

HERCULES HOISTS LIMITED
47th ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

SHEKHAR BAJAJ – Chairman
KLAUS CARL UEBEL
NARESH CHANDRA
VINAYA L. MEHROTRA
KISHORILAL F. JHUNJHUNWALA
E. B. DESAI
SHAILESH V. HARIBHAKTI
MUKUL M. UPADHYAYA
GAURAV V. NEVATIA
TUSHAR P. SHAH
H. A. NEVATIA – Whole Time Director

PRESIDENT & CEO

M. S. SAIGAL

BANKERS

BANK OF MAHARASHTRA

AUDITORS

M. L. BHUWANIA & CO.
Chartered Accountants

REGISTERED OFFICE

110, Minerva Industrial Estate,
Mulund (West), Mumbai – 400 080.

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ANNUAL GENERAL MEETING

on Wednesday,

29th July, 2009

at 12:00 NOON

*at Kamalnayan Bajaj Hall, Bajaj Bhavan,
Ground Floor, 226, Jamnalal Bajaj Marg,
Nariman Point, Mumbai - 400 021*

**Shareholders are requested
to bring with them the
Attendance Slip on page 35
and their copy of the Balance Sheet**



HERCULES HOISTS LIMITED

Regd. Office: 110, Minerva Industrial Estate, Mulund (West), Mumbai - 400 080.
Tel. 91-22-25680381, Fax : 91-22-25683933, E-Mail indef@bom5.vsnl.net.in, Website : www.indef.com

NOTICE

NOTICE is hereby given that the **Forty Seventh Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Kamal Nayan Bajaj Hall, Bajaj Bhawan, Ground floor, 226, Jammalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Wednesday, the 29th day of July, 2009, at 12.00 Noon to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date and Report of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri E.B. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.V. Haribhakti, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Mukul M. Upadhyaya, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company for the period commencing from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

AS SPECIAL BUSINESS :

7. **To consider and if thought fit, to pass with or without any modifications, 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 the Articles of Association of the Company and subject to such sanctions, if any, as may be required to be obtained from any authority, the Company hereby accords its approval and consent to the re-appointment of Shri H.A. Nevatia as a Director in Whole-time employment of the Company as an Adviser for a period of two years from 22nd November, 2008 to 21st November, 2010, 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.

1. Remuneration : Rs.10,000/- per month.
2. 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.

“FURTHER RESOLVED THAT in any financial year during the period 22nd November, 2008 to 21st November, 2010, 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.”

“FURTHER RESOLVED THAT the Board of Directors of the Company, be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution.

EXPLANATORY STATEMENT PURSUANT TO SEC. 173(2) OF THE COMPANIES ACT, 1956.

Re : Item No. 7.

After retiring as Managing Director of the Company, Shri H. A. Nevatia was appointed as a Director in the whole-time employment of the Company as an Advisor from 22nd November, 2001. His current term expired on 21st November, 2008.

The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. Accordingly, in the Board Meeting held on 22nd October, 2008, it was decided to continue the services of Shri H. A. Nevatia as a Director in the whole-time employment of the Company as an Adviser for a further period of two years from 22nd November, 2008 to 21st November, 2010, 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 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 Wednesday, the 22nd July, 2009 to Wednesday, the 29th July, 2009, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after 29th July, 2009, to those shareholders, whose names appear in the Register of Members of the Company as on 29th July, 2009.
4. Members holding shares physically are requested to notify immediately any change of address to the Company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 27th May, 2009

Shekhar Bajaj
Chairman



HERCULES HOISTS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We are delighted to present our 47th Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2009:

1. Financial Results	Current Year Rupees	Previous Year Rupees
Sales (Net)	938,587,704	906,938,107
Gross Profit	320,779,293	299,384,553
Depreciation	17,570,640	17,554,584
Profit after Depreciation	303,208,653	281,731,951
Provision for taxation for the year (including deferred tax/Fringe Benefit tax)	104,347,378	98,176,928
Net Profit after tax	198,861,275	183,555,023
Earlier year's income-tax adjustment	(7,137,325)	(889,011)
Balance brought forward	15,000,000	15,000,000
Profit available for appropriation	206,723,950	197,666,012
Proposed Dividend	32,000,000	32,000,000
Corporate Tax on Dividend	5,438,400	5,438,400
Transferred to General Reserve	154,285,550	145,227,612
Balance carried to BALANCE SHEET	15,000,000	15,000,000

- The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.2/- per Equity Share of Re.1/- for the year ended 31st March, 2009, as against Rs.20.00 per Equity Share of Rs.10/- in the last year.
- The sales of the Company are marginally higher as compared to previous year by Rs.31,649,597/- (3.49%). However, the general economic slow-down has affected the Company's business also since September, 2008 with the result that by 31st March, 2009, the pending orders came down substantially. The effect of economic slow-down is continuing. The investments in capital goods are being postponed or delayed. Under the circumstances, it may be difficult to maintain the same performance in the current year. The Company hopes that the situation will improve soon. The construction of the new factory at Khopoli has been completed and the production has started in December, 2008.
- The Company has installed capacity of 5.00 M.W. with investment of Rs.25.00 Crores in wind energy business in 4 Windmills. 63.84 lakhs units of energy were produced in the year 2008-09 as against 38.26 lakhs units of energy produced in the previous year.
- To comply with the requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with The Bombay Stock Exchange Limited and National Stock Exchange of India Limited, the Management Discussion and Analysis Statement, Corporate Governance Report and the Practising Company Secretary's Certificate are included in the Annual Report.
- Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information/representations received from the Management, confirm that :
 - in the preparation of the annual accounts, the applicable standards have been followed and that no material departures have been made from the same;
 - 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;
 - 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
 - the annual accounts are prepared on a going concern basis.
- Shri E.B. Desai, Shri Shailesh V. Haribhakti and Shri Mukul M. Upadhyaya, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. Shri Hariprasad A. Nevatia was re-appointed as a Director in the whole-time employment of the Company as an Adviser with effect from 22nd November, 2008 for a period of two years by the Board of Directors in their Meeting held on 22nd October, 2008. The Special Resolution for approval of this appointment by the shareholders is given in the Notice.
- You are requested to appoint Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
- The relationship with the employees continued to be cordial throughout the year.
- 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. Particulars with regard to employees as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming an integral part of the Directors' Report are given in Annexure-II hereto.
12. 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.

On behalf of the Board of Directors,

Place : Mumbai
Date : 27th May, 2009.

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 :-

(a) Power and Fuel Consumption

Particulars	Current Year	Previous Year
1. Electricity:		
(a) Purchased		
Units	478173	491046
Total Amount (Rs.)	2,641,560	2,583,480
Rate/Unit (Rs.)	5.52	5.26
(b) Own Generation		
Through Diesel Generator		
Units	55518	45366
Units per litre of Diesel Oil	7.71	5.04
Diesel Cost (Rs.)	283838	322434
Rate/Unit (Rs.)	5.11	7.10
2,3 & 4.Coal,Furnace Oil, Others/Internal Generation	Nil.	Nil.

(b) 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 continuously improve the design and quality of the Company's products.

C. Foreign Exchange Earnings & Outgoings:

Particulars	Current Year	Previous Year
(i) Foreign Exchange Earnings	29,532,457	37,045,987
(ii) Foreign Exchange Outgo	35,499,807	39,493,149

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, 2009 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.	4,940,154/-	2,896,196/-	A.I.M.E., M.B.M.	67	46	10.10.1990	Works Manager Sesa Goa Ltd. (10 years)

Notes :

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



COMPLIANCE CERTIFICATE

To,

The Members

HERCULES HOISTS LIMITED

110, Minerva Industrial Estate,
Mulund (West), Mumbai - 400 080

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 2009. 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 duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company, following comments under this paragraph viz.,
 - (i) 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:
 - (ii) has not invited public to subscribe for its shares or debentures; and
 - (iii) has not invited or accepted any deposits from persons other than its members, Directors or their relatives.
 - (iv) prohibits 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 respectively on 21st May 2008, 25th July 2008, 22nd October 2008 and 31st January 2009 and in respect of these 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 18th July 2008 to 25th July 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2008 was held on 25th July 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under review.
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 contracts 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. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has issued 1 (one) duplicate share certificate during the financial year under review.
13. The Company:
 - i. has delivered all the certificates on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
 - ii. had deposited the amount of dividend declared on 25th July 2008 for the Financial Year 2007-08 on 29th July 2008 which is within 5 days from the date of declaration in a separate bank account.
 - iii. had mailed demand drafts/effectuated ECS payment for dividend to all members within a period of 30 (thirty) days from the date of declaration.



