2004-05 which had remained unclaimed for a period of seven years from the date of transfer to unclaimed dividend Account within the prescribed time.
  - v. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company has re-appointed Mr. H. A. Nevatia as a Whole-Time Director for a period of two years from 22nd November 2012 to 21st November 2014 and the Company has made necessary compliance with the provisions of Section 269 of the Act.

16. The Company has not appointed any sole selling agents during the year under review.
17. The Company was not required to obtain any approval from Registrar of Companies, Company Law Board, Regional Director, Central Government and/ or such authorities prescribed under the various provisions of the Act during the year under review.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act and the rules made thereunder.
19. The Company has issued and allotted 1,60,00,000 equity shares of Rs.1/- each, as fully paid up bonus equity shares in the ratio of one bonus equity share for every one share held in the Company as on the date of Book closure fixed for the said purpose, i.e. 13th July 2012 to 17th July 2012 (both days inclusive). The Company has made necessary compliance subsequent to the allotment of shares.
20. The Company has not bought back any of its shares during the year under review.
21. The Company has not issued any Preference Shares or Debentures and hence redemption, if any, of Preference Shares or Debentures does not arise.
22. The Company has currently kept in abeyance dividend and to bonus share pertaining to 7,76,480 equity shares held in the name of Late Mr. Pramod Kumar S. Nevatia bearing Folio no. 136, as the ownership of the same is under dispute.
23. The Company has not invited / accepted any deposits including any unsecured loans within the purview of Section 58A of the Act during the year under review.
24. The Company has not made any borrowings during the year under review.
25. The Company has not made loans or given guarantees or provided securities to other bodies corporate and consequently, no entry has been made in the Register, kept for the purpose.  
The Company has made the necessary entries in the Register of Investments with respect to investments during the period under review.
26. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not amended the provisions of the Memorandum of Association with respect to Objects Clause of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to name of the Company during the year under review.
29. The Company has altered the provisions of the Memorandum of Association of the Company with respect to share capital during the year under review and complied with the provisions of the Act.
30. The Company has altered the Articles of Association of the Company for alteration of Capital after obtaining approval of members at the Extraordinary General Meeting held on 3rd July 2012 during the year under review and the amendments to the Articles of Association have been duly filed with Registrar of Companies.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under review.
33. The provisions of Section 418 of the Act are not applicable as the Company has deposited the employers' and employees' contribution with Recognised Provident Fund Commissioner.

**Place : Thane**  
**Dated : 14th May 2013**

**S. N. Ananthasubramanian**  
**C. P. No.: 1774**

### ANNEXURE 'A'

Registers as maintained by the Company

Sr. No.	Registers	Under Section
1.	Register of Directors, Managing Directors	303
2.	Register of Director's Share and Debenture Holdings	307
3.	Register of Charges (including Debentures)	143
4.	Register of Contracts	301(1) & 301(2)
5.	Register of Contracts, Companies and Firms in which Directors are interested	301(3)
6.	Register of Renewed and Duplicate Certificates	Rule 7 of the (Companies (Issue of Share Certificates) Rules, 1960
7.	Register of Documents Sealed	-
8.	Minutes Book	193
9.	Books of Accounts	209
10.	Register of Loans	-
11.	Register of Investments	372(A)

**ANNEXURE 'B'**

**Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the year ended on 31st March 2013**

SN	Form No	u/s Filed on	For
1.	17	u/s 138 on 15th June 2012	Satisfactions of Charge (Charge ID No. 90219479 created for an amount of Rs. 2,19,24,000/- in favour of Bank of India.
2.	17	u/s 138 on 15th June 2012	Satisfactions of Charge (Charge ID No. 90219256 created for an amount of Rs. 1,60,000/- in favour of Bank of India.
3.	17	u/s 138 on 15th June 2012	Satisfactions of Charge (Charge ID No. 90219268 created for an amount of Rs. 1,20,000/- in favour of Bank of India.
4.	17	u/s 138 on 15th June 2012	Satisfactions of Charge (Charge ID No. 90219305 created for an amount of Rs.8,60,000/- in favour of Bank of India.
5.	17	u/s 138 on 15th June 2012	Satisfactions of Charge (Charge ID No. 90216492 created for an amount of Rs. 8,00,000/- in favour of Bank of India.
6.	17	u/s 138 on 15th June 2012	Satisfactions of Charge (Charge ID No. 90219242 created for an amount of Rs. 1,05,000/- in favour of Bank of India.
7.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90219206 created for an amount of Rs. 8,00,000/- in favour of Bank of India.
8.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90219880 created for an amount of Rs. 4,35,000/- in favour of Bank of India.
9.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90219216 created for an amount of Rs. 8,00,000/- in favour of Bank of India.
10.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90218726 created for an amount of Rs.8,60,000/- in favour of Bank of India.
11.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90219283 created for an amount of Rs. 4,35,000/- in favour of Bank of India.
12.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90219476 created for an amount of Rs. 8,00,000/- in favour of Bank of India.
13.	17	u/s 138 on 18th June 2012	Satisfactions of Charge (Charge ID No. 90219315 created for an amount of Rs. 8,60,000/- in favour of Bank of India.
14.	17	u/s 138 on 20th June 2012	Satisfactions of Charge (Charge ID No. 90219847 created for an amount of Rs. 40,00,000/- in favour of Bank of India.
15.	23C	u/s 233B on 12th June 2012 and CG Order 52/26/CAB/2010 dated 24/01/2012	Appointment of M/s R. Nanabhoy & Company as cost auditors for the financial year ending 31st March 2013.
16.	5	u/s 97 on 06/07/2012	Increase in Authorized Share Capital from Rs.2,00,00,000/- to Rs.4,00,00,000/- at the Extraordinary General Meeting held on 3rd July 2012.
17.	23	u/s 192 on 06/07/2012	Registration of alteration to Articles of Association altered at the Extraordinary General Meeting held on 3rd July 2012.
18.	66	u/s 383A(1) on 25/07/2012	Compliance Certificate for the financial year ended 31st March 2012.
19.	2	u/s 75 on 27/07/2012	Allotment of 1,60,00,000 bonus equity of Rs. 1/- each fully paid up equity shares on 18th July 2012.
20.	1 INV	u/s 205C on 09/08/2012	Transfer of unclaimed / unpaid dividend pertaining to financial year ended 2004-2005 to Investor Education and Protection Fund due on 8th August 2012.
21.	20B	u/s 159 on 05/09/2012	Annual Return as on the date of Annual General Meeting held on 17th July 2012.
22.	5 INV	on 24/09/2012	Statement of unpaid and unclaimed amounts till year ended 31st March 2011 pursuant to notification G.S.R. 352(E) dated 10th May 2012 as per IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012
23.	5 INV	on 26/09/2012	Statement of unpaid and unclaimed amounts till year ended 31st March 2012 pursuant to notification G.S.R. 352(E) dated 10th May 2012 as per IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012
24.	25C	u/s 269(2) on 26th November 2012	Re-appointment of Mr. H. A. Nevatia as Whole- Time Director.
25.	23ACXBRL & 23 ACA-XBRL	u/s 220 on 5th December 2012	Balance Sheet & Profit & Loss A/C for the year ended 31st March 2012 adopted at Annual General Meeting held on 17th July 2012 in XBRL format.
26.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 90218522 created for an amount of Rs. 9,08,00,000/- in favour of Bank of Maharashtra.)

27.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 90218572 created for an amount of Rs. 6,23,00,000/- in favour of Bank of Maharashtra.)
28.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 90219879 created for an amount of Rs. 40,00,000/- in favour of Bank of Maharashtra.)
29.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 90238123 created for an amount of Rs. 40,00,000/- in favour of Bank of Maharashtra.)
30.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 90238577 created for an amount of Rs. 40,00,000/- in favour of Bank of Maharashtra.)
31.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 90219171 created for an amount of Rs. 40,00,000/- in favour of Bank of Maharashtra.)
32.	17	u/s 138 on 14th December 2012	Satisfaction of Charge (Charge ID No. 10008989 created for an amount of Rs. 9,00,00,000/- in favour of Bank of Maharashtra.)
33.	Form A XBRL	u/s 209 (1)(d) on 31st December 2012	Filing of Compliance Report on Cost Audit with the Central Government for the F.Y. 31/03/2012
34.	32	u/s 303(2) on 15th February 2013	Cessation of Mr. Shailesh V. Haribhakti as Alternate Director to Mr. Klaus Carl Uebel with effect from 3rd February 2013.
35.	32	u/s 313 on 4th March 2013	Appointment of Mr. Shailesh V. Haribhakti as Alternate Director to Mr. Klaus Carl Uebel with effect from 22nd February 2013.

**Place : Thane**  
**Dated : 14th May 2013**

**S. N. Ananthasubramanian**  
**C. P. No.: 1774**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development:

Wherever loads have to be moved, some material handling equipment is required. The material handling covers a vast range of product from very big to very small. Your Company manufactures Manual Hoists (Chain Pulley Blocks), Electric Chain & Wire Rope Hoists, Traveling Trolleys, Storage & Retrieval Cranes, H.O.T./E.O.T./Jib Cranes, Roll-Out Racks, Ratchet Hoists, Light Profile Crane Systems.

The Company has modern production / assembly lines and testing facilities. Strict Quality Control is maintained through raw-materials, in line and finished product inspection. The Company is supported by well qualified vendors and ancillary workshops. The Company continues to have ISO-9001 accreditation from TUV NORD of Germany since May, 1997. TUV NORD has issued a statement of compliance to the relevant European Machinery Directives thereby allowing "CE" marking on "Spur Gear type hand Operated Chain Pully Blocks" which is beneficial for export. Your Company's Products are marketed through out India by a network of 44 dealers, representatives and liaison agents.

Your Company has installed 4 Windmills of 1.25 M.W. each in District Dhule of Maharashtra between the year 2005 and 2006.

Your Company has been developing new range of products as per customers needs like Safe Chain Pulley Blocks with load limiter, new series of Compact Intelligent Chain Electric Hoists upto 20 tons capacity, Crane kits, Automated Storage & Retrieval Solutions, High Speed mini loader for logistic and warehousing applications, new range of compact Wire Rope Hoists, improved Ratchet Hoists and Pulling & Lifting machines.

### Opportunities and Threats:

Material Handling Industry is linked to development of infrastructure, new projects and new factories besides the replacement needs. Although a high growth prospect has dimmed due to lack of new projects, demand continues from many ongoing projects. Nevertheless, your Company has identified the possibilities for new product / product-upgradation. The launch of these products in stages in the coming months is expected to make an impact in the market and help brand "Indef" to consolidate its leadership position, its very good brand image and customer loyalty. It is trying to increase its market share through aggressive marketing, customer care and new product development and also exports. Your Company is also working on input cost reduction and increasing overall efficiency.

Your Company faces competition from the unorganized sector manufacturing similar products as well as cheaper imports from China. Your Company is also facing competition from foreign manufacturers, who have set-up operations in India. In the long term, delays in infrastructure and related projects can also affect the performance of the Company.

### Financial Review / Segment wise Performance:

The revenue from operations of the Company at Rs.123.66 Crores are 2.20% higher compared to last year's revenue from operations of Rs.121.00 Crores. The net profit of Rs.28.53 Crores is 7.73% lower, as compared to last year's net profit of Rs.30.92 Crores.

### Segment Performance :

Name of the segment	Segment Revenue for the year 2012-13	Segment Revenue for the year 2011-12
Materials Handling Equipments	1,205,779,220	1,182,438,500
Windmill Segment	30,847,179	27,575,933

### Internal Control Systems and their adequacy:

The Company has got adequate internal control system commensurate with its size and nature of business. The Company has engaged the services of a reputed Internal Audit firm. The report of the Internal Auditor is reviewed regularly by the Audit Committee of the Board of Directors and corrective actions are taken by the Management.

### Risks and Concerns:

Every business has inherent element of uncertainties owing to uncertain factors and managing risk is very critical for success of the enterprise. The Company has a Risk Assessment and Management Policy, wherein the Company has identified key risks, such as, Market Information (increasing market share), Competition Risk (strengthening marketing set-up), New Products Development (strengthening R & D activities), Employee Risk (reducing attrition rates and retaining employees) and Credit Risk (recovery of outstandings) etc. Risk minimization /mitigation steps are regularly undertaken and reports are placed before the Audit Committee Meetings and Board Meetings.

### Business Out-look:

Economic situation continues to be uncertain and new investment not forthcoming. However, the demand should pick up on basis of improvement in creation of infrastructure and capital goods therein. The Company is also trying to increase its market share through focus on cost management, enhancing efficiency in supply chain and introducing new product range.

### Development in Human Resources / Industrial Relations front :

Your company recognizes the employees as critical asset of the organization and lays due emphasis on all round development of its human resources. At present, the Company has 116 employees comprising of engineers, marketing staff, commercial staff and workmen.

### Cautionary Statement:

Statements in the Management Discussion and Analysis, describing the Company's growth prospects, are forward-looking statements. The actual results may vary, depending upon economic conditions, raw-material prices, government policies, regulations, tax laws and other incidental factors.

**For and on behalf of the Board of Directors**

Place : Mumbai  
 Dated : 29/05/2013

**Shekhar Bajaj**  
 Chairman

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in high standards of corporate governance and has put in place the systems to comply with all the rules, regulations and requirements mentioned in Clause 49 of the Listing Agreement.

### BOARD OF DIRECTORS

#### Composition of the Board

A non-executive Chairman heads the Board and more than one-half of the Directors are 'Independent'. The Independent Directors do not have any pecuniary relationship or transactions with the Company, promoters or management, which may affect their judgment in any manner. There is no relationship between Directors inter-se. The policy formulation, evaluation of performance and the control functions vest with the Board.

The Composition of Board, attendance at Board Meetings (BM) held during the financial year under review and the last Annual General Meeting (AGM) and number of directorships and memberships/chairmanships in other public companies are given below.

Name of the Director	Category	No. of Shares held	Financial Year ended 31st March 2013		Other directorships	No. of Committee Position held in other Companies.	
			BMs	AGM		Chairman	Member
Shri Shekhar Bajaj- Chairman	NED (Promoter)	1257210	4	Yes	6	-	-
Shri Naresh Chandra	NED (Promoter)	-	3	No	-	-	-
Shri H.A. Nevatia	ED	1600	4	Yes	-	-	-
Shri K. F. Jhunjunwala	NED (Independent)	880000	4	Yes	-	-	-
Shri Vinaya L. Mehrotra	NED (Independent)	-	4	Yes	1	-	-
Shri K. C. Uebel	NED (Independent)	-	1	No	-	-	--
Shri Mukul M. Upadhyaya	NED (Independent)	-	4	Yes	-	-	-
Shri Gaurav V. Nevatia	NED (Independent)	-	4	Yes	-	-	-
Shri Tushar P. Shah	NED (Independent)	-	1	No.	-	-	-
Shri Shailesh V. Haribhakti (Alternate Director to Mr. K.C. Uebel)	NED (Independent)	-	2	No.	13	5	5

#### NED – Non Executive Director; ED - Executive Director; BMs- Board Meetings

During the financial year under review, four Board Meetings were held on 28th May, 2012, 17th July, 2012, 2nd November, 2012 and 7th February, 2013 and the Annual General Meeting of the Company was held on 17th July, 2012.

#### Board Procedure

A detailed agenda folder is being sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Chairman, Whole-time Director and the President & CEO review the overall Company's performance. In addition to the legal matters compulsorily required to be dealt, the Board also reviews:

- a) Strategy and business plans
- b) Annual operating and capital expenditure budgets and any updates
- c) Investment of Company's funds.
- d) Compliance with statutory/regulatory requirements and review of major legal issues.
- e) Approval of quarterly results/annual results.
- f) Listing requirements, attending to shareholders' grievances, etc.
- g) Any other matter which is serious in nature or requires the attention of the Board.

#### AUDIT COMMITTEE

The terms of reference of this committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreements as well as in section 292A of Companies Act 1956. The Audit Committee comprised of Shri. Vinaya L. Mehrotra, Chairman, Shri. Hariprasad A. Nevatia, Shri. Gaurav V. Nevatia and Shri. Kishorilal F. Jhunjunwala, all of whom are Independent Directors, except Shri. H.A. Nevatia.

During the year under review, the Audit Committee met four times, viz on 28th May, 2012, 17th July, 2012, 2nd November, 2012, and 7th February, 2013. Shri. H.A. Nevatia, Shri. Gaurav V. Nevatia, Shri Vinaya L. Mehrotra and Shri K.F. Jhunjunwala attended all the Meetings.

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

The Shareholders'/Investors' Grievance Committee consists of two Non Executive Directors, viz. Shri Naresh Chandra, Chairman and Shri K.F. Jhunjhunwala, Member. The Committee looks into the redressal of shareholders complaints and grievances, if any.

During the year under review, the Committee met on 20th March, 2013. Only one complaint was received by the Company from a shareholder. As on date of this report, there are no unresolved shareholders complaints. The Secretarial Department endeavours to resolve the shareholders complaints within 4 to 5 working days.

**SHARE TRANSFER**

The Company has a Share Transfer Committee consisting of Shri Shekhar Bajaj, Shri Naresh Chandra and Shri H.A. Nevatia. The applications for transfer of shares are approved and the Certificates are dispatched /kept ready for delivery within 15 days of receipt, if the documents are complete in all respects.

**COMPLIANCE/RISK OFFICER :**

Shri. Vijay Singh, General Manager (Finance & Accounts) is Compliance Officer of the Company and Shri. Sandeep Sahasrabudhe, Manager (Internal Audit & Control) is Risk Officer of the company.

**REMUNERATION OF DIRECTORS:**

The Company has not formed a Remuneration Committee. All the Directors, other than the Whole-time Director, are paid remuneration by way of a sitting fee @ Rs.20,000/- for each of the Board / Committee Meeting attended by them. Shri H A Nevatia, Whole-time Director is paid a remuneration which is within the limits specified under the Companies Act, 1956.

The details of remuneration paid to the Directors during the year 2012-13 are as follows:-

Name of the Director	Sitting fees for		Remuneration	Amount (Rs.)
	Board Meeting	Committee Meeting		
Shri Shekhar Bajaj	Yes	NA	NA	80,000/-
Shri K.C. Uebel	Yes	NA	NA	20000/-.
Shri Shailesh V. Haribhakti	Yes	NA	NA	40,000/-
Shri Mukul M. Upadhya	Yes	NA	NA	80,000/-
Shri Tushar P. Shah	Yes	NA	NA	20,000/-
Shri Naresh Chandra	Yes	Yes	NA	80,000/-
Shri K.F. Jhunjhunwala	Yes	Yes	NA	1,80,000/-
Shri Vinaya L. Mehrotra	Yes	Yes	NA	1,60,000/-
Shri Gaurav V. Nevatia	Yes	Yes	NA	1,60,000/-
Shri H.A. Nevatia-(Whole-time Director)	NA	NA	Yes	1,20,000/- + Perks.

**DISCLOSURES REGARDING RE-APPOINTMENT OF DIRECTORS:**

Brief resumes of Directors seeking re-appointment are given below as per clause 49 (IV) (G) of the Listing Agreement:

Name of the Director	Shri. Tushar P. Shah	Shri. K C Ubel
Date of Appointment	30.01.2007	15.06.1962
Educational Qualification	BE (Mech.), MS (Univ. of Florida, USA)	Industrialist & Business Diploma (Minerva Business School Studies, Zurich)
Brief Resume & Functional Area	Shri Tushar P. Shah, 70, has been a Director of your Company since 30th January, 2007. He has 43 years of experience in Management and leadership including 23 years overseas during which he had occupied top management positions. He has also occupied honorary positions, such as, President of International Wire Machinery Association and Deputy convener of Science & Technology Committee of Malaysian International Chamber of Commerce & Industry. He works on projects for copper processing, renewable energy, environment and education. He has co-authored papers on solar energy, Fault Current Limiters, MW capacity motor starters etc and presented at International conferences in USA. He is Director of M/s. Antush Consultants Pvt. Ltd.	Shri Klaus C. Uebel, a German national, aged 79, has been a Director of your Company since 1963. He is the Proprietor and Managing Director of M/s. Heinrich De Fries GmbH, a more than 100 years old Company with whose collaboration Hercules Hoists Limited was formed. He is also Proprietor and Managing Director of the firm Manutention et Levage Industriel SARL, France, Proprietor of UEBEL Grundstuecksverwaltuns GmbH & Co.KG, Germany,Chairman of N.V. Traditie, Netherlands and Chairman of L.M. Maskin AS, Norway. Mr. Uebel has over 40 years of experience in manufacture and marketing of hoists and other lifting equipments.
List of Directorship held in other Companies	NIL	NIL
Committee Membership	NIL	NIL

<b>Name of the Director</b>	<b>Shri. Shekhar Bajaj</b>	<b>Shri. H. A. Nevatia</b>
<b>Date of Appointment</b>	12.02.1989	27.01.1976
<b>Educational Qualification</b>	B.Sc.(Pune), MBA (New York University)	B.Sc. (Hons.)
<b>Brief Resume &amp; Functional Area</b>	Shri Shekhar Bajaj, aged 65 years, has been a Director of your Company since 12th February, 1989 and is the Chairman of the Board of Directors. He is part of the Bajaj family which controls the management of the Company. He has been the Managing Director of M/s. Bajaj Electricals Limited since 1984 and he revived that Company and brought over all improvement in that Company through great skill and relentless efforts. He has over 29 years of varied and rich work experience in a wide range of functions with emphasis on marketing and has been closely associated with a number of start-up businesses. He was the President of Electric Lamp and Component Manufacturers' Association and has been the past President of Associated Chamber of Commerce & Industry of India, Indian Merchants' Chamber, Council for Fair Business Practices, Indian Fan Manufacturers' Association, etc. Shri Bajaj is the Chairman & Managing Director of M/s. Bajaj Electricals Limited.	Shri. H. A. Nevatia was Chief Executive of the Company since its inception and was appointed as Managing Director on 27th January, 1976, which post he held till 21st November, 2001. He has been a Whole-time Director since 22nd November, 2001. He has contributed substantially to the growth of the company and he has a deep knowledge of the hoisting industry. He has extensively travelled abroad to attend material handling exhibitions and he was twice invited to attend Top Management Seminars in Japan. He had also been actively associated with Industry Associations, viz. Confederation of Indian Industry, Indo-German Chamber of Commerce and he was the past President of the Bombay Productivity Council.
<b>List of Directorship held in other Companies</b>	1) Bajaj Electricals Limited 2) Bajaj Auto Limited 3) Hind Lamps Limited 4) Hind Musafir Agency Limited 5) Starlite Lighting Limited 6) Rudi Multi-Trading Co. Limited	NIL
<b>Committee Membership</b>	NIL	NIL

**GENERAL MEETINGS OF THE COMPANY**

Financial Year	Type of Meeting and Date	Venue	Time	No. of Special Resolutions	Details of Special Resolution
2011-12	Annual General Meeting on 17.07.2012	Walchand Hirachand Hall, 4th floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai 400020	11.00 A.M.	-	-
2011-12	Extra-Ordinary General Meeting on 03.07.2012		12.00 Noon	1	Alteration in Article no. 4 of the Articles of Association in order to give effect of increase in authorised Capital from Rs. 20/- Million to Rs.40/- Million.
2010-11	Annual General Meeting on 27.07.2011	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	11.00 A.M.	1	Approval of the shareholders for the re-appointment of Shri H.A. Nevatia as a 'Whole-time Director' for a period of two years from 22nd November, 2010.
2009-10	Annual General Meeting on 10.08.2010		4.00 P.M.	-	-

**POSTAL BALLOT:**

During the year 2012-13, the Company did not pass any resolution through Postal Ballot.

**DISCLOSURES**

- The particulars/details of transactions between the Company and its related parties as per the Accounting Standards are set out in the Notes forming parts of the Accounts. These transactions are not likely to have any conflict with the Company's interest.
- All details relating to financial and commercial transactions, where Directors may have a potential interest, are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.
- The Company has laid down the procedures to inform Board Members about the risk assessment and mitigation procedures. The Board is periodically informed about business and other functional risks and its minimization procedures.
- There are no instances of non-compliances by the company necessitating imposition of penalties, strictures on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- In preparation of financial statement, the Company has followed the applicable Accounting Standard referred to in Section 211 (3C) of the Companies Act 1956.
- The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement and has not complied with non-mandatory requirements.

**MEANS OF COMMUNICATION TO THE SHAREHOLDERS**

- The Company has its own web-site and all vital information relating to the Company and its performance, including quarterly results, annual report are placed on the **web-site -www.indef.com**.