- iv. has transferred to Investor Education and Protection Fund, an amount of Rs. 3,638/- in respect of unclaimed interest on fixed deposits which remained unclaimed or unpaid for a period of seven years. Apart from the aforesaid, the Company did not have amounts in the unpaid dividend account; application money due for refund, matured debentures and the interest accrued thereon, which remained unclaimed or unpaid for a period of seven years.
 - v. has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during financial year under review.
 15. The provisions of Section 269 of the Companies Act, 1956 is not applicable to the Company. However, the Company has re-appointed Mr. H A Nevatia as a Whole-time Director of the Company from November 22, 2008 and also made the requisite compliance as required under Section 269 read with Schedule XIII to the Act.
 16. The Company has not appointed any sole selling agents during the financial year under review.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities as prescribed under the various provisions of the Act.
 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act.
 19. The Company has not issued any shares, debentures or other securities during the financial year under review.
 20. The Company has not bought back any shares during the financial 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. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registrations of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans within the purview of Section 58A during the financial year under review.
 24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2009 are within the borrowing limits of the Company.
 25. The Company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the Register kept for the purpose.
 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 altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the financial 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 financial year under review.
 29. The Company has altered the provisions of the Memorandum of Association of the Company with respect to share capital by sub-dividing the face value of equity shares from Rs.10/- per fully paid-up share to Re.1/- per fully paid-up share during the financial year under review.
 30. The Company has altered Article containing the Capital clause by sub-dividing the face value of equity shares from Rs.10/- per share to Re.1/- per share during the financial year under review.
 31. There were no prosecutions initiated against or show cause notices received by the Company, during the financial year under review, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year under review.
 33. The Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner during the financial year under review.

Sd/-

S. N. ANANTHASUBRAMANIAN
C. P. No.: 1774
Practising Company Secretary

Place : Thane
Date : May 4, 2009



ANNEXURE 'A'

Registers as maintained by the Company

Sr. No.	Registers	Under Section
1.	Register of Members and Index of Members	150 and 151
2.	Register of Share Transfers	
3.	Register of Directors, Managing Directors	303
4.	Register of Director's Share and Debenture Holdings	307
5.	Register of Charges (including Debentures)	143
6.	Register of Contracts	301
7.	Register of Contracts, Companies and Firms in which Directors are interested	301(3)
8.	Register of Renewed and Duplicate Certificates	Rule 7 of the (Companies (Issue of Share Certificates) Rules, 1960
9.	Register of Shareholders' Attendance	
10.	Register of Proxies	
11.	Register of Documents Sealed	
12.	Minutes Book	193
13.	Books of Accounts	209

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March 2009.

Sr. No.	Form & Filed on	Filed u/s.	For and remarks
1.	23AC, 23ACA & Balance Sheet	210 on 13th August 2008	Annual Accounts for the Financial year ended 31st March 2008 and adopted as on the date of Annual General Meeting i.e.25th July 2008.
2.	66 & Compliance Certificate	383 A(1) on 13th August 2008	For the Financial year ended 31st March 2008 as on the date of Annual General Meeting i.e. 25th July 2008.
3.	23	94(1)(d), 16 and 31 on 13th August 2008	Sub- division of equity shares of Rs. 10/- each fully paid up to equity shares of Re.1/- each fully paid up vide Special resolution passed in the Annual General Meeting held on 25th July 2008.
4.	5	94(1)(d) on 18th August 2008	Sub - division of equity shares of Rs. 10/- each fully paid up to equity shares of Re.1/- each fully paid up.
5.	8	125 on 18th August 2008	Creation of charge amounting to Rs. 12 crores in favour of Bank of Maharashtra on 19th June 2008.
6.	8	135 on 29th August 2008	Modification of charge amounting to Rs.12 crores in favour of Bank of Maharashtra on 1st August 2008.
7.	20B & Annual Return	159 on 17th September 2008	Annual Return for the Financial year ended 31st March 2008 as on the date of Annual General Meeting i.e. 25th July 2008.
8.	1	205C on 22nd October 2008	Transferred to Investor Education and Protection Fund an amount of Rs.2734/- on 15th October 2008.
9.	25 C	269(2) on 24th November 2008	Re-appointment of Mr. H A Nevatia as Whole-time Director with effect from 22nd November 2008.
10.	1	205C on 17th February 2009	Transferred to Investor Education and Protection Fund an amount of Rs. 904/- on 12th February 2009.

Sd/-

Place : Thane
Date : May 4, 2009

S. N. ANANTHASUBRAMANIAN
C. P. No.: 1774
Practising Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Development:

The Company manufactures 'Indef' brand material handling equipments, such as, Chain Pulley Blocks, Chain and Wire Rope Electric Hoists, Ratchet Hoists, Winches, Roll-out Racks, Light Profile Systems, Pulling and Lifting Machines, H.O.T./E.O.T./Jib Cranes, Floor Operated Stacker Cranes and Stores Stacker Cranes. The Company supplies its products to various industries, such as, iron and steel, cement, oil and gas, chemicals, construction, material handling equipments' manufacturers, state electricity boards, turn-key solutions providers, etc., wherever unit loads are moved.

The Company has a modern machine shop, 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 has ISO-9001 accreditation from RWTUV of Germany since May, 1997. To augment its production capacity, the Company has set-up a new bigger factory in Village Dhamani, Taluka Khalapur (near Khopoli) in Raigad District of Maharashtra and the production activities have started in December, 2008.

The Company has 4 Windmills of 1.25 M.W. each, installed at villages Khori-Titane, Amkhel and Phophade in Taluka Sakri, District Dhule of Maharashtra.

The global recession has also affected the capital goods industry very badly, resulting in fewer infrastructure projects coming up and the industries are either holding up or delaying their new projects/expansion. The demand for the Company's products, which are linked to infrastructure projects and capital goods industries, has been affected because of this.

(b) Opportunities and Threats:

The Company has expanded its capacity by setting up a new plant in a plot of approximately six acres in Village Dhamani, Taluka Khalapur (near Khopoli), District Raigad of Maharashtra and the production has started in December, 2008. This will not only give cost advantage to the Company, but also enable the Company to meet the market demand for its products. The Company has appointed an Authorised Marketing Associate in the Gulf Region to increase exports to the Gulf/Middle East countries. The Company is also trying to push exports to other countries and are making vigorous efforts in this direction. The Government in its economic revival packages had reduced the excise duty from 14% to 8% for Company's products, which has been fully passed on to the customers. The Company has appointed a Marketing Consultant to assess the market and the Company's market share and after the Report is received, it will take appropriate action to increase its business.

The Company faces competition from small units in the unorganized sector manufacturing similar products as well as products imported from China, which are cheaper in price. The Company has been successful in meeting this competition through cost effective production, reduction in prices of the products, aggressive marketing efforts, better quality products and good after-sales-service. The Company is also facing competition from foreign manufacturers, who have set-up operations in India in the upper value segment of our products. The Company has planned to upgrade its products to meet this challenge.

(c) Financial Review / Segment wise Performance :

The Company has achieved a business growth of 3.49% while reaching revenue of Rs.9385.88 lakhs. The profit before tax was Rs.3032.09 lakhs as against Rs.2817.31 Lakhs in the previous year. The net profit after tax stands at Rs.1988.61 lakhs as against Rs.1835.55 lakhs in the previous year.