- (ii) As required under Clause 47(f) of the Listing Agreement, the Company has set-up a designated e-mail ID (**Shareholders\_grievance@indef.com**) exclusively for the shareholders/ investors to lodge their complaints/grievances and information about the said e-mail ID has been posted on the Company's website.
- (iii) The Company has obtained SCORES authentication from SEBI in April 2012. The Investor Complaints are processed in a centralized web based Complaints redress system through SEBI SCORES.
- (iv) The Company promptly reports BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), wherein its equity shares are listed, all the material information including declaration of quarterly/half yearly and annual financial results in the prescribed formats.
- (v) The Financial Results are communicated by way of an advertisement in 'Business Standard' in English and in 'Sakal' newspaper in Marathi having wide circulation, immediately after the results are approved at the Board Meeting.

**GENERAL SHAREHOLDER INFORMATION:**

(a)	<b>Registered Office:</b>	Bajaj Bhawan, 2nd floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.																							
(b)	<b>Plant Location</b>	Factory Location: Survey No. 43/2B, 43/5 and 45/2, Village Dhamani, Savroli Kharpada Road, Taluka Khalapur (near Khopoli), District Raigad, Pin Code 410202, Maharashtra  Four Windfarms [1.25 M.W. capacity each]- situated at Khori-Titane, Amkhel, Phophade [All from Dhule District, Maharashtra]																							
(c)	<b>Correspondence Address</b>	Survey Nos. 43/2B, 43/5, 45/2, Village Dhamani, Savroli Kharpada Road, Taluka Khalapur, District : Raigad, Pincode : 410202, Maharashtra. Tel. (02192) 274135/274036/274087; Fax: (02192) 274325/274125; Email: <b>indef@indef.com &amp; Shareholders_grievance@indef.com</b>																							
(d)	<b>Date, Time and Venue of Annual General Meeting:</b>	Date: 7th August 2013; Time: 11.00 a.m. Venue: Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021																							
(e)	<b>Financial Year</b>	1st April 2012 to 31st March 2013																							
(f)	<b>Financial Calendar</b>	a) First Quarterly Result – 17th July 2012 b) Second Quarterly Result- 2nd November 2012 c) Third Quarterly result- 7th February 2013 d) Fourth Quarterly Result- 29th May 2013																							
(g)	<b>Tentative Financial Calendar for FY 2013-2014</b>	a) First Quarterly Result – before 14th August, 2013 b) Second Quarterly Result- before 14th November, 2013 c) Third Quarterly result- before 14th February, 2014 d) Fourth Quarterly Result- before 30th May, 2014																							
(h)	<b>Dates of Book Closure</b>	3rd August 2013 to 7th August 2013																							
(i)	<b>Dividend and payment date</b>	Dividend of Rs. 1.75/- per share on the enhanced share capital after issue of 1:1 bonus shares, has been recommended by the Board of Directors and subject to the approval of the members at the ensuing Annual General Meeting will be paid within 30 days from 7th August 2013.																							
(j)	<b>Bonus Issue to the shareholders since incorporation</b>	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>FY</th> <th>Ratio of Bonus shares</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>1975</td> <td>1 : 1</td> </tr> <tr> <td>2.</td> <td>1979</td> <td>1 : 1</td> </tr> <tr> <td>3.</td> <td>1985</td> <td>1 : 3</td> </tr> <tr> <td>4.</td> <td>1997</td> <td>1 : 1</td> </tr> <tr> <td>5.</td> <td>2006</td> <td>1 : 1</td> </tr> <tr> <td>6.</td> <td>2012</td> <td>1 : 1</td> </tr> </tbody> </table>			Sl. No.	FY	Ratio of Bonus shares	1.	1975	1 : 1	2.	1979	1 : 1	3.	1985	1 : 3	4.	1997	1 : 1	5.	2006	1 : 1	6.	2012	1 : 1
Sl. No.	FY	Ratio of Bonus shares																							
1.	1975	1 : 1																							
2.	1979	1 : 1																							
3.	1985	1 : 3																							
4.	1997	1 : 1																							
5.	2006	1 : 1																							
6.	2012	1 : 1																							
(k)	<b>Listing Details</b>	ISIN: INE688E01024 1) BSE [SCRIP Code-505720] 2) NSE [SCRIP Code- HERCULES EQ]																							
(l)	<b>Registrar and Share Transfer Agent</b>	<b>Universal Capital Securities Pvt. Ltd.</b> 21, Shakil Niwas, Opp. Satya Saibababa Temple, Mahakali Caves Road, Andheri (East), Mumbai 400 093. Tel. (022) 282072 03-04-05; 28257641; Fax : (022) 28207207 E-Mail : Info@uniseq.in; Website : http://www.uniseq.in																							
(m)	<b>Investor Grievances Redressal System</b>	The shareholder complaints are handled by the Company's Registrar and Share Transfer Agent M/s Universal Capital Securities Private Limited in consultation with the Secretarial Department of the Company.																							

(n)	Stock Exchange Data						
	Month	BSE			NSE		
		High	Low	Volume	High	Low	Volume
	April,12	264.15	236.40	2,04,535	264.30	233.55	3,80,396
	May, 12	296.70	218.00	13,94,619	296.90	215.40	27,59,737
	June, 12	292.95	264.00	12,18,846	292.95	264.00	23,08,189
	July, 12	328.90	126.00	27,24,479	328.90	122.10	64,34,933
	Aug. 12	143.20	125.00	16,14,152	143.30	124.50	37,05,896
	Sept. 12	139.80	125.75	9,16,772	139.80	125.50	21,50,652
	Oct. 12	141.50	128.00	4,61,077	141.80	122.65	12,49,449
	Nov. 12	144.00	131.00	4,50,813	143.60	129.90	11,38,714
	Dec. 12	145.50	134.15	3,65,423	145.45	132.30	9,67,452
	Jan. 13	143.90	127.10	2,03,034	144.00	128.00	5,05,830
	Feb. 13	138.50	116.25	8,50,806	138.60	116.20	21,70,014
	Mar. 13	126.95	102.40	2,03,923	126.90	102.10	7,21,263

Note: High and Low are in rupees per traded share. Volume is the total monthly no. of shares traded (in numbers in the Company's shares on the respective stock Exchange)

(o) Shareholding Pattern as on 31st March, 2013:		
Particulars	No. of Equity Shares held	%
Promoters	22248730	69.53
Financial Institutions, Banks, etc.	11920	0.04
Overseas Corporate Bodies, NRIs, etc.	1645694	5.14
General Public	6591305	20.59
Corporate Bodies	534893	1.67
Clearing Members	40724	0.13
Trusts	33764	0.11
Directors and their relatives, not part of the Promoter Group	892970	2.79
<b>Total</b>	<b>3,20,00,000</b>	<b>100.00</b>

(p) Dematerialization of shares:				
The shares of the Company are in compulsory demat segment and available for trading in the depository systems of both National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL]. As on 31st March 2013, 2,93,41,285 equity shares of the Company representing 91.69% of the Company's shares are held in electronic form				
The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments and as such, there is no impact on equity				

(q) Distribution of shareholding as on 31st March, 2013:				
No. of Equity Shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holding
Upto 500	8671	88.335	1005667	3.143
501 – 1000	559	5.695	442742	1.384
1001 – 2000	281	2.863	447445	1.398
2001 – 3000	73	0.744	185621	0.580
3001 – 4000	60	0.611	223059	0.697
4001 – 5000	22	0.224	104442	0.326
5001 – 10000	53	0.540	373787	1.168
10001 & above	97	0.988	29217237	91.304
<b>Total</b>	<b>9816</b>	<b>100</b>	<b>32000000</b>	<b>100</b>



<b>(r)</b>	<p><b>Certificate of Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel:</b></p> <p><b>To The Members of Hercules Hoists Limited</b></p> <p>I, Prakash Subramaniam, President &amp; CEO of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Business Conduct &amp; Ethics in accordance with Clause 49 (I) (D) of the Listing Agreement entered into with the Stock Exchanges, for the year ended 31st March 2013</p> <p><b>Prakash Subramaniam</b> President &amp; CEO Khalapur, Date 14/05/2013</p>
<b>(s)</b>	<p><b>Company's Recommendation to the Shareholders/Investors:</b></p> <ol style="list-style-type: none"> <li>1) Shareholders/Investors are requested to convert their physical holding to demat/electronic form through any of the Depository participants to avoid the risk involved in the physical shares.</li> <li>2) Shareholders/Investors should provide ECS mandate to the Company in case of shares held in physical form and to depository participant for change in demat account details and register the bank account number for Electronic Clearing Services (ECS) in case of shares held in demat mode. This would facilitate in receiving direct credits of dividends to their account.</li> <li>3) In Case of change, please update your address registered with the Company.</li> <li>4) The unclaimed dividend amounting to Rs.2040/- for the financial year 2004-05, has been transferred to the Investor Education and Protection Fund within the time stipulated by law in accordance with the provisions of Section 205(C) of the Companies Act, 1956.</li> </ol> <p>Pursuant to the provisions of Investor Education and Protection fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 17/07/2012 [date of last Annual general Meeting] on the <a href="http://www.iepf.gov.in">www.iepf.gov.in</a> .</p>
<b>(t)</b>	<p><b>CEO and CFO Certification under Clause 49 (V)</b></p> <p>The President &amp; CEO and General Manager (Finance &amp; Accounts) of the Company has given annual certification dated 14th May 2013 on financial reporting and internal controls to the Board in terms of Clause 49 (V).</p>
<b>(u)</b>	<p><b>Compliance Certificate under Clause 49 (VIII):</b></p> <p>As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by a Practising Company Secretary is attached.</p>

The above Report was adopted by the Board of Directors at their Meeting held on 29/05/2013.

**For and on behalf of the Board of Directors**

**Place : Mumbai**  
**Dated : 29/05/2013**

**Shekhar Bajaj**  
**Chairman**

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members,  
**Hercules Hoists Limited,**  
Bajaj Bhavan, 2nd Floor,  
226, Jamnalal Bajaj Marg,  
Nariman Point.  
Mumbai 400021

We have examined all relevant records of **Hercules Hoists Limited** (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement entered into with the BSE Limited and the National Stock Exchange Limited for the financial year ended **31st March 2013**. We have obtained all the information and explanations to the best of our knowledge and belief as were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that.

- a. the Company has complied with all the mandatory conditions of the said Clause 49 of the Listing Agreement.
- b. the Company has not complied with any of the non-mandatory requirements of the said Clause 49 of the Listing Agreement.

**Place : Thane**  
**Dated : 14th May 2013**

**S. N. Ananthasubramanian**  
**C.P. No.: 1774**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **HERCULES HOISTS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **HERCULES HOISTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For and on behalf of  
M. L. BHUWANIA & CO.  
Chartered Accountants  
Firm Registration No. 101484W**

**Place: Mumbai  
Date: 29th May, 2013**

**J. P. Bairagra  
Partner  
Membership No. 12839**



**Annexure referred to in paragraph titled as “Report on other Legal and Regulatory Requirements” of Auditor’s report to the of members Hercules Hoists Limited for the year ended 31st March 2013.**

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets of the Company are physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with the accounts.
- (c) In our opinion and according to the information and explanation given to us, there was no substantial disposal of fixed assets during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records have been properly dealt with in the books of account.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (iii) (a) to (g) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, need to be strengthened to make the internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year except transactions of special nature for which alternate quotations are not available, in our opinion, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. As explained to us such accounts and cost records are under preparation.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable except Municipal Tax of Rs. 2,325,340.

According to the records of the Company, there are no dues of Sales Tax, Wealth Tax, Customs Duty and Cess, which have not been deposited on account of any dispute.

The following are disputed amounts in respect of Income Tax, Service tax and Excise Duty:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending.
Income tax Act,1961	Disallowance of deduction U/s 80HHC	244,331	2002-03 to 2003-04	Commissioner of Income Tax (Appeals)
Income tax Act,1961	Vacancy Allowance & Disallowance U/s 14 A	28,973,206	2004-05 to 2008-09	Income Tax Appellate Tribunal
Income tax Act,1961	Penalty levied under section 271(1) (c) of the Act	436,215	2004-05	Income Tax Appellate Tribunal
Income tax Act,1961	Assessment reopened under section 148	57,553,469	2004-05 to 2005-06	Income Tax Appellate Tribunal
Income tax Act,1961	Fringe Benefit Tax	36,921	2006-07	Commissioner of Income Tax (Appeals)

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending.
Central Excise Act,1944	Non Fulfillment of Conditions for export	10,382	1993-94	Deputy Commissioner of Central Excise
Central Excise Act,1944	Demand of Service Tax on Royalty	130,424	1999-2000 to 2003-04	Deputy Commissioner of Central Excise & Service tax
Central Excise Act,1944	Demand of Excise duty on erection and commission service charges	536,577	2000-01 to 2005-06	Commissioner of Central Excise (Appeals)
Central Excise Act,1944	Demand of Excise duty on erection and commission service charges	4,315,969	2005-06 to 2009-10	Central excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty on Advertisement & sales promotion	4,182,054	2000-01 to 2009-10	Central excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty for non producing of rewarehousing Certificate	190,497	2008-09	Assistant commissioner of Central Excise
Central Excise Act,1944	Demand of Excise duty on sales under notification	4,367,992	2009-10	Central excise Appellate Tribunal

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2013. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2013 and in the immediately preceding financial year ended March 31, 2012.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (xii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances during the year on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Accordingly, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable to the Company.
- (xvi) The Company has not taken any term loan during the year. Accordingly clause 4(xvi) is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2013.