Segment Performance :

Name of the segment	Segment Revenue for the year 2008-09	Segment Revenue for the previous year 2007-08
Materials Handling Equipments	941,350,764/-	909,513,584/-
Windmill Segment	24,417,743/-	21,865,406/-

(d) 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.

(e) Risks and Concerns:

The Company is engaged in the manufacturing and marketing of Material Handling Equipments and its demand potentialities are linked with infrastructural development, capital equipment growth and big projects' expansion activities. Any negative change in the outlook of this sector can affect the Company's performance.

The Company has set-up a new bigger factory at Village Dhamani (near Khopoli), District Raigad, in Maharashtra, which has started production in December, 2008. This will enable the Company to be more competitive, to meet the market demand and reduce delivery period. Effective steps are constantly taken to control costs and strengthen the internal control procedures.

(f) Business Out-look:

At the moment the economic situation is uncertain. Hopefully, the new Government will take suitable measures to give a boost to the economy. If the economic scenario improves, the Company will be able to achieve higher growth in view of its very good brand equity, wide range of good quality products and quicker delivery.

(g) Development in Human Resources / Industrial Relations front :

The Company continued its endeavour in maintaining peace and harmony at all levels of employment in the organization in the year under review. At present, the Company has 145 employees comprising of engineers, commercial staff and workmen.

(h) 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 Board of Directors



CORPORATE GOVERNANCE REPORT

1. 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.

2. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company comprises of a combination of executive and non-executive Directors. The Board is headed by a non-executive Chairman 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 function 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.

Sr. No.	Name of the Director	Category	No. of Shares held	Financial Year ended 31st March 2009		Other directorships	No. of Committee Position held in other companies.	
				BMs	AGM		Chairman	Member
01.	Shri Shekhar Bajaj Chairman	NED (Promoter)	458605	4	Yes	7	-	-
02.	Shri Naresh Chandra	NED (Promoter)	-	2	No.	1	-	-
03.	Shri H.A. Nevatia	ED	800	4	Yes	1	-	-
04.	Shri K.F. Jhunjhunwala	NED (Independent)	440000	4	Yes	1	-	-
05.	Shri Vinaya L. Mehrotra	NED (Independent)	-	4	Yes	1	-	-
06.	Shri K. C. Uebel	NED (Independent)	-	1	No	-	-	-
07.	Shri E. B. Desai	NED (Independent)	10640	4	Yes	8	4	3
08.	Shri Shailesh V. Haribhakti	NED (Independent)	1000	3	Yes	14	5	5
09.	Shri Mukul M. Upadhyaya	NED (Independent)	-	3	Yes	-	-	-
10.	Shri Gaurav V. Nevatia	NED (Independent)	-	4	Yes	-	-	-
11.	Shri Tushar P. Shah	NED (Independent)	-	1	No	-	-	-

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

During the financial year under review, four Board Meetings were held on 21st May, 2008, 25th July, 2008, 22nd October, 2008 and 31st January, 2009 and the Annual General Meeting of the Company was held on 25th July, 2008.

Board Procedure

Board members are given relevant documents and information in advance of each Board and Committee Meeting. 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 by it, the Board also does review of:

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

3. Audit Committee

The Audit Committee consists of Shri Vinaya L. Mehrotra, Chairman, Shri E.B. Desai, Shri Hariprasad A. Nevatia and Shri Gaurav V. Nevatia, all of whom are Independent Directors, except Shri H.A. Nevatia. The terms of reference of the Audit Committee specified by the Board are as in line with Clause 49 II (C), (D) and (E) of the Listing Agreement with the Stock Exchanges.

During the year under review, the Audit Committee met four times, viz on 21st May, 2008, 25th July, 2008, 22nd October, 2008 and 31st January, 2009. All the 4 Directors attended all the Meetings.

4. 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. During the year under review, the Committee met on 12th March, 2009. No complaints were



received either by the Company or by the Share Transfer Agent M/s. Mondkar Computers Pvt. Ltd. during the year under review from the shareholders.

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 despatched/kept ready for delivery within 30 days' time, if the documents are complete in all respects. During the year under review, the Company has followed the guidelines issued by SEBI for dematerialisation of shares sent for transfer by the investors.

Total number of shares transferred during the year 2008-09 in physical form was 19,932 Nos. There were no transfers which remained unattended as on March 31, 2009. The Board in their respective Board Meetings duly ratifies the transfers/transmission.

Compliance/Risk Officer :

Shri Saroj R. Pal, Assistant General Manager – Finance & Accounts, is the Compliance Officer and Risk Officer of the Company.

5. Remuneration of Directors:

The Company has not formed a Remuneration Committee. All the Directors, other than the Whole-time Director, are only paid remuneration by way of a sitting fee @ Rs.20,000/- for each of the Board / Committee Meeting attended by them.

The details of remuneration paid to the Directors during the year 2008-09 are as follows:-

Name of the Director	Details of Fees paid during the year 2008-09	Amount (Rs.)
Shri Shekhar Bajaj	Sitting Fees for attending the Board Meetings.	80,000/-
Shri K.C. Uebel	-do-	20,000/-
Shri Shailesh V. Haribhakti	-do-	60,000/-
Shri Mukul M. Upadhyaya	-do-	60,000/-
Shri Tushar P. Shah	-do-	20,000/-
Shri Naresh Chandra	Sitting Fees for attending the Board Meetings and Committee Meetings.	60,000/-
Shri E.B. Desai	-do-	1,60,000/-
Shri K.F. Jhunjhunwala	-do-	1,00,000/-
Shri Vinaya L. Mehrotra	-do-	1,60,000/-
Shri Gaurav V. Nevatia	-do-	1,60,000/-
Shri H.A. Nevatia Whole-time Director	Remuneration	1,20,000/- + Perks.

6. Disclosures regarding appointment of Directors

The following Directors retire by rotation and are eligible for re-appointment:

(i) Shri E.B. Desai

Shri E.B. Desai, aged 78, is B.A. (Hons.) and L.L.B. from Mumbai University. He has been a Director or Alternate Director of your Company since 6th January, 1964. He is an Advocate and Solicitor of Bombay High Court, Supreme Court of England and Supreme Court of Hong Kong. He is a senior partner of leading legal firm M/s. Mulla & Mulla, Craigie, Blunt & Caroe. He is an ex-Trustee and President of Bombay Parsi Panchayat, ex-Chairman of Board of J.J. College of Commerce, Trustee of the General Electoral Trust formed by the House of Birlas, special invitee to the Management Committee of Bombay Hospital, ex-member of legal committee of the Bombay Chamber of Commerce & Industry. He has represented various state governments in legal matters. He is also Director of M/s. Bekaert Industries Pvt. Ltd., M/s. Century Textiles & Industries Ltd. and Chairman of its Audit Committee and Chairman of its Share Transfer & Shareholders/Investors' Grievance Committee; M/s. Dolphin Fisheries & Trading Pvt. Ltd.; M/s. Hindalco Industries Ltd. and Member of its Audit Committee and Member of its Investors' Grievance Committee; Chairman of M/s. ICICI Prudential Trust Ltd. and Chairman of its Audit Committee; Director of M/s. Panasonic Energy India Co. Ltd. and Chairman of its Audit Committee and Chairman of its Remuneration Committee; M/s. Reliance Infratel Ltd. and Member of its Nomination/Remuneration Committee; The Sandur Manganese & Iron Ores Ltd. and Chairman of its Remuneration Committee; M/s. Supreme Industries Ltd. and M/s. Uni Abex Alloy Products Ltd.