**For and on behalf of  
M. L. BHUWANIA & CO.  
Chartered Accountants  
Firm Registration No. 101484W**

**Place : Mumbai  
Date : 29th May, 2013**

**J. P. Bairagra  
Partner  
Membership No. 12839**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share Capital	1	32,000,000	16,000,000
(b) Reserve & Surplus	2	1,566,550,319	1,362,757,186
<b>Non- current Liabilities</b>			
(a) Deferred tax liabilities (net)	3	46,030,611	40,816,839
(b) Other long- term liabilities	4	3,102,400	2,352,400
<b>Current liabilities</b>			
(a) Short- term borrowings	5	5,477,518	41,227,219
(b) Trade payables	6	139,773,773	70,457,897
(c) Other current liabilities	7	26,229,587	26,097,000
(d) Short - term provisions	8	69,660,339	70,648,278
<b>TOTAL</b>		<b>1,888,824,546</b>	<b>1,630,356,818</b>
<b>ASSETS</b>			
<b>Non - current Assets</b>			
(a) Fixed assets	9		
(i) Tangible Assets		283,567,268	290,930,167
(ii) Intangible Assets		654,585	1,127,061
(iii) Capital work - in - progress		425,381	5,627,006
(b) Non - current Investment	10	242,794,767	225,927,273
(c) Long - term loans and advances	11	91,590,791	48,992,751
<b>Current Assets</b>			
(a) Inventories	12	252,309,600	209,681,530
(b) Trade receivables	13	251,754,974	221,211,318
(c) Cash & bank balances	14	378,256,826	250,980,919
(d) Short- term loans and advances	15	331,378,526	323,237,938
(e) Other current assets	16	56,091,829	52,640,856
<b>TOTAL</b>		<b>1,888,824,546</b>	<b>1,630,356,818</b>
<b>Contingent Liabilities and commitments</b>	17		
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	1 to 42		

The notes referred above form an integral part of the Balance Sheet.

As per our report attached of even date

For **M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number : 101484W

**J.P. BAIRAGRA**  
**PARTNER**  
**MEMBERSHIP NO. 12839**

PLACE : MUMBAI  
DATED : 29.05.2013

**FOR AND ON BEHALF OF THE BOARD**

**SHEKHAR BAJAJ**  
**CHAIRMAN**

**H. A. NEVATIA**  
**WHOLE TIME DIRECTOR**

PLACE : MUMBAI  
DATED : 29.05.2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	Year ended 31st March,	Year ended 31st March,
		2013 Rupees	2012 Rupees
Revenue from operations	18	1,236,626,399	1,210,014,433
Other income	19	114,187,514	92,050,585
<b>Total Revenue</b>		<b>1,350,813,913</b>	<b>1,302,065,017</b>
<b>Expenses:</b>			
Cost of Materials Consumed	20	664,512,261	600,592,340
Purchase of Stock - in - Trade	21	1,994,089	3,325,050
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(14,651,425)	6,886,139
Employee benefit expenses	23	72,708,453	58,438,829
Finance Cost	24	1,011,239	550,565
Depreciation & amortization expenses	9	20,178,665	20,331,958
Other Expenses	25	195,372,664	169,275,871
<b>Total Expenses</b>		<b>941,125,946</b>	<b>859,400,752</b>
Profit before exceptional and extraordinary items & tax		409,687,967	442,664,265
Exceptional Items		-	-
Profit before extraordinary items and tax		409,687,967	442,664,265
Extraordinary Items		-	-
Profit before tax		409,687,967	442,664,265
Less: Tax expenses:			
(1) Current tax			
of Current year		120,199,000	127,400,000
of Earlier years		(1,035,138)	1,941,624
(2) Deferred tax		5,213,772	4,156,409
		<b>124,377,634</b>	<b>133,498,033</b>
Profit for the period		<b>285,310,333</b>	<b>309,166,232</b>
Earning per equity share:	26		
Basic and Diluted Earnings per Share (excluding Extraordinary Items, net of tax)		8.91	9.66
Basic and Diluted Earnings per Share (including Extraordinary Items, net of tax)		8.92	9.66
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	1 to 42		

As per our report attached of even date

For M. L. BHUWANIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 101484W

J.P. BAIRAGRA  
PARTNER  
MEMBERSHIP NO. 12839

PLACE : MUMBAI  
DATED : 29.05.2013

FOR AND ON BEHALF OF THE BOARD

SHEKHAR BAJAJ  
CHAIRMAN

H. A. NEVATIA  
WHOLE TIME DIRECTOR

PLACE : MUMBAI  
DATED : 29.05.2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

	<b>2012-13</b>	2011-12
	<b>Rupees</b>	Rupees
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>409,687,967</b>	442,664,265
Net Profit before tax & Extraordinary Items		
Adjustment for:		
Dividend Received	(17,048,265)	(17,640,469)
Depreciation /Amortisation	20,178,665	20,331,958
Interest income	(81,112,194)	(50,529,009)
Interest expense	148,286	550,565
Bad debts	1,145,000	300,825
Allowance for Bad Debts	2,160,683	6,395,453
Provision for Liquidated Damages (Net)	1,166,148	120,677
Provision For Incentive/Warranty (Net)	313,054	216,703
(Profit)/Loss on Sale of Long Term Investments (Net)	(1,916,000)	(8,841,393)
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	(7,515,185)	(5,514,630)
Excess Provision written back (Net)	(3,464,016)	(4,420,308)
Sundry balance written back (Net)	(1,303,144)	(3,735,428)
Exchange Rate Fluctuation (Net)	(167,093)	(256,750)
	<b>(87,414,061)</b>	<b>(63,021,806)</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>322,273,906</b>	379,642,459
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
Long Term Loans & Advances	(41,224,048)	(257,546)
Short Term Loans & Advances	(64,206,756)	(53,458,090)
Other Current Assets	(13,698,677)	(4,775,024)
Trade Receivables	(32,680,635)	(12,714,201)
Inventories	(42,628,070)	25,827,176
Trade Payables	71,993,649	(38,620,163)
Short Term Provisions	(1,799,118)	814,337
Other Long Term Liabilities	750,000	150,000
Other Current Liabilities	(1,480,403)	1,815,637
	<b>(124,974,057)</b>	<b>(81,217,874)</b>
<b>Cash Generated from Operations</b>	<b>197,299,849</b>	298,424,585
Direct Taxes paid	(167,108,065)	(176,652,004)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>30,191,784</b>	121,772,581
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loan (given)/ returned	(5,062,500)	(170,000,000)
Purchase of Fixed Assets including Capital Work in Progress	(9,452,097)	(8,085,518)
Sale of Fixed Assets	9,729,476	32,145,273
Purchase of Non Current Investments	(36,867,494)	(90,481,883)
Sale of Non Current Investments	21,916,000	119,122,785
Interest Received	91,359,898	32,845,559
Dividend Received	17,048,265	17,640,469
	<b>88,671,548</b>	<b>(66,813,315)</b>
<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>88,671,548</b>	<b>(66,813,315)</b>

	2012-13 Rupees	2011-12 Rupees
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net (Decrease)/ Increase in Long Term Borrowings	-	(15,948,787)
Net (Decrease)/ Increase in Short Term Borrowings	<b>(35,749,701)</b>	40,385,446
Interest Paid	<b>(148,286)</b>	(1,438,280)
Dividend Paid (Inclusive of Dividend Distribution Tax)	<b>(63,415,469)</b>	(54,629,527)
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>(99,313,456)</b>	<b>(31,631,148)</b>
	<b>(99,313,456)</b>	<b>(31,631,148)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>19,549,876</b>	<b>23,328,118</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>188,276,144</b>	164,948,026
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>207,826,020</b>	188,276,144
	<b>19,549,876</b>	<b>23,328,118</b>

**Notes****1 Closing Balance of Cash & Cash Equivalents**

Cash and Cash Equivalents Includes:

CASH IN HAND

7,736

7,098

BALANCE WITH SCHEDULED BANKS

- In Current Account

205,484,187

46,101,634

- In Bank Deposits Account

2,334,097

142,167,412

**207,826,020****188,276,144**

- 2 Interest received on delayed payments from dealers of Rs.20,505,620/- (Previous Year Rs.15,396,358/-) has been considered as cash flow from operating activities.
- 3 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report attached of even date

For **M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration Number : 101484W

**J.P. BAIRAGRA**  
**PARTNER**  
 MEMBERSHIP NO. 12839

PLACE : MUMBAI  
 DATED : 29.05.2013

FOR AND ON BEHALF OF THE BOARD

**SHEKHAR BAJAJ**  
**CHAIRMAN**

**H. A. NEVATIA**  
**WHOLE TIME DIRECTOR**

PLACE : MUMBAI  
 DATED : 29.05.2013



**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

(Amount in Rupees)

**1 SHARE CAPITAL**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Authorized Shares</b>		
40,000,000 Equity shares, Re. 1/- par value (Previous Year 20,000,000 equity shares Re. 1/- par value )	<b>40,000,000</b>	20,000,000
	<b>40,000,000</b>	20,000,000
<b>Issued, Subscribed and Fully Paid Up Shares</b>		
32,000,000 Equity shares, Re. 1/- par value fully paid up (Previous Year 16,000,000 equity shares Re. 1/- par value )	<b>32,000,000</b>	16,000,000
<b>Total Issued, Subscribed and Fully Paid Up Share Capital</b>	<b>32,000,000</b>	16,000,000

**Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2013:**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Number of shares at the beginning	<b>16,000,000</b>	16,000,000
Add: Bonus Shares issued during the year*	<b>16,000,000</b>	-
Less : Shares bought back (if any)	-	-
<b>Number of shares at the end</b>	<b>32,000,000</b>	16,000,000

\* During the year, the Company has issued Bonus Shares in the ratio of 1:1 by capitalisation of General Reserve.

**Note No 1.2: Terms/rights attached to equity shares**

- (A) The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) The amount of per share dividend of Rs. 1.75(Previous Year Rs. 3.50) has been proposed to be distributed to equity shareholders for the year ended 31/03/2013. The total amount of dividend shall be Rs. 65,517,200/- Including Dividend Distribution Tax Rs. 9,517,200/- (Previous Year Dividend of Rs. 65,084,600/- (Including Dividend Distribution Tax Rs. 9,084,600/-).
- (C) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 1.3: Aggregate number of bonus shares issued and sub-division of shares during the period of five years immediately preceding the reporting date :**

- (A) In the Financial Year 2008-09, 1,600,000 Equity Shares of Rs.10 each fully paid were sub-divided into 16 000 000 Equity Shares of Re.1 each fully paid up.