(ii) Shri Shailesh V. Haribhakti

Shri Shailesh V. Haribhakti, aged 53, is a Director of your Company since 30th January, 2006. He is a practising Chartered Accountant and he is Chairman of M/s. BDO Haribhakti Consulting Pvt. Ltd. He is a Director of M/s. Pentaloon Retail (India) Ltd. and Chairman of its Board Committee; M/s. Future Capital Holdings Ltd. and Chairman of its Audit Committee; M/s. Hexaware Technologies Ltd. and Chairman of its Audit Committee; M/s. Akruiti City Ltd. and Chairman of its Audit Committee; M/s. ACC Ltd. and Chairman of its Audit Committee; M/s. Ambuja Cements Ltd. and Member of its Audit Committee; M/s. Mahindra Lifespace Developers Ltd. and Member of its Audit Committee; M/s. Blue Star Ltd. and Member of its Audit Committee; The Dhanalakshmi Bank Ltd. and Member of its Audit Committee; M/s. J.K. Paper Ltd.; M/s. Kotak Mahindra Trusteeship Services Ltd.; M/s. Everest Kanto Cylinder Ltd.; M/s. LIC Pension Fund Ltd.; and as Alternate Director in M/s. Morarjee Textiles Ltd.; M/s. Advantage Moti India Pvt. Ltd.; M/s. First Policy Insurance Advisers Pvt. Ltd.; M/s. Quadrum Solutions Pvt. Ltd. and M/s. J.M. Financial Asset Reconstruction Co. Pvt. Ltd.; as Alternate Director in Fortune Financial Services (India) Ltd.



(iii) Shri Mukul M. Upadhyaya

Shri Mukul Upadhyaya, aged 71, is a Director of your Company since 26th October, 2006. He retired as Senior Vice-President – Publicity & Promotions from M/s. Bajaj Electricals Limited in 1997, after working for 35 years there. Since 1997 he has been running his own advertisement firm, viz. M/s. Touchstone Advertising & Marketing Services and he is the Chief Executive Officer of the firm. He has wide range of experience in advertising, publicity and promotions for over 47 years and he has held various positions in the advertisement field, such as, Chairman of The Advertising Standards Council of India, President of Indian Chapter of International Advertising Association, Advertising Club, Mumbai; member of Board of Governors, Media Research Users Council, etc. He is an editor of Hasyam, an anthology of humour in Hindi.

(iv) Re-appointment of Shri H.A. Nevatia as a Whole-time Director :

He was re-appointed as a Director in the whole-time employment of the Company as an Adviser for a period of two years from 22nd November, 2008 by the Board of Directors in its Meeting held on 22nd October, 2008. Shri Nevatia is B.Sc. (Hons.) from University of Bombay. He 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. Shri Nevatia is also a Director of M/s. Dagger Master Tool Industries Ltd. as also Chairman of its Remuneration Committee; M/s. Bajaj Sevashram Pvt. Ltd. and M/s. Jamnalal Sons Pvt. Ltd.

7. General Meetings of the Company

Financial Year ended	Date	Venue	Time	No. of Special Resolutions
31.03.2008	Annual General Meeting on 25.07.2008	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	11.30 A.M.	1
31.03.2007	Annual General Meeting on 27.07.2007	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	11.30 A.M.	1
31.03.2006	Annual General Meeting on 28.07.2006	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	12.00 A.M. Noon	Nil

At the Annual General Meeting held on 27th July, 2007, a Special Resolution was passed appointing Shri H.A. Nevatia as a Whole-time Director of the Company for a period of two years from 22nd November, 2006 and at the Annual General Meeting held on 25th July, 2008, a Special Resolution was passed altering the Capital Clause of the Memorandum of Association and the Articles of Association in respect of sub-division of the equity shares of the Company from Rs.10/- fully paid-up to Re.1/- fully paid-up and also approving the sub-division of equity shares from Rs.10/- fully paid-up to Re.1/- fully paid-up.

No resolution was passed through Postal Ballot during the above 3 financial years and no Special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

8. Disclosures

The particulars/details of transactions between the Company and its related parties as per the Accounting Standards are set out in the Notes to the Audited Accounts – Schedule No. 20 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 minimization procedures. The Board is periodically informed about business and other 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.

The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement and has not complied with non-mandatory requirements.

9. 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 are posted on the web-site. The Company's website address is <http://www.indef.com>. 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.

The Company promptly reports to Bombay Stock Exchange 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.

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.

As per requirement of Clause 51 of the Listing Agreement, all the data related to quarterly/yearly financial results, segment results, shareholding pattern, etc. is also provided at the special website of SEBI, i.e. <http://www.sebidifar.nic.in>.



10. GENERAL SHAREHOLDER INFORMATION:

(a)	Registered Office	110, Minerva Industrial Estate, Mulund (W), Mumbai 400 080.
(b)	Date/Time/Time/Venue of Annual General Meeting	29th July, 2009 at 12.00 Noon at Kamal Nayan Bajaj Hall, Bajaj Bhawan, Ground Floor, 226, Jammalal Bajaj Marg, Nariman Point, Mumbai 400 021.
(c)	Financial Calendar	
	Financial Year	1 st April 2008 to 31 st March 2009
	For the financial year ended 31 st March 2009, results were announced for the quarter ending on	
	30 th June, 2008	25 th July, 2008
	30 th September, 2008	22 nd October, 2008
	31 st December, 2008	31 st January, 2009
	31 st March, 2009	27 th May, 2009
	For the financial year ended 31 st March 2010, results will be announced for the quarter ending on	
	30 th June, 2009	Before 31 st July, 2009
	30 th September, 2009	Before 31 st October, 2009
	31 st December, 2009	Before 31 st January, 2010
	31 st March, 2010	Before 31 st May, 2010
(d)	Dates of Book Closure	From 22 nd July, 2009 to 29 th July, 2009 (both days inclusive)
(e)	Dividend and payment date	Dividend of Rs.2/- per share 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 after 29th July, 2009.
(f)	Listing Details	The Company's shares are listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Ltd.
(g)	Stock Code with BSE/NSE	505720 and HERCULES EQ respectively.

(h) Stock Market Data

Month	Bombay Stock Exchange Limited				National Stock Exchange of India Limited			
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Total Shares Transacted (Qty.) Nos.	Total Shares Transacted Value (Rs.Lakhs)	Month's High Price (Rs.)	Month's Low Price (Rs.)	Total Shares Transacted (Qty.) Nos.	Total Shares Transacted Value (Rs.Lakhs)
April, 08	2,855.55	2,210.00	16,535	425.22	2,824.00	2,222.00	2,257	58.95
May, 08	3,090.00	2,425.00	20,489	556.54	3,057.95	2,410.00	4,488	121.27
June, 08	2,514.85	2,020.00	12,509	279.62	2,570.00	2,000.00	2,446	54.49
July, 08	2,545.00	1,925.00	10,325	225.01	2,499.00	1,935.30	1,949	42.33
Aug. 08	2,421.00	2,123.10	4,895	111.92	2,499.85	2,060.10	654	15.04
1.9.09 to 16.9.09 *	3,290.00	2,165.00	40,495	1,164.83	3,348.00	2,102.50	25,348	733.06
17.9.09 to 30.9.09 *	324.00	165.00	4,92,671	1,268.65	324.40	164.00	3,07,045	815.90
Oct. 08	199.00	94.30	1,46,337	210.04	196.50	96.00	61,388	90.31
Nov. 08	137.00	96.10	62,736	71.73	137.90	90.10	25,400	28.92
Dec. 08	141.00	96.15	68,937	78.21	137.60	94.00	35,588	40.67
Jan. 09	130.00	94.15	50,560	57.02	141.90	87.05	29,349	33.14
Feb. 09	107.00	85.05	53,154	51.61	107.55	85.00	15,528	15.09
Mar. 09	99.80	71.55	2,03,511	180.46	99.45	68.95	77,217	69.94

Note : * The Company's equity shares were sub-divided from Rs.10/- fully paid-up to Re.1/- fully paid-up with effect from 17th September, 2008.

(i) Registrar and Share Transfer Agents

Mondkar Computers Pvt. Ltd.