**Note No 1.4: The details of shareholders holding more than 5% shares in the company :**

Name of the shareholder	No. of shares held	% held as at 31st March, 2013	No. of shares held	% held as at 31st March, 2012
Bajaj Holdings & Investment Ltd.	<b>6,251,040</b>	<b>19.53</b>	3,125,520	19.53
Jamnallal Sons Pvt. Ltd.	<b>5,221,680</b>	<b>16.32</b>	2,610,840	16.32
Mrs. Sunaina Kejriwal	<b>1,990,480</b>	<b>6.22</b>	995,240	6.22
Bajaj Sevashram Pvt. Ltd.	<b>1,868,000</b>	<b>5.84</b>	934,000	5.84
Mr. Anant Bajaj	<b>1,664,000</b>	<b>5.20</b>	832,000	5.20

**2 RESERVE & SURPLUS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Capital reserve</b>		
Opening Balance (As per last Balance Sheet)	(A) <b>513,804</b>	513,804
<b>General reserve</b>		
Opening Balance	<b>1,347,243,382</b>	1,103,161,750
Add: Transferred from surplus	<b>184,793,133</b>	244,081,632
Less : Capitalisation of Reserves by way of allotment of Bonus Shares	<b>16,000,000</b>	-
	(B) <b>1,516,036,515</b>	1,347,243,382
Surplus - Opening balance	<b>15,000,000</b>	15,000,000
Add: Net profit after tax transferred from statement of profit & loss	<b>285,310,333</b>	309,166,232
<b>Amount available for appropriation</b>	<b>300,310,333</b>	324,166,232

Less : Appropriations			
Proposed Dividend		56,000,000	56,000,000
Dividend Tax		9,517,200	9,084,600
Amount transferred to general reserve		184,793,133	244,081,632
Surplus Closing Balance	(C)	50,000,000	15,000,000
<b>Total of Reserve &amp; Surplus</b>	<b>(A+B+C)</b>	<b>1,566,550,319</b>	<b>1,362,757,186</b>

**3 DEFERRED TAX LIABILITIES (NET)**

Particulars		As at 31st March, 2013	As at 31st March, 2012
<b>Deferred tax liabilities</b>			
On account of difference in depreciation as per books and income tax		55,432,152	52,084,013
	(A)	55,432,152	52,084,013
<b>Less : Deferred tax assets</b>			
On account of Expenses allowable under income tax on payment basis		2,975,384	2,513,426
On account of Voluntary Retirement Scheme		2,669,597	5,096,502
On account of Provision for warranty		296,610	181,557
On account of Allowance for Bad & Doubtful Debts		3,459,950	3,475,689
	(B)	9,401,541	11,267,174
<b>Total of Net Deferred Tax Liability</b>	<b>(A-B)</b>	<b>46,030,611</b>	<b>40,816,839</b>

**4 OTHER LONG - TERM LIABILITIES**

Particulars		As at 31st March, 2013	As at 31st March, 2012
Deposits		3,102,400	2,352,400
		3,102,400	2,352,400

**5 SHORT TERM BORROWING**

Particulars		As at 31st March, 2013	As at 31st March, 2012
<b>Secured Loans</b>			
<b>Other Loans and Advances</b>			
Working Capital Facilities from Bank (Refer Note No. 5.1 given below)		5,477,518	41,227,219
		5,477,518	41,227,219

**Note No. 5.1 :**

Secured by hypothecation of stock, book debts and secured by collateral security of movable and immovable fixed assets of Company.

**6 TRADE PAYABLES**

Particulars		As at 31st March, 2013	As at 31st March, 2012
Sundry Creditors For Goods (Refer Note No. 6.1 given below)		88,564,972	35,269,712
Sundry Creditors For Expenses (Refer Note No. 6.1 given below)		51,208,801	35,188,184
		139,773,773	70,457,897

**Note No. 6.1 :**

The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid / payable under this Act, have not been given. The same has been relied upon by the Auditors.

**7 OTHER CURRENT LIABILITIES**

Particulars		As at 31st March, 2013	As at 31st March, 2012
Unpaid Dividends		7,105,995	5,436,864
Advances From Customers		3,514,992	5,566,928
Sundry Creditors for Capital Goods		258,710	314,851
<b>Other Liabilities</b>			
Statutory Liabilities		3,475,983	1,510,136
Employee Benefit Payable		11,873,907	13,268,221
		26,229,587	26,097,000


**8 SHORT TERM PROVISIONS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Other Provisions		
Provision For Taxation	<b>28,700</b>	17,260
Proposed Dividend	<b>56,000,000</b>	56,000,000
Corporate Dividend Tax	<b>9,517,200</b>	9,084,600
Other Provisions (Refer Note No 36)	<b>4,114,439</b>	5,546,418
	<b>69,660,339</b>	70,648,278

**9. FIXED ASSETS**

Particulars	GROSS BLOCK				Depreciation				Net Block	
	As at 31.03.2012	Addition during the year	Deduction during the year	As at 31.03.2013	Up to 31.03.2012	For the year	Deduction during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangibles Assets :</b>										
Freehold Land	7,394,655	-	-	<b>7,394,655</b>	-	-	-	-	<b>7,394,655</b>	7,394,655
Leasehold Land	1,500,000	-	-	<b>1,500,000</b>	214,284	53,571	-	<b>267,855</b>	<b>1,232,145</b>	1,285,716
Buildings (Refer Note No 9.1)	96,676,330	6,432,006	2,263,751	<b>100,844,585</b>	11,430,403	2,442,114	523,808	<b>13,348,709</b>	<b>87,495,876</b>	85,245,927
Plant & Machinery	47,553,580	1,009,833	404,062	<b>48,159,351</b>	35,875,517	1,657,728	177,571	<b>37,355,674</b>	<b>10,803,677</b>	11,678,063
Machine Accessories	202,957	-	-	<b>202,957</b>	190,224	1,316	-	<b>191,540</b>	<b>11,417</b>	12,733
Electrical Installations	12,538,050	195,602	-	<b>12,733,652</b>	3,268,714	576,569	-	<b>3,845,283</b>	<b>8,888,369</b>	9,269,336
Windmill Plant	231,253,191	-	-	<b>231,253,191</b>	78,560,927	12,210,168	-	<b>90,771,095</b>	<b>140,482,096</b>	152,692,264
Furniture & Fixtures	7,761,747	437,950	221,812	<b>7,977,885</b>	3,296,501	453,568	80,329	<b>3,669,740</b>	<b>4,308,145</b>	4,465,246
Factory Fixtures	9,752,863	445,481	-	<b>10,198,344</b>	1,659,948	460,399	-	<b>2,120,347</b>	<b>8,077,997</b>	8,092,915
Jigs & Fixtures	7,527,103	3,401	-	<b>7,530,504</b>	4,859,088	293,978	-	<b>5,153,066</b>	<b>2,377,438</b>	2,668,015
Dies & Patterns	138,650	50,000	-	<b>188,650</b>	131,717	7,288	-	<b>139,005</b>	<b>49,645</b>	6,933
Vehicles	4,302,348	4,749,161	-	<b>9,051,509</b>	1,342,822	512,554	-	<b>1,855,376</b>	<b>7,196,133</b>	2,959,526
Office Equipments	2,874,784	518,086	134,952	<b>3,257,918</b>	1,004,980	126,232	35,907	<b>1,095,305</b>	<b>2,162,613</b>	1,869,804
Computers	6,517,003	645,395	38,850	<b>7,123,548</b>	3,227,969	840,037	31,521	<b>4,036,485</b>	<b>3,087,063</b>	3,289,034
<b>Total Tangible Assets</b>	<b>435,993,260</b>	<b>14,486,915</b>	<b>3,063,427</b>	<b>447,416,748</b>	<b>145,063,094</b>	<b>19,635,531</b>	<b>849,136</b>	<b>163,849,480</b>	<b>283,567,268</b>	<b>290,930,167</b>
Previous Year	454,243,610	9,952,156	28,202,506	435,993,260	126,843,616	19,791,341	1,571,863	145,063,094	290,930,167	
<b>Intangibles Assets :</b>										
Computer Software	4,605,385	70,658	-	<b>4,676,043</b>	3,478,324	543,134	-	<b>4,021,458</b>	<b>654,585</b>	1,127,061
Technical Know-How	644,027	-	-	<b>644,027</b>	644,027	-	-	<b>644,027</b>	-	-
<b>Total Intangible Assets</b>	<b>5,249,412</b>	<b>70,658</b>	-	<b>5,320,070</b>	<b>4,122,351</b>	<b>543,134</b>	-	<b>4,665,485</b>	<b>654,585</b>	<b>1,127,061</b>
Previous Year	5,249,412	-	-	5,249,412	3,581,734	540,617	-	4,122,351	1,127,061	
<b>Total</b>	<b>441,242,672</b>	<b>14,557,573</b>	<b>3,063,427</b>	<b>452,736,818</b>	<b>149,185,445</b>	<b>20,178,665</b>	<b>849,136</b>	<b>168,514,965</b>	<b>284,221,853</b>	<b>292,057,228</b>
Previous Year	459,493,022	9,952,156	28,202,506	441,242,672	130,425,350	20,331,958	1,571,863	149,185,445	292,057,228	
<b>C W I P - TANGIBLE</b>										
Current Year	5,627,006	1,230,381	6,432,006	425,381	-	-	-	-	425,381	5,627,006
Previous Year	7,127,069	5,090,241	6,590,304	5,627,006	-	-	-	-	5,627,006	

**Note No 9.1: Buildings**

- Building include Rs. 500 being the cost of 10 shares of Bajaj Bhavan Owner's Co-operative Society of Rs. 50 each.
- Gross block of Buildings includes Rs. Nil (Previous Year Rs. 2,236,752/-), Net block of Rs. Nil (Previous Year Rs. 1,744,089/-) towards cost of assets held for sale.

**10. NON CURRENT INVESTMENT**

Particulars	As at 31st March, 2013				As at 31st March, 2012	
<b>Non Trade Investments</b>	Face Value	Qty	Amount (Rs.)	Qty	Amount (Rs.)	
<b>Quoted</b>						
<b>Equity Instruments</b>						
Bajaj Holdings & Investment Ltd.	10	<b>286,094</b>	<b>103,225,208</b>	286,094	103,225,208	
Bajaj Auto Ltd.	10	<b>182,590</b>	<b>20,662,787</b>	182,590	20,662,787	
Bajaj Finserv Ltd.	5	<b>92,063</b>	<b>6,997,245</b>	82,694	1,557,394	
Bajaj Electricals Ltd.	2	<b>554,937</b>	<b>101,909,527</b>	378,717	70,481,883	
<b>Total Value of Quoted Investments</b>			<b>232,794,767</b>		<b>195,927,273</b>	

Aggregate market value of Quoted Investments Rs. 758,150,310/- (Previous Year Rs. 665,130,093/-)

**Unquoted**Preference Shares

9% Redeemable Preference Shares of Hind Lamps Ltd.	25	400,000	10,000,000	400,000	10,000,000
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Mutual Funds

DSP BlackRock FMP 12M-Series 25 Growth	10	-	-	2,000,000	2,000,000
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<b>Total Value of Unquoted Investments</b>			<b>10,000,000</b>		<b>30,000,000</b>
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Total of Long Term Investments			<b>242,794,767</b>		<b>225,927,273</b>
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Less : Provision for Diminution in the value of Investment			-		-
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<b>Net Value of Investment</b>			<b>242,794,767</b>		<b>225,927,273</b>
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**11 LONG TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured)		
Capital Advances	40,000	-
Deposits	16,024,419	16,128,063
<u>Other Loans and Advances</u>		
Prepaid Expenses	117,344	30,840
Advance Tax	75,409,028	32,833,848
(Net of Provision for Taxation Rs. 389,126,508/- (Previous Year Rs. 336,270,808/-))		
	<b>91,590,791</b>	<b>48,992,751</b>

**12 INVENTORIES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Raw Material (Refer Note No. 12.1 given below)	208,447,090	180,427,030
Work in Progress	30,296,741	20,084,338
Finished Goods	6,420,880	1,981,858
Stores & Spares	6,809,983	7,001,925
Packing Material	334,906	186,379
	<b>252,309,600</b>	<b>209,681,530</b>

**Note No. 12.1 : Goods in transit**

Raw Material includes goods in transit of Rs. Nil (Previous Year Rs. 346,378/-)

**13 TRADE RECEIVABLES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, Considered Good, unless specified otherwise)		
<u>More Than Six Months (Refer Note No. 38)</u>		
Considered Good	42,622,730	28,101,335
Considered Doubtful	10,179,319	10,712,557
Less : Allowance for Bad Debts	(10,179,319)	(10,712,557)
<u>Others</u>		
Considered Good	209,132,244	193,109,983
	<b>251,754,974</b>	<b>221,211,318</b>

**14 CASH & BANK BALANCES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
<u>Cash &amp; Cash Equivalents</u>		
Cash on Hand	7,736	7,098
<u>Balances With Banks</u>		
In Current Account	205,484,187	46,101,634
In Bank Deposits Account	2,334,097	142,167,412


**Other Bank Balances**

In Unpaid Dividend Account (Refer Note No. 14.1)	7,105,995	5,436,864
In Margin Money account (Refer Note No. 14.2)	6,879,613	6,270,084
In Bank Deposits with less than 12 months maturity	114,951,190	50,745,007
In Bank Deposits with more than 12 months maturity	41,494,008	252,820
	<b>378,256,826</b>	<b>250,980,919</b>

**Note No. 14.1**

The Company can utilise these balances only towards settlement of the unpaid dividend.