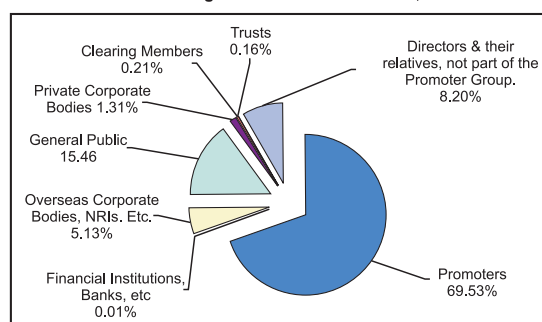
21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai 400 093. Tel. (022) 282072 01-03-04-05; Fax : (022) 28207207
E-Mail : Info@mondkarcomputers.com, Website : <http://www.mondkarcomputers.com>



(j) **Shareholding Pattern as on 31st March, 2009:**

Particulars	No. of Equity Shares held	%
Promoters	1,11,24,365	69.53%
Financial Institutions, Banks, etc.	2,200	0.01%
Overseas Corporate Bodies, NRIs, etc.	8,20,781	5.13%
General Public	24,72,320	15.46%
Private Corporate Bodies	2,09,081	1.31%
Clearing Members	32,906	0.21%
Trusts	26,287	0.16%
Directors and their relatives, not part of the Promoter Group.	13,12,060	8.20%
Total	1,60,00,000	100.00%

Share Holding Pattern as on 31st March, 2009



(k) **Distribution of shareholding as on 31st March, 2009:**

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 500	8,680	93.313	7,38,317	4.614
501 – 1000	293	3.150	2,39,275	1.495
1001 – 2000	158	1.699	2,48,538	1.553
2001 – 3000	36	0.387	94,028	0.588
3001 – 4000	25	0.269	88,050	0.550
4001 –5000	11	0.118	52,599	0.329
5001 – 10000	42	0.452	2,95,162	1.845
10001 & above	57	0.613	1,42,44,031	89.025
Total	9,302	100.00	1,60,00,000	100.00

(l) **Dematerialisation of Shares:**

As on 31st March 2009, 1,46,03,870 equity shares of the Company representing 91.27% of the Company's shares are held in electronic form and the Company's shares can be traded only in compulsory demat segment in BSE and NSE.

(m) The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments and as such, there is no impact on equity.

(n) The Company had issued Bonus Shares to the shareholders in the past as follows :-

Sl. No.	In the year	Bonus Shares issued in the ratio of
1.	1975	1 : 1
2.	1979	1 : 1
3.	1985	1 : 3
4.	1997	1 : 1
5.	2006	1 : 1

(o) **Plant Location:**

The Company's Plants are situated at 110, Minerva Industrial Estate, Mulund (West), Mumbai 400 080 and at Plot No. 43/2B, 43/5 and 45/2, Village Dhamani, Taluka Khalapur (near Khopoli), District Raigad, Pin Code 410203, Maharashtra

Windfarm : The Company's four Windmills of 1.25 M.W. capacity each are located as follows :-

- Windmill Nos. K-41 & 42 – Village Khori-Titane, Taluka, Sakri, Dhule District, Maharashtra.
- Windmill No. K-265 - Village Amkhel, Taluka Sakri, Dhule District, Maharashtra.
- Windmill No. J-06 - Village Phophade, Taluka Sakri, Dhule District, Maharashtra.

(p) **Address for correspondence:**

All correspondence other than those relating to shares should be made to the Company at its Registered Office at **Hercules Hoists Limited**, 110, Minerva Industrial Estate, Mulund (West), Mumbai 400 080.

Tel. (022) 2568 0381 / 0382 /0386 / 1380; Fax: (022) 2568 3933;

E-mail: indef@bom5.vsnl.net.in; Shareholders_grievance@indef.com

Shareholders should address their correspondence to the Registrar and Share Transfer Agent of the Company.

(q) **Certificate of Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel**

The Members of Hercules Hoists Limited

I, M.S. Saigal, President & 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 Conduct in accordance with Clause 49.I.D of the Listing Agreement entered into with the Stock Exchange.

Sd/-

Place : Mumbai

Dated : 11th May, 2009

M.S. Saigal

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 given as an annexure to the Directors' Report

The above Report was adopted by the Board of Directors at their Meeting held on 27th May, 2009.

For and on behalf of Board of Directors

Place : Mumbai

Dated : 27th May, 2009

Shekhar Bajaj
Chairman



CEO/CFO CERTIFICATION

To,

The Board of Directors
Hercules Hoists Limited,
110, Minerva Industrial Estate,
Mulund (West), Mumbai 400 080.

Dear Sirs,

We certify as follows :-

- (a) We have reviewed financial statements and the cash flow statement for the year 2008-09 and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of internal controls of which they are aware and we have taken necessary steps to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
- (i) that there are no significant changes in the internal control during the year 2008-09;
- (ii) that there are no significant changes in the accounting policies during the year 2008-09 and whatever changes have taken place have been disclosed in the Notes to the financial statements
- (iii) that there are no instances of significant fraud in the Company during the year 2008-09.

For **Hercules Hoists Limited**

Sd/-

Sd/-

Place : Mumbai
Dated : 11th May, 2009.

(M.S. Saigal)
President & CEO.

(Saroj R. Pal)
A.G.M. – Finance & Accounts.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,
Hercules Hoists Limited,
110, Minerva Industrial Estate,
Mulund (West), Mumbai 400 080

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 Bombay Stock Exchange Limited for the financial year ended 31st March 2009. 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 examinations 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.

For **S. N. ANANTHASUBRAMANIAN & CO**

Sd/-

S. N. Ananthasubramanian
Proprietor

Place : Mumbai
Date : 18th May, 2009

C.P. No.: 1774



AUDITOR'S REPORT TO THE MEMBERS OF HERCULES HOISTS LIMITED

1. We have audited the attached Balance Sheet of Hercules Hoists Limited as at 31st March 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report 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 31st March 2009 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2009 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, 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 31st March 2009;
 - b. in the case of the Profit and Loss Account, 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.

For and on behalf of
M. L. BHUWANIA & CO.
Chartered Accountants

Ashish Bairagra
Partner.
Membership No. 109931

Place : Mumbai
Dated : 27th May, 2009

Annexure referred to in paragraph 3 of Auditor's report to the members of Hercules Hoists Limited for the year ended 31st March 2009.

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. No physical verification has been conducted by the Company in the current financial year, however as explained to us, the same will be covered in the next financial year as per the program.
- (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 were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, the company has neither taken nor granted any loan, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, clause 4 (iii) 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, there are adequate 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 not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
- (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, Employees' State Insurance, 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.

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 disputed amounts that have not been deposited in respect of Income Tax, Service tax and Excise Duty are as under:

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 & 14A and Fringe Benefit Tax.	48,60,185	2002-03 to 2006-07	Commissioner of Income Tax (Appeals)
Central Excise Act,1944	Non Fulfilment of Conditions for export	10,382	1993-94	Deputy Commissioner of Central Excise
Central Excise Act,1944	Demand of Service Tax on Royalty	96,852	1999-2000 to 2003-04	Deputy Commissioner of Central Excise & Service tax
Central Excise Act,1944	Demand of Excise duty credit taken on rejected material, Advertisement & sales promotion and demand relating to erection and commission service charges.	33,82,585	2000-01 to 2007-08	Central excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty on erection and commission service charges and on advertisement & sales promotion.	8,30,790	2000-01 to 2007-08	Assistant commissioner of Central Excise
Central Excise Act,1944	Demand of Excise duty on Advertisement & sales promotion and demand of Excise duty on erection and commission service charges	19,60,755	2006-07 to 2008-09	Commissioner of Central Excise (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2009. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2009 and in the immediately preceding financial year ended March 31, 2008.
- (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) In our opinion and according to the information and explanation given to us, term loans have been applied for the purposes for which they were obtained.
- (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, 2009.