**Note No. 14.2**

Margin money deposits amounting to Rs. 6,879,613/- (Previous Year Rs. 6,270,084/-) are lying with bank against Bank Guarantees.

**15 SHORT TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	2,383,099	2,039,523
<u>Loans and Advances to Related Parties</u>		
Loan to Companies	-	24,937,500
<u>Other Loans &amp; Advances</u>		
Prepaid Expenses	9,651,451	5,360,982
Loan to Companies (Other than Related Parties)	260,000,000	230,000,000
Advance Tax	54,968,867	49,588,404
(Net of Provision for Taxation Rs. 390,984,501/- (Previous Year Rs. 321,335,941/- ))		
Balance with Central Excise	3,309,830	2,565,699
Loan and Advances to employees	63,752	167,076
Advance to suppliers	1,001,527	8,578,753
	<b>331,378,526</b>	<b>323,237,938</b>

**16 OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest Receivable	14,130,914	24,378,618
Export Duty Draw Back receivable	11,006	2,037
VAT Refund Receivable	41,929,953	28,240,245
Octroi Receivable	19,956	19,956
	<b>56,091,829</b>	<b>52,640,856</b>

**17 a) CONTINGENT LIABILITIES**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Disputed Income Tax Liability	122,765,412	122,144,142
Disputed Excise Duty Liability	15,501,457	13,385,300
Indemnity Bonds issued under Export Promotion Capital Goods (EPCG) Scheme	507,554	507,554
Claims against the company not acknowledged as debts	732,470	732,470
Sales Tax Liabilities related to pending C Form	44,394,630	47,952,124
	<b>183,901,523</b>	<b>184,721,590</b>

**b) COMMITMENTS**

Particulars	As at 31st March, 2013	As at 31st March, 2012
Estimated Amounts of Contract remaining to be executed on Capital account and not provided for	-	-
	-	-

**18 REVENUE FROM OPERATIONS**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Sale of Products (Refer Note No 18.1 given Below)	1,368,138,204	1,324,715,430
<u>Other Operating Revenue</u>		
Export Duty Drawback	30,515	85,705
Income from Erection & Commissioning Services	1,996,100	1,219,100
Scrap Sales	263,726	2,164,828
Less : Excise Duty	133,802,146	118,170,630
	<u>1,236,626,399</u>	<u>1,210,014,433</u>

**Note No 18.1 : Sale of Products**

Particulars	2012-2013	2011-2012
Chain Pulley Blocks, Hoists, Trolleys, Stakers	1,223,552,171	1,168,847,006
Spares	111,744,764	124,967,441
Cranes	1,994,089	3,325,050
Sale of Power Units	30,847,179	27,575,933
	<u>1,368,138,204</u>	<u>1,324,715,430</u>

**19 OTHER INCOME**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest Income (Refer Note No 19.1)	81,112,194	50,529,009
Dividend income on Long Terms Non-trade investments	17,048,265	17,640,469
Profit on Sale of Fixed Assets (Net)	7,534,474	5,514,630
<u>Other non-operating income</u>		
Exchange Rate Fluctuation (Net)	-	435,441
Profit on sale of Long Term Non Trade Investments (Net)	1,916,000	8,841,393
Commission Income	1,011,769	312,069
Provision no longer required, written back	3,464,016	4,420,308
Sundry Balance Written Off (Net)	1,303,144	3,735,428
Cash discount on Purchases of goods	707,844	441,923
Miscellaneous income	89,808	179,914
	<u>114,187,514</u>	<u>92,050,585</u>

**Note No. 19.1 : Break-up of Interest received**

Particulars	2012-2013	2011-2012
Interest income on loan given to employee	205	6,773
Interest income from parties	20,505,620	15,396,358
Interest income on other deposit	16,468	16,451
Interest income on deposits with banks	24,865,400	22,277,523
Interest income on inter corporate deposits	35,724,501	12,831,904
	<u>81,112,194</u>	<u>50,529,009</u>

**20 COST OF MATERIALS CONSUMED**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening Stock of Raw Material	180,080,652	199,308,403
Add : Purchases of Raw Material	692,878,699	581,364,589
	<u>872,959,351</u>	<u>780,672,992</u>
Less : Closing Stock of Raw Material	208,447,090	180,080,652
<b>Cost of Materials Consumed</b> (Refer Note No. 20.1 & Note No. 34)	<u>664,512,261</u>	<u>600,592,340</u>



<b>Note No. 20.1 : Cost of Material Consumed</b>	<b>2012-2013</b>	<b>2011-2012</b>
Castings	<b>70,562,860</b>	67,082,613
Forgings	<b>40,688,150</b>	40,200,726
Electric Motors	<b>81,679,102</b>	70,388,044
Steel	<b>98,907,503</b>	93,822,205
Chains	<b>79,716,816</b>	85,161,326
Others	<b>292,957,830</b>	243,937,426
<b>Total</b>	<b>664,512,261</b>	600,592,340

**21 PURCHASE OF STOCK IN TRADE**

<b>Particulars</b>	<b>Year ended 31st March, 2013</b>	<b>Year ended 31st March, 2012</b>
<b>Traded Items</b>		
Traded Goods (Refer Note No 21.1)	<b>1,994,089</b>	3,325,050
	<b>1,994,089</b>	3,325,050
<b>Note No. 21.1 : Traded Goods</b>		
Cranes	<b>1,994,089</b>	3,325,050
	<b>1,994,089</b>	3,325,050

**22 CHANGES IN INVENTORIES**

<b>Particulars</b>	<b>Year ended 31st March, 2013</b>	<b>Year ended 31st March, 2012</b>
<b>FINISHED GOODS</b>		
Opening Stock	<b>1,981,858</b>	4,016,937
Closing Stock	<b>6,420,880</b>	1,981,858
<b>Change in Stock of Finished Goods</b>	<b>(4,439,022)</b>	2,035,079
<b>WORK IN PROGRESS</b>		
Opening Stock	<b>20,084,338</b>	24,935,398
Closing Stock	<b>30,296,741</b>	20,084,338
<b>Change in Stock of Work in Progress</b>	<b>(10,212,403)</b>	4,851,060
<b>Change in Inventories</b>	<b>(14,651,425)</b>	6,886,139

**23 EMPLOYEE BENEFIT EXPENSES**

<b>Particulars</b>	<b>Year ended 31st March, 2013</b>	<b>Year ended 31st March, 2012</b>
Salaries, Wages and Bonus	<b>48,459,135</b>	40,504,661
Contribution to Provident and other fund	<b>5,149,646</b>	4,308,832
Staff Welfare Expenses	<b>19,099,672</b>	13,625,336
	<b>72,708,453</b>	58,438,829

**24 FINANCE COST**

<b>Particulars</b>	<b>Year ended 31st March, 2013</b>	<b>Year ended 31st March, 2012</b>
Interest Expense (Refer Note No 24.1)	<b>148,286</b>	550,565
Other Borrowing Cost	<b>862,953</b>	-
	<b>1,011,239</b>	550,565

<b>Note No. 24.1 : Break-up of Interest Expense</b>	<b>2012-2013</b>	<b>2011-2012</b>
Interest expense on Bank Borrowings	<b>106,062</b>	542,877
Interest expense on Income Tax	<b>42,224</b>	7,688
	<b>148,286</b>	550,565

**25 OTHER EXPENSES**

Particulars	Year ended		Year ended	
	31st March, 2013		31st March, 2012	
Consumption of Stores and Tools (Refer Note No.34)		<b>3,911,569</b>		3,923,590
Manufacturing & Processing charges		<b>31,964,209</b>		34,545,196
Power & Fuel		<b>3,511,388</b>		2,860,710
Consumption Of Packing Material (including packing Labour charges)		<b>27,573,185</b>		25,083,696
<b>Repairs &amp; Maintenance</b>				
Plant & Machinery	<b>1,119,605</b>		1,040,997	
Building	<b>5,337,531</b>		5,091,345	
Others	<b>864,861</b>	<b>7,321,997</b>	<b>779,977</b>	6,912,319
Insurance Charges		<b>695,377</b>		695,376
Rates & Taxes		<b>2,164,307</b>		2,509,849
Erection and Commissioning Charges		<b>1,665,465</b>		1,058,000
Carriage outwards (Net)		<b>26,943,491</b>		14,281,136
Advertisement & Sales Promotion		<b>9,368,930</b>		8,904,151
Sales Incentive to Dealers		<b>2,081,753</b>		361,577
Discounts & Commission on sales		<b>34,971,182</b>		27,633,955
Incentive to Business Facilitator		<b>800,000</b>		800,000
Warranty expenses		<b>1,249,491</b>		919,270
Auditors Remuneration (Refer Note No. 25.1)		<b>640,159</b>		624,052
Directors' Fees		<b>820,000</b>		720,000
Directors' Remuneration		<b>120,000</b>		120,000
Fixed Assets Written Off		<b>19,289</b>		-
Bad Debts		<b>1,145,000</b>		300,825
Allowance for Bad Debts		<b>2,160,683</b>		6,395,453
Provision for Liquidated Damages		<b>1,166,148</b>		120,677
Miscellaneous expenses		<b>35,079,041</b>		30,506,039
		<b>195,372,664</b>		169,275,871
<b>Note No. 25.1 : Auditors Remuneration :</b>				
		<b>2012-2013</b>	<b>2011-2012</b>	
<b>(A) Payment to Statutory Auditors</b>				
<u>As Auditors :</u>				
Audit Fees (including Limited Review)	<b>380,000</b>		350,000	
Tax Audit Fees	<b>80,000</b>		80,000	
VAT Audit Fees	<b>40,000</b>		40,000	
Towards Service Tax *	<b>61,800</b>	<b>561,800</b>	<b>56,856</b>	556,856
<u>In Other Capacity :</u>				
Certification	<b>10,000</b>		60,000	
Income Tax matter	<b>30,000</b>		30,000	
Out of pocket expenses	<b>60,159</b>		34,052	
Towards Service Tax **	<b>4,944</b>	<b>105,103</b>	9270	133,322
	<b>(A)</b>	<b>666,903</b>		<b>690,178</b>
<b>(B) Payment to Cost Auditors</b>				
Audit Fees		<b>40,000</b>		-
	<b>(B)</b>	<b>40,000</b>		-
<b>Total Auditors Remuneration</b>	<b>(A+B)</b>	<b>706,903</b>		<b>690,178</b>

\*Note: Out of above service tax credit of Rs. 66,744/- (Previous Year Rs.66,126/-) has been taken and the same has not been debited to Statement of Profit & Loss.



**26 EARNING PER SHARE (EPS)**

**Earnings per Share (EPS) excluding extraordinary items (net of tax expense) – The numerators and denominators used to calculate Basic and Diluted Earnings per share:**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit/(Loss) before taxation and extra-ordinary items (Rs.)	409,687,967	442,664,265
Less : Provision for taxation (net of extra-ordinary items) (Rs.)	122,718,000	129,948,251
Less : Deferred tax (net of extra-ordinary items) (Rs.)	2,786,867	1,608,158
Less : Income Tax of earlier year (Rs.)	-1,035,138	1,941,624
Profit/(Loss) attributable to the shareholders (Rs.)	285,218,238	309,166,232
Basic/Weighted average number of Equity Shares outstanding during the year (Refer Note No. 26.1)	32,000,000	32,000,000
Face value of each Equity shares (Rs.)	1	1
Basic / Diluted Earnings per share (Rs.)	8.91	9.66

**Earnings per Share (EPS) including extraordinary items – The numerators and denominators used to calculate Basic and Diluted Earnings per share:**

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit/(Loss) attributable to the shareholders (Rs.)	285,310,333	309,166,232
Basic/Weighted average number of Equity Shares outstanding during the year (Refer Note No. 26.1)	32,000,000	32,000,000
Face value of each Equity shares (Rs.)	1	1
Basic / Diluted Earnings per share (Rs.)	8.92	9.66

**Note No. 26.1**

During the current year, the Company has issued Bonus Shares in the ratio of 1:1, accordingly, for the purpose of calculating Earning Per Shares Number of Equity Shares has been increased for all the period presented in accordance with Accounting Standard 20 on "Earnings Per Share".