For and on behalf of
M. L. BHUWANIA & CO.
Chartered Accountants

Place : Mumbai
Dated : 27th May, 2009

Ashish Bairagra
Partner.
Membership No. 109931

**HERCULES HOISTS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	16,000,000		16,000,000
b) Reserves & Surplus	2	768,768,449		614,482,899
			784,768,449	630,482,899
2. LOAN FUNDS				
a) Secured Loans	3	53,177,030		70,568,548
			53,177,030	70,568,548
3. DEFERRED TAX LIABILITY				
	4		48,481,121	47,508,752
			886,426,600	748,560,199
APPLICATION OF FUNDS				
1. FIXED ASSETS				
a) Gross Block	5	414,369,917		337,662,752
Less : Accumulated Depreciation/Amortisation		96,438,538		80,845,159
Net Block		317,931,380		256,817,593
Capital Work in Progress		5,134,411		20,206,571
			323,065,791	277,024,164
2. INVESTMENTS				
	6		157,331,563	17,277,544
3. DEFERRED TAX ASSET				
	7		5,993,951	5,015,884
4. CURRENT ASSETS, LOANS AND ADVANCES :				
a) Inventories	8	207,243,432		196,026,479
b) Sundry Debtors	9	170,967,499		202,162,381
c) Cash & Bank Balances	10	105,298,145		142,167,371
d) Other Current Assets	11	4,828,885		14,821,575
e) Loans & Advances	12	37,764,295		48,923,326
		526,102,256		604,101,132
Less :				
CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	13	81,068,451		111,037,996
b) Provisions	14	44,998,510		43,820,529
		126,066,961		154,858,525
NET CURRENT ASSETS				
			400,035,295	449,242,607
5. MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)	15		-	-
			886,426,600	748,560,199

Notes forming part of the Accounts 20
The Schedules referred to herein form an integral part of the Balance Sheet
As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 27th May, 2009

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 27th May, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
INCOME				
Sales		1,024,855,496		1,005,253,146
Less : Excise Duty		110,685,535		120,180,445
		914,169,961		885,072,701
Income from sale of power units generated		24,417,743		21,865,406
			938,587,704	906,938,107
Other Income	16		33,091,722	38,919,994
			971,679,426	945,858,101
EXPENDITURE				
Cost of Material	17	475,720,934		458,531,947
Operating & Other Expenses	18	167,578,095		176,086,190
Interest & Finance Expenses	19	7,601,104		11,855,411
Depreciation / Amortisation	5	17,570,640		17,554,584
			668,470,773	664,028,132
Profit before Tax and Extraordinary Items			303,208,653	281,829,969
<i>Less</i> : Extraordinary Items - Voluntary Retirement Scheme (VRS)			-	98,018
Profit before Tax			303,208,653	281,731,951
<i>Less</i> : Provision for Tax				
- Current Tax (Including Wealth Tax Rs. 153,000 ; Previous Year Rs.143,000)		103,593,000		96,412,000
- Deferred Tax		(5,698)		1,044,928
- Fringe Benefit Tax		760,076	104,347,378	720,000
Profit after Tax			198,861,275	183,555,023
<i>Add / (Less)</i> : Adjustments				
Income Tax of earlier years			(7,137,325)	(889,011)
			191,723,950	182,666,012
<i>Add / (Less)</i> : Brought Forward				
Balance from previous year			15,000,000	15,000,000
Balance available for appropriation			206,723,950	197,666,012
Appropriations :				
Interim Dividend			-	-
Proposed Dividend			32,000,000	32,000,000
Corporate Dividend Tax			5,438,400	5,438,400
Transfer to General Reserve			154,285,550	145,227,612
Balance carried to Balance Sheet			15,000,000	15,000,000
			206,723,950	197,666,012

Earning Per Share (Refer Note No. 6 of Schedule 20)

Basic and Diluted Earnings per Share (excluding Extraordinary Items, net of tax)	11.98	11.42
Basic and Diluted Earnings per Share (including Extraordinary Items, net of tax)	11.98	11.42

Notes forming part of the Accounts

20

The Schedules referred to herein form an integral part of the Profit & Loss Account

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 27th May, 2009

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 27th May, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	<u>Rupees</u>	<u>2008-2009 Rupees</u>	<u>2007-2008 Rupees</u>
A. Cash Flow from Operating Activities :			
Net Profit Before Tax And Extraordinary Items		303,208,653	281,829,969
<i>Adjustments For :</i>			
Depreciation/Amortisation	17,570,640		17,554,584
(Profit)/Loss On Sale Of Assets/Discarded Assets	415,361		254,945
Interest Paid	6,072,381		10,416,491
Interest Received	(2,425,446)		(11,131,351)
Dividend Received	(3,485,473)		(3,347,760)
Exchange Rate Fluctuation	(437,307)		885,529
Bad Debts	1,190,336		295,797
Provision For Doubtful Debts	144,725		3,345,337
Provision For Incentive/Warranty/Liquidated Damages (Net)	262,645		5,034,275
		<u>19,307,861</u>	<u>23,307,847</u>
Operating Profit Before Working Capital Changes		322,516,514	305,137,816
<i>Adjustments For :</i>			
Trade And Other Receivables	37,290,089		10,180,788
Inventories	(11,216,953)		1,437,136
Trade Payables	(31,390,599)		(11,643,541)
Loans & Advances	6,155,949		(1,529,687)
		<u>838,485</u>	<u>(1,555,304)</u>
Cash Generated From Operations		323,355,000	303,582,512
Direct Taxes Paid Including Fringe Benefit Tax (Net of Refund)	(104,561,766)		(126,000,905)
		<u>(104,561,766)</u>	<u>177,581,607</u>
Cash Flow Before Extraordinary Items		218,793,234	177,581,607
Extraordinary Item		-	-
Net Cash From Operating Activities		218,793,234	177,581,607
B. Cash Flow From Investing Activities :			
Purchase Of Fixed Assets (including Advance for Capital Goods)	(64,625,868)		(31,667,937)
Sale Of Fixed Assets	598,241		154,200
Loans Repayment Received	-		5,062,500
Purchase of Investments	(140,054,019)		-
Interest Received	5,066,171		9,283,571
Dividend Received	3,485,473		3,347,760
Net Cash From Investing Activities		(195,530,002)	(13,819,906)
C. Cash Flow From Financing Activities :			
Proceeds From Borrowings			
Repayment Of Amount Borrowed	(18,000,000)		(109,134,364)
Interest Paid	(5,467,537)		(11,253,468)
Dividend Paid (Inclusive Of Dividend Tax)	(36,664,920)		(1,507,220)
Net Cash From Financing Activities		(60,132,457)	(121,895,052)
Net Increase/(Decrease) In Cash And Cash Equivalents :		(36,869,226)	41,866,649
Cash And Cash Equivalents As At 31.03.2009 (Closing Balance)		<u>105,298,145</u>	<u>142,167,371</u>
Cash And Cash Equivalents As At 31.03.2008 (Opening Balance)		<u>142,167,371</u>	<u>100,300,722</u>
		<u>(36,869,226)</u>	<u>41,866,649</u>

Note :

1. CASH AND CASH EQUIVALENTS INCLUDES :

Cash and Cheques on hand	114,806	23,391
Balance with Scheduled Banks:		
In Current account	57,700,696	6,077,726
In Unpaid Dividend account	2,476,254	1,702,774
In Fixed Deposit account	40,000,000	130,000,000
In Margin Money account	5,006,389	4,363,480
	<u>105,298,145</u>	<u>142,167,371</u>

- Interest received on delayed payments from dealers Rs.15,502,997 (Previous Year Rs. 9,655,708) has been considered as cash flow from operating activities.
- Previous years figures are regrouped and / or rearranged wherever considered necessary to make them comparable with those of current year.