**27 C.I.F. Value of Imports (excluding imported materials purchased locally)**

Particulars	2012-2013 Rs.	2011-2012 Rs.
Raw Materials & Components	37,632,973	24,492,708

**28 Remittance in Foreign Currencies on account of dividend to non-resident shareholders**

Particulars	2012-2013 Rs.	2011-2012 Rs.
Number of Shareholder	1	1
Number of Shares	800,000	800,000
Amount remitted (in Rs.)	2,800,000	2,400,000
Financial Year	2011-2012	2010-2011
Nature of Dividend	Annual	Annual

**29 Expenditure in Foreign Currencies**

Particulars	2012-2013 Rs.	2011-2012 Rs.
Travelling Expenses	414,278	576,454
Others	36,077	-

**30 Earnings in Foreign Currencies**

Particulars	2012-2013 Rs.	2011-2012 Rs.
Exports (on F.O.B. Basis)	4,071,328	12,465,600
Freight	381,195	72,884
Insurance	603	1,168

**31 Employee Benefits**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as an expense for the year are as under :

Particulars	2012-2013 Rs.	2011-2012 Rs.
Employer's Contribution to Providend Fund	2,345,554	1,938,412
Employer's Contribution to Superannuation Fund	1,924,419	1,623,440

**Defined Benefit Plan**

Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation as at balance sheet date by an independent actuary. The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year. The Company has funded the liability on account of leave benefits through LIC's Group Leave Encashment Assurance Scheme and the Contribution is charged to Statement of Profit and Loss.

Sr. No.	Particulars	2012-13		2011-12	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
<b>I</b>	<b>Assumptions</b>				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	5.00%	5.00%	5.00%	5.00%
<b>II</b>	<b>Changes in present value of obligations</b>				
(a)	Present value of obligations as at the beginning of year	2,950,557	6,871,582	2,293,869	6,624,946
(b)	Interest cost	236,045	549,727	183,510	529,996
(c)	Current Service Cost	280,357	511,571	288,596	492,921
(d)	Benefits Paid	(934,599)	-	(908,561)	(657,346)
(e)	Actuarial gain on obligations	867,244	178,002	1,093,143	(118,935)
(f)	Present value of obligations as at the end of year	3,399,604	8,110,882	2,950,557	6,871,582
<b>III</b>	<b>Changes in the fair value of plan assets</b>				
(a)	Fair value of plan assets at the beginning of year	3,429,765	7,089,299	3,653,277	6,498,648
(b)	Expected return on plan assets	292,962	737,686	302,139	614,223
(c)	Contributions	1,490,349	908,077	382,910	633,774
(d)	Benefits paid	(934,599)	-	(908,561)	(657,346)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	4,278,477	8,735,062	3,429,765	7,089,299
<b>IV</b>	<b>Fair value of plan assets</b>				
(a)	Fair value of plan assets at the beginning of year	3,429,765	7,089,299	3,653,277	6,498,648
(b)	Actual return on plan assets	292,962	737,686	302,139	614,223
(c)	Contributions	1,490,349	908,077	382,910	633,774
(d)	Benefits Paid	(934,599)	-	(908,561)	(657,346)
(e)	Fair value of plan assets at the end of year	4,278,477	8,735,062	3,429,765	7,089,299
(f)	Funded status	878,873	624,180	479,208	217,717
(g)	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	-	-	-	-
<b>V</b>	<b>Actuarial Gain/Loss recognized</b>				
(a)	Actuarial gain for the year -Obligation	(867,244)	(178,002)	(1,093,143)	118,935
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	867,244	178,002	1,093,143	(118,935)
(d)	Actuarial gain recognized in the year	867,244	178,002	1,093,143	(118,935)
<b>VI</b>	<b>The amounts to be recognized in the balance sheet and statements of Profit and Loss</b>				
(a)	Present value of obligations as at the end of the year	3,399,604	8,110,882	2,950,557	6,871,582
(b)	Fair value of plan assets as at the end of the year	4,278,477	8,735,062	3,429,765	7,089,299
(c)	Funded status	878,873	624,180	479,208	217,717
(d)	Net liability/(asset) recognized in balance sheet	878,873	624,180	(479,208)	(217,717)
<b>VII</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>				
(a)	Current Service cost	280,357	511,571	288,596	492,921
(b)	Interest Cost	236,045	549,727	183,510	529,996
(c)	Expected return on plan assets	(292,962)	(737,686)	(302,139)	(614,223)
(d)	Net Actuarial gain recognised in the year	867,244	178,002	1,093,143	(118,935)
(e)	Expenses recognised in statement of Profit & Loss Account	1,090,684	501,614	1,263,110	289,759
<b>VIII</b>	<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets.</b>				
(a)	Administered by Life Insurance Corporation of India	100.00%	100.00%	100.00%	100.00%

**Note :** The above information have been given based on information provided by the Life Insurance Corporation of India.

**32 Related party disclosure**

a) Details of nature of relationship.

Sr. No.	Related Parties	Nature of Relationship
(i)	Bajaj Electricals Limited	Shri Shekhar Bajaj is Chairman & Managing Director
(ii)	Bajaj Finserv Ltd.	Relative of Shri Shekhar Bajaj, Shri Madhur Bajaj (Brother) is Director
(iii)	Hind Lamps Limited	Shri Shekhar Bajaj is Chairman
(iv)	Hind Musafir Agency Ltd.	Shri Shekhar Bajaj is Chairman
(v)	Hindustan Housing Co. Ltd.	Shri Shekhar Bajaj is Member
(vi)	Baroda Industries Pvt. Ltd.	Relatives of Shri Shekhar Bajaj, Smt. Minal Bajaj (Brother's Wife) & Shri Niraj Bajaj (Brother) are Directors
(vii)	Mukand Ltd.	Relative of Shri Shekhar Bajaj, Shri Niraj Bajaj (Brother) is Director
(viii)	Bajaj Allianz General Insurance Co. Ltd.	Relative of Shri Shekhar Bajaj, Shri Niraj Bajaj (Brother) is Director
(ix)	Shri Shekhar Bajaj	Chairman (Key Management Personnel)
(x)	Shri H.A. Nevatia	Whole Time Director (Key Management Personnel)
(xi)	Shri M.S. Saigal	President & CEO (Key Management Personnel)
(xii)	Shri Prakash Subramaniam	Joint President (Key Management Personnel) w.e.f. 01/01/2013

b) Details of Transactions and Balances during the year with related parties at the year end.

Sr. No.	Related Parties	Nature of Transactions during the year	2012-13 Rs.	2011-12 Rs.
(i)	Bajaj Electricals Limited	Reimbursement of expenses	2,730	13,041
		Payable against Reimbursement of Expense	2,730	8,097
		Contribution in Equity Share	31,427,644	70,481,883
(ii)	Bajaj Finserv Ltd.	Contribution in Equity Share	5,439,850	1,557,394
(iii)	Hind Lamps Limited	Interest received	2,084,775	1,534,636
		Interest Receivable	393,170	2,225,481
		Inter Corporate Deposit placed	-	20,000,000
		Inter Corporate Deposit received back	24,937,500	-
		Inter Corporate Deposit Receivable	-	24,937,500
(iv)	Hind Musafir Agency Ltd.	Purchase of Travel Tickets	9,322,494	5,858,763
		Payable against Purchases	304,195	-
(v)	Hindustan Housing Co. Ltd.	Office Maintenance Charges	268,365	199,984
		Payable towards Maintenance Charges	-	238
		Deposit refund	76,100	-
		Deposit Receivable for services	257,000	333,100
(vi)	Baroda Industries Pvt. Ltd.	Expenses for services received	117,234	303,359
		Payable towards services	-	34,823
(vii)	Mukund Ltd.	Advance given against Purchases	-	99,935
(viii)	Bajaj Allianz General Insurance co. Ltd.	Payment towards Insurance Premiums	2,753,116	2,736,019
		Advance given against Purchases	14,171	3,849
(ix)	Shri H.A.Nevatia	Remuneration Paid (including Other benefits)	346,087	345,253
(x)	Shri M.S.Saigal	Remuneration Paid (including Other benefits)	8,264,546	8,240,214
		Remuneration Payable	4,331,049	4,977,480
(xi)	Shri Prakash Subramaniam	Remuneration Paid (including Other benefits)	3,789,815	-
		Remuneration Payable	1,000,000	-

**Note:** Related party relationship is as identified by the company and relied upon by the Auditors. The Company policy requires all transactions, including those with related parties to be on an "arms length" basis.

**33 SEGMENT REPORTING**

Segment Information for the year ended 31st March, 2013

**Information about primary business segment**

(Amount in Rupees)

Particulars	2012-13				2011-12			
	Segments			Total	Segments			Total
	Material Handling Equipment	Windmill Power	Unallocated		Material Handling Equipment	Windmill Power	Unallocated	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Revenue</b>								
Segment Revenue	1,205,779,220	30,847,179	-	1,236,626,399	1,182,438,500	27,575,933	-	1,210,014,433
<b>Result</b>								
Segment Results	313,298,597	11,462,398	-	324,760,995	372,905,828	10,438,333	-	383,344,161
Less: Unallocated corporate expenses net of Unallocated Corporate Income	-	-	85,033,034	85,033,034	-	-	59,870,668	59,870,668
Less: Interest (Net)	-	-	(106,062)	(106,062)	-	(532,518)	(18,047)	(550,565)
Less: Extra ordinary items	-	-	-	-	-	-	-	-
Profit Before Tax	313,298,597	11,462,398	84,926,972	409,687,967	372,905,828	9,905,815	59,852,621	442,664,264
Less: Provision for Tax (Net of Deferred Tax)	-	-	(125,412,772)	(125,412,772)	-	-	(131,556,409)	(131,556,409)
Net Profit After Tax & Before Prior Period Adjustments	313,298,597	11,462,398	(40,485,800)	284,275,195	372,905,828	9,905,815	(71,703,788)	311,107,855
Add : Prior Period Tax Adjustments	-	-	1,035,138	1,035,138	-	-	(1,941,624)	(1,941,624)
Net Profit After Prior Period Adjustments	313,298,597	11,462,398	(39,450,662)	285,310,333	372,905,828	9,905,815	(73,645,412)	309,166,232
<b>Other Information</b>								
Segment Assets	702,471,445	163,764,264	1,031,961,679	1,898,197,388	617,814,407	175,306,301	848,486,022	1,641,606,730
Segment Liabilities	164,971,718	-	134,675,351	299,647,069	135,002,078	-	127,847,466	262,849,544
Capital Expenditure	14,557,573	-	-	14,557,573	9,952,156	-	-	9,952,156
Depreciation / Amortisation	7,914,926	12,263,739	-	20,178,665	7,861,964	12,263,739	206,255	20,331,958

**Notes :**

- (a) The Company is engaged into two main business segments mainly (i) Material Handling Equipment and (ii) Windmill Power Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns and the organisation structure.
- (b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- (c) The Company does not have any geographical segment.

**34 Imported and Indigenous Raw-materials & Components and Spare Parts consumption**

Particulars	2012-13				2011-12			
	Raw-materials & Components		Spare Parts		Raw-materials & Components		Spare Parts	
	Value (in Rupees)	%	Value (in Rupees)	%	Value (in Rupees)	%	Value (in Rupees)	%
(i) Imported (Excluding imported material purchased locally)	25,955,051	3.91%	-	0.00%	22,965,161	3.82%	-	0.00%
(ii) Indigenous	638,557,210	96.09%	3,911,569	100.00%	577,627,179	96.18%	3,923,590	100.00%
<b>Total</b>	<b>664,512,261</b>	<b>100.00%</b>	<b>3,911,569</b>	<b>100.00%</b>	<b>600,592,340</b>	<b>100.00%</b>	<b>3,923,590</b>	<b>100.00%</b>

The above figures have been ascertained on the basis of opening stock plus purchases less closing stock and therefore, include the adjustment of excesses and shortages ascertained on physical count, write off of unserviceable items, etc.

**35 Derivatives**

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

- (a) Amount Receivable in Foreign Currency on account of the following :

Particulars	As on 31.03.2013		As on 31.03.2012		Foreign Currency
	Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.	
Export of goods	1,767	143,816	16,840	1,362,729	GBP
	35,213	1,896,924	71,438	3,626,178	USD



(b) Amount Payable in Foreign Currency on account of the following :

Particulars	As on 31.03.2013		As on 31.03.2012		Foreign Currency
	Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.	
Import of goods	9,676	529,196	-	-	USD

**36 Disclosure relating to provisions-** The movement in the following provisions is summarised as under :

Note No. **	Provision Related to	Opening Balance	Additions	Utilisation	Reversal	Closing Balance
1.	Warranty	559,584	848,561	535,507	-	872,638
2.	Liquidated Damages	1,786,834	1,166,148	365,460	145,721	2,441,801
3.	Incentives to marketing employees	800,000	800,000	718,759	81,241	800,000
4.	Incentives to management staff (excluding marketing employees)	2,400,000	-	2,400,000	-	-
	<b>TOTAL</b>	<b>5,546,418</b>	<b>2,814,709</b>	<b>4,019,726</b>	<b>226,962</b>	<b>4,114,439</b>

**\*\* Note:**

- The company gives Warranties at the time of Sales of Main Products to the customers. Under the terms of Contract of Sales, the company undertakes to make good by replacement or repairs, Manufacturing defects that arise within 1-2 years from the date of sales. A provision has been recognised for the expected Warranty claims on products sold based on past experience.
  - The Company has taken Orders with Liquidated Damages Clause. A provision has been made for the expected liability wherein the delivery is made beyond the delivery date and attracted the liquidated damages clause in the contract.
  - The company gives incentives to its marketing business facilitators based on their performance.
  - In the previous year, the company gave incentives to its management staff (excluding marketing employees) based on their performance.
- 37** The Company has invested in Preference Shares of Hind Lamps Limited (hereinafter referred as HL) of Rs.10,000,000/-. The accounts of HL shows negative networth, however no provision has been made for diminution in the value of investment as in the opinion of the management, the diminution is not permanent in nature.
- 38** Balance of Debtors includes Rs. 26,922,659/- (previous year Rs. Rs.34,57,657/- ) which are overdue for which no provision has been made in the accounts as the Management is hopeful of recovery.
- 39** Unauthorised price increases of about Rs 2 crores over the last 3 years may have been given to certain identified suppliers during earlier years. The services of the concerned employees have been terminated. Part payments to the concerned suppliers have been held back and purchases have been accounted for at invoiced values. Pending investigation and establishment of the excess price paid, the impact if any on the Statement of Profit and Loss and consequential impact on the Reserves & Liabilities could not be ascertained. Further few suppliers have filed windingup petition against the company for non payment of dues.
- 40** Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

**41 Significant Accounting Policies**

**(A) Basis of Preparation of financial statement**

The financial statements have been prepared under the historical cost convention on an accrual basis and comply in all material respects with the mandatory accounting standards and the relevant provisions of the Companies Act, 1956.

**(B) Inventories Valuation**

Inventories are valued at the lower of cost and net realisable value. Cost of Finished and Semi-finished goods is at estimated cost and cost of Raw materials, Components and Spare Parts is at weighted average cost.

**(C) Revenue Recognition**

Sales are recognised when the significant risks and rewards of ownership of the goods are passed to the customer and with respect to services, when services are rendered. Sales are inclusive of excise duty but exclusive of sales tax / vat and trade discounts.

**(D) Fixed Assets & Depreciation / Amortisation**

- Fixed assets are stated at cost less accumulated depreciation.
- Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except in case of Dies & Patterns which is depreciated @ 20%.
- Cost of technical know-how is amortised over a period of six years.
- Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 5 years on straight-line method.
- Leasehold Land is depreciated over the period of the Lease.

**(E) Foreign Currency Transaction**

- (i) Foreign exchange transaction are accounted at the exchange rate prevailing on the date of transaction. Resulted exchange differences arising on payment or conversion of liabilities are recognised as income or expense in the year in which they arise.
- (ii) At the year end all Foreign currency assets & liabilities are recorded at the exchange rate prevailing on that date. All such exchange rate difference on account of such conversion is recognised in the statement of Profit & Loss.

**(F) Investments**

Long term Investments are stated at cost. Provision for diminution in value of long term investments is made only if such decline is other than temporary in the opinion of the management. Cost of Investment is arrived at on the basis of weighted average cost at the time of sale.

**(G) Employee Benefit**

- (i) Short term employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss for the year in which the related service is rendered .
- (ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Statement of Profit & Loss. Gratuity and Leave encashment which are defined benefits are accrued based on actuarial valuation as at Balance Sheet date by an independent actuary. The Company has opted for a Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India (LIC), and the contribution is charged to the Statement of Profit & Loss each year. The Company has funded the liability on account of leave benefits through LIC's Group Leave Encashment Assurance Scheme and the Contribution is charged to Statement of Profit and Loss.

**(H) Lease**

Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit & Loss as incurred. Lease rentals in respect of assets given under operating leases are credited to the Statement of Profit & Loss.

**(I) Provision for Current Tax**

- (i) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961.
- (ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**(J) Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(K) Provisions and Contingent Liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

42 The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the revised schedule VI.

As per our report attached of even date.

**FOR M L BHUWANIA & CO**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration Number: 101484W**

**FOR AND ON BEHALF OF THE BOARD**

**J.P. BAIRAGRA**  
**PARTNER**  
**MEMBERSHIP NO. 12839**

**SHEKHAR BAJAJ**  
**CHAIRMAN**

**H.A. NEVATIA**  
**WHOLE TIME DIRECTOR**

PLACE : MUMBAI  
 DATED : 29.05.2013

PLACE : MUMBAI  
 DATED : 29.05.2013

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31ST MARCH 2013**

<b>REGISTRATION DETAILS</b>		<b>APPLICATION OF FUNDS</b>		<b>(Rs. In lacs)</b>
Registration No.	12385	Net Fixed Assets		2,846.47
State Code	11	Investments		2,427.95
Balance Sheet Date	31st March 2013	Long term Loans & Advances		915.91
		Net Current Assets		10,286.51
		Accumulated Losses		-
<b>CAPITAL RAISED DURING THE YEAR</b>		<b>PERFORMANCE OF THE COMPANY</b>		<b>(Rs. In lacs)</b>
	<b>(Rs. In lacs)</b>			
Public Issue	Nil	Turnover including other income		13,508.14
Rights Issue	Nil	Total Expenditure		9,411.26
Private Placement	Nil	Profit Before Tax		4,096.88
Bonus Issue	160.00	Profit After Tax		2,853.10
<b>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>		Earnings Per Share (Rs.)		8.92
	<b>(Rs. In lacs)</b>	Dividend Rate (%)		175.00
Total Liabilities	18,888.25			
Total Assets	18,888.25			
<b>SOURCES OF FUNDS</b>		<b>GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY</b>		
	<b>(Rs. In lacs)</b>	<b>PRODUCT NAME</b>		<b>"ITEM CODE (ITC CODE)"</b>
Paid up Capital	320.00	Hoists		842500
Reserves & Surplus	15,665.50	Overhead Travelling Cranes		842600
Secured Loans	-	Spare Parts for above products		843100
Unsecured Loans	31.02			
Deferred Tax Liability (Net)	460.31			

As per our report attached of even date.

**FOR M L BHUWANIA & CO**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration Number: 101484W

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# HERCULES HOISTS LIMITED

Regd. Office: Bajaj Bhawan, 2nd Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021.



## PROXY FORM

I / We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ being a member(s) of the above named Company, hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him  
\_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ as my / our proxy and to vote for me / us on my /  
our behalf at the **51st ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday, 7th August 2013 at 11.00 A.M. at  
Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Please affix  
Rs. 1.00  
Revenue  
Stamp

**N.B.** Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a poll only and the proxy need not be a member. The form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

----- (Tear here) -----



# HERCULES HOISTS LIMITED

Regd. Office: Bajaj Bhawan, 2nd floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021.



## ATTENDANCE SLIP

**51st Annual General Meeting on Wednesday, 7th August 2013 at 11.00 a.m.** at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, 226, Nariman Point, Mumbai 400 021.

Name of the Shareholder/Proxy			
Ledger Folio No.		No. of Shares held	
DP ID		Client ID	

Note : 1) The copy of the Annual Report may please be brought to the Meeting.

2) To be handed over at the entrance of the meeting hall.

-----  
Signature Member's / Proxy's  
(To be signed at the time of  
handing over this slip)

Fiftieth Annual General Meeting - 17th July, 2012

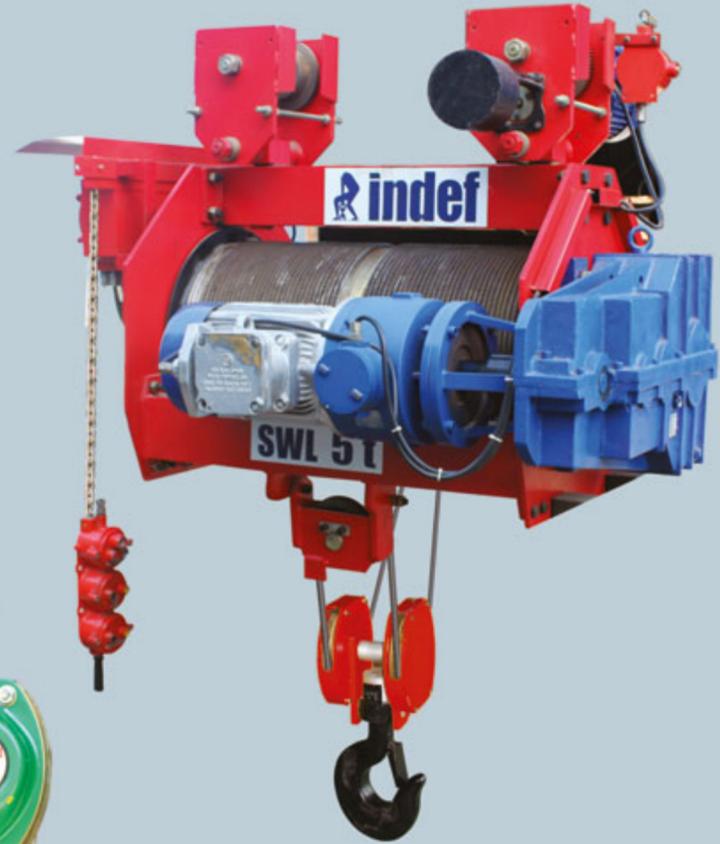


## NEW PRODUCTS

Higher Capacity Range Wire Rope Hoist



Steel Mill Duty - Flame Proof Wire Rope Hoist



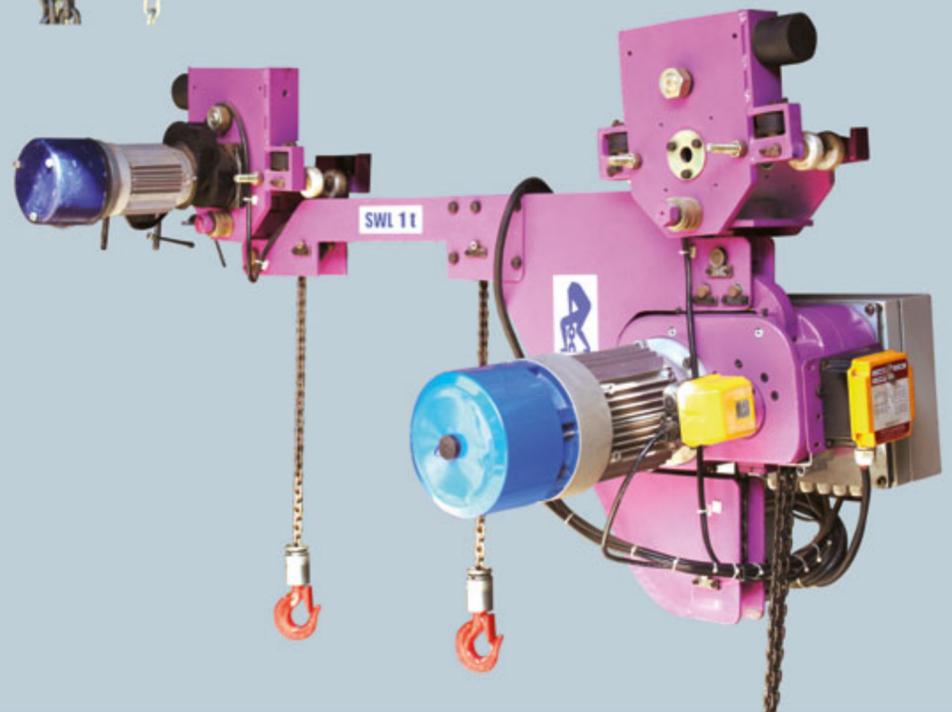
Programmable Logic Control - Chain Hoist



"Zm" Chain Pulley Block with improved features



Twin Hook Chain Electric Hoist



## HERCULES HOISTS LIMITED

CTS No. 43/5, Village Dhamani, Taluka Khalapur, Khopoli, Dist. Raigad, Maharashtra - 410 202. India.

Tel.: + 91 (0) 2192-274036 / 274087 / 274135 Fax: + 91 (0) 2192-274325

E-mail: [enquire@indef.com](mailto:enquire@indef.com) Website: <http://www.indef.com>

**bajaj group**