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 27th May, 2009

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 27th May, 2009



SCHEDULES 1 TO 20 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	<u>Rupees</u>	<u>As at 31st March, 2009 Rupees</u>	<u>As at 31st March, 2008 Rupees</u>
SCHEDULE 1 - SHARE CAPITAL			
<u>Authorised :</u>			
20,000,000 Equity Shares of Re.1/- each		<u>20,000,000</u>	<u>20,000,000</u>
<u>Issued, Subscribed and Paid Up :</u>			
16,000,000 Equity Shares of Re. 1/- each (Previous Year 1,600,000 of Rs.10 each)Fully paid-up.			
<u>Note :</u>			
1. Out of the above, 250,000 Equity Shares of Re . 1/- each (Previous Year 25,000 Equity Shares of Rs. 10 each) are allotted as fully paid-up for consideration other than cash and 15,250,000 Equity Shares of Re. 1/- each (Previous Year 1,525,000 Shares of Rs. 10 each) are allotted as as fully paid-up Bonus Shares by Capitalisation of Reserves.			
2. During the year, the Company has sub-divided Equity Shares of Rs. 10 each into Equity Shares of Re. 1/- each.		<u>16,000,000</u>	<u>16,000,000</u>
SCHEDULE 2 - RESERVES & SURPLUS			
Capital Reserve		513,804	513,804
<u>General Reserve</u>			
Balance as per last Balance Sheet	598,969,095		455,321,104
Less : Adjustment on account of liability in respect of Employee Benefits as (Net of Deferred Tax)	-		1,579,621
Add : Transferred from Profit & Loss Account	<u>154,285,550</u>		145,227,612
		753,254,645	598,969,095
Profit & Loss Account		<u>15,000,000</u>	15,000,000
		<u>768,768,449</u>	<u>614,482,899</u>
SCHEDULE 3 - SECURED LOANS			
Bank of Maharashtra (Refer Note No.1)		<u>52,071,387</u>	70,071,387
		<u>52,071,387</u>	70,071,387
Interest accrued and due		<u>1,105,643</u>	497,161
		<u>53,177,030</u>	<u>70,568,548</u>
Note :			
1. (a) Secured by first charge on the windmills at location no. K265 & J06, situated at Dhulia.			
(b) Also secured by second and subservient charge on the windmills at location no. K41 & K42, situated at Dhulia.			
(c) Also secured by parri passu charge on all the present and future movable and immovable properties of the Company			
2. Secured by hypothecation of stock, book debts and secured by collateral security of movable and immovable fixed assets of Company.			
SCHEDULE 4 - DEFERRED TAX LIABILITY			
- On account of Depreciation / Amortisation		<u>48,481,121</u>	47,508,752
		<u>48,481,121</u>	<u>47,508,752</u>


SCHEDULE 5 - FIXED ASSETS

(Amount in Rs.)

Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at 31.03.2008	Additions	Deduction / Adjustments	As at 31.03.2009	Upto 31.03.2008	Deductions	For the year	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
Freehold Land	8,669,771	-	-	8,669,771	-	-	-	-	8,669,771	8,669,771
Leasehold Land	-	1,500,000	-	1,500,000	-	-	53,571	53,571	1,446,429	-
Buildings	28,304,881	58,308,498	-	86,613,379	4,110,786	-	731,382	4,842,168	81,771,211	24,194,095
Windmill Plant	231,253,191	-	-	231,253,191	29,720,255	-	12,210,168	41,930,423	189,322,768	-
Plant & Machinery	43,732,596	4,315,594	257,014	47,791,176	30,870,661	228,276	2,644,929	33,287,314	14,503,862	201,532,936
Computers	4,538,867	1,021,042	167,600	5,392,309	3,413,763	112,362	422,470	3,723,871	1,668,438	12,861,935
Jigs & Fixtures	6,811,403	632,124	-	7,443,527	3,581,248	-	341,858	3,923,106	3,520,421	1,125,104
Factory Fixtures	617,889	2,072,616	-	2,690,505	398,728	-	61,595	460,323	2,230,182	3,230,155
Machine Accessories	202,956	-	-	202,956	182,925	-	3,228	186,153	16,803	219,161
Dies & Patterns	1,330,497	-	595,704	734,793	910,918	567,701	198,463	541,680	193,113	20,031
Electrical Installations	2,366,231	8,423,559	-	10,789,790	1,401,408	-	168,769	1,570,177	9,219,613	419,579
Furniture & Fixtures	3,610,852	351,455	380,885	3,581,422	2,303,033	300,530	188,202	2,190,705	1,390,717	964,823
Office Equipments	1,637,732	153,109	71,817	1,719,024	742,584	28,619	81,914	795,879	923,145	1,307,819
Vehicles	2,039,558	2,023,296	1,510,846	2,552,008	843,443	739,773	231,839	335,509	2,216,499	895,148
Intangible Assets : Computer Software	1,902,301	889,739	-	2,792,040	1,721,380	-	232,252	1,953,632	838,408	1,196,115
Technical Know-How	644,027	-	-	644,027	644,027	-	-	644,027	-	180,921
Total	337,662,752	79,691,032	2,983,867	414,369,917	80,845,159	1,977,262	17,570,640	96,438,538	317,931,380	256,817,593
Previous Year	326,564,890	12,964,548	1,866,685	337,662,752	64,748,115	1,457,540	17,554,584	80,845,159	256,817,593	-
Capital WIP :										
Building	18,099,002	45,308,898	61,860,987	1,546,913	-	-	-	-	1,546,913	18,099,002
Plant & Machinery	650,000	4,476,108	4,247,989	878,119	-	-	-	-	878,119	650,000
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
Dies & Patterns	7,000	-	7,000	-	-	-	-	-	-	7,000
Factory Fixtures	-	5,236,581	2,909,960	2,326,621	-	-	-	-	2,326,621	-
Electrical Installation	1,450,569	6,833,082	7,900,893	382,758	-	-	-	-	382,758	1,450,569
Total	20,206,571	61,854,669	76,926,829	5,134,411					5,134,411	20,206,571

Note : Building includes Rs. 500 being the cost of 10 shares of Bajaj Bhavan Owner's Co-operative Society of Rs. 50 each fully paid up.

SCHEDULE 6 - INVESTMENTS (At Cost)
LONG TERM
Other than trade
A. Quoted
Equity Shares :

83,694 (previous year 83,694) Equity Shares of Bajaj Holdings & Investment Ltd. (formerly known as Bajaj Auto Ltd.) of Rs.10 each fully paid up	4,111,813	4,111,813
83,694 (previous year 83,694) Equity Shares of Bajaj Auto Ltd. (Formerly known as Bajaj Holdings & Investment Ltd) of Rs.10 each fully paid up	1,608,337	1,608,337
83,694 (previous year 83,694) Equity Shares of Bajaj Finserv Ltd. of Rs.5 each fully paid up	1,557,394	1,557,394

B. Unquoted
Preference Shares :

400,000, 9% (Previous Year 400,000, 9%) Redeemable Preference Shares of Hind Lamps Ltd. of Rs. 25 each fully paid up	10,000,000	10,000,000
--	------------	------------

Mutual Fund Units:

2000000 Units of Birla Sun Life Fixed Term Plan Series Ay, Face Value Rs.10	20,000,000	-
3000000 Units of DWS Fixed Term Fund-Series 52, Face Value Rs. 10	30,000,000	-
2000000 Units of HDFC Fmp 370D July 2008 (VIII) (1), Face Value Rs. 10	20,000,000	-
3000000 Units of ICICI Prud.Fixed Maturity Plan Ser.44 1 Year Plan D, Face Value Rs. 10	30,000,000	-
978617 Units of IDFC Super Saver, Face Value Rs. 10	10,054,019	-
3000000 Units of Kotak Fmp 12M Series 7, Face Value Rs. 10	30,000,000	-
	157,331,563	17,277,544

Notes :

- Aggregate Value of Quoted investments Rs.7,277,544 (Previous Year Rs.7,277,544)
- Market Value of Quoted Investments is Rs.89,874,802 (PreviousYear Rs.57,870,216)
- Aggregate Value of Unquoted Investments is Rs.150,054,019 (PreviousYear Rs.10,000,000)

SCHEDULE 7 - DEFERRED TAX ASSET

On account of

- Expenses allowable under Income Tax on payment basis	4,816,522	3,136,823
- Provision for Warranty	3,45,483	3,61,169
- Provision for Doubtful Debts	8,31,946	1,517,892
	5,993,951	5,015,884



Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 8 - INVENTORIES		
(Valued at lower of cost and net realisable value)		
(As valued and certified by the Management)		
Stores & Tools	9,058,321	6,662,294
Raw Materials	168,256,865	153,968,540
Semi-finished Goods	26,771,962	31,632,926
Finished Goods	1,731,723	3,343,179
Packing Material	1,424,561	419,540
	207,243,432	196,026,479
SCHEDULE 9 - SUNDRY DEBTORS		
(Unsecured)		
<u>More than six months</u>		
- Considered Good	40,749,232	52,380,775
- Considered Doubtful	2,447,621	4,465,703
- Provision for Doubtful Debts	(2,447,621)	(4,465,703)
<u>Others</u>		
- Considered Good	40,749,232	52,380,775
	130,218,267	149,781,606
	170,967,499	202,162,381
SCHEDULE 10 - CASH AND BANK BALANCES		
Cash and Cheques on hand	114,806	23,391
<u>Balance with Scheduled Banks:</u>		
- In Current account	57,700,696	6,077,726
- In Unclaimed Dividend account	2,476,254	1,702,774
- In Margin Money account	5,006,389	4,363,480
- In Fixed Deposits	40,000,000	130,000,000
	105,183,339	130,000,000
	105,298,145	142,167,371
SCHEDULE 11 - OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest receivable	1,014,024	3,654,749
Export Incentives, Vat Set off & Other Claims receivable	3,814,861	11,166,826
	4,828,885	14,821,575
SCHEDULE 12 - LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance recoverable in cash or in kind or for value to be received	4,477,684	4,272,112
Loan to Companies	4,937,500	4,937,500
Balance with Central Excise	3,173,595	2,579,171
Deposits given	17,947,340	17,058,818
Advance for goods and expenses	1,727,863	6,356,737
Advance for capital goods	4,589,461	7,812,787
Loan and Advances to employees	910,852	903,119
Advance Tax (Refer Note (1) below)	-	5,003,082
	37,764,295	48,923,326
Note :		
(1) Advance Tax is net off Provisions for Income Tax Rs. 352,667,052 (Previous Year Rs. 239,542,486)		
SCHEDULE 13 - CURRENT LIABILITIES		
<u>Sundry Creditors [Refer Note No. 4 in Schedule 20]</u>		
- For Goods & Expenses	39,297,215	61,272,868
- For Capital goods	2,667,472	4,662,366
	41,964,687	65,935,234
Deposits	2,212,400	2,212,400
Advance from Customers	835,699	3,410,143
<u>Investor Education & Protection Fund (Refer Note (1) below)</u>		
- Unclaimed Dividend	2,473,083	1,699,603
- Unclaimed Interest on Fixed Deposit	5,957	9,595
Other Liabilities	33,576,625	37,771,021
	81,068,451	111,037,996
Note (1) :		
Out of the above Rs.Nil (previous year Rs. Nil) on account of Unclaimed Interest on Fixed Deposit is due and outstanding to be credited to Investor Education and Protection Fund as on the Balance Sheet date.		



Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
SCHEDULE 14 - PROVISIONS		
Proposed Dividend	32,000,000	32,000,000
Tax on Proposed Dividend	5,438,400	5,438,400
Provision for Gratuity	556,525	-
Provision for Income Tax (Refer Note (1) below)	1,925,553	-
Other Provisions (Refer Note 13 of Schedule 20)	5,078,032	6,382,129
	44,998,510	43,820,529

Note :

(1) Provisions for Income Tax is net off Advance Tax of 349,080,499 (Previous Year Rs. 244,545,568)

SCHEDULE 15 - MISCELLANEOUS EXPENDITUREVoluntary Retirement Scheme

Opening Balance	-	98,018
Less : Written Off during the year	-	98,018
	-	-

Rupees	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
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SCHEDULE 16 - OTHER INCOME

Royalty received (Gross, TDS Rs. Nil, Previous year Rs. 3,065)	26,446	24,074
Dividend received on Non-trade investments	3,485,473	3,347,760
Interest received on Loan, Deposits, IT Refund, from Customers, etc. (Gross, TDS Rs.2,115,889, previous year Rs.3,411,049).	17,928,443	20,787,059
Income from Erection & Commissioning Services (Gross, TDS Rs. 3,379, previous year Rs.12,682)	861,780	3,146,749
Export Duty Drawback	287,645	21,135
Exchange Rate Fluctuation (Net)	-	1,985,852
Commission Received	3,747,056	1,984,889
Provision no longer required, written back	381,396	76,149
Miscellaneous receipts	6,373,483	7,546,327
	33,091,722	38,919,994

SCHEDULE 17 - COST OF MATERIAL**a) Raw Materials Consumed :**

Opening Stock	153,968,540	141,789,301
Add : Purchases	441,856,444	427,097,717
	595,824,984	568,887,018
Less: Closing Stock	168,256,865	153,968,540
	427,568,119	414,918,478

b) (Increase) / Decrease in stocks of Finished and Semi-finished goods :

Opening Stock		
Semi-finished goods	31,632,926	44,975,181
Finished goods	3,343,179	2,464,429
Traded Finished goods	-	154,229
	34,976,105	47,593,839
Closing Stock		
Semi-finished goods	26,771,962	31,632,926
Finished goods	1,731,723	3,343,179
	28,503,685	34,976,105

c) Purchase for Resale	6,472,420	12,617,734
d) Increase / (Decrease) on account of excise duty on Finished Goods (Net)	28,505,314	18,085,014
	(419,767)	326,480
e) Packing material consumed (including packing labour charges)	13,594,848	12,584,241
	475,720,934	458,531,947



Rupees	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
SCHEDULE 18 - OPERATING AND OTHER EXPENSES		
Stores and Tools consumed	4,093,925	4,099,288
<u>Manufacturing Expenses</u>		
Manufacturing & Processing charges	48,023,378	51,185,365
Power & Fuel	3,049,386	2,896,854
<u>Expenditure on Employees</u>		
Salaries, Wages & Other benefits	35,305,418	33,321,232
Contribution to Provident & Other funds	5,403,855	4,006,737
Employees' Welfare expenses	6,624,621	6,517,191
<u>Selling & Distribution Expenses</u>		
Advertisement & Sales Promotion	6,089,143	5,574,842
Sales Incentive to Dealers	870,108	2,977,989
Discounts & Commission on sales	21,316,555	15,685,546
Incentive to Business Facilitator	252,966	849,859
Carriage outwards (Net)	4,875,924	6,636,279
Warranty for Products Sold	1,881,099	1,488,910
<u>Repairs & Maintenance</u>		
Plant & Machinery	1,202,408	1,692,624
Building	1,317,809	1,179,421
Others	910,056	1,107,452
<u>Other Operating Expenses</u>		
Insurance	1,006,698	1,483,298
Rent, Rates & Taxes	1,687,355	1,674,102
<u>Other Expenses</u>		
Auditors' Remuneration [Refer Note No. 7 in Schedule 20]	286,558	287,147
Directors' Fees	880,000	710,000
Directors' Remuneration	120,000	120,000
Fixed Assets Written Off	61,856	50,297
Loss on Sale of Fixed Assets	353,505	204,648
Bad Debts	1,190,336	295,797
Provision for Doubtful Debts	144,725	3,345,337
Provision for Liquidated Damages	262,645	4,939,195
Erection and Commissioning Charges	619,000	3,517,004
Exchange Rate Fluctuation (Net)	127,158	-
Miscellaneous expenses	19,621,608	20,239,776
	167,578,095	176,086,190
SCHEDULE 19 - INTEREST & FINANCE EXPENSES		
On Term Loan	5,805,908	9,907,546
Other Bank Interest	266,473	508,945
Bank charges	1,528,723	1,438,920
	7,601,104	11,855,411



SCHEDULE 20 - NOTES FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards and the relevant provisions of the Companies Act, 1956.

(b) Fixed Assets & Depreciation / Amortisation

- (i) Fixed assets are stated at cost less accumulated depreciation.
- (ii) 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, wherein addition before 01.04.2002, above Rs.5000, is depreciated @ 11.31% and addition on or after 01.04.2002, above Rs.5000, is depreciated @ 20%.
- (iii) Cost of technical know-how is amortised over a period of six years.
- (iv) 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.
- (v) Leasehold Land is depreciated over the period of the Lease.

(c) Inventories

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.

(d) Retirement Benefits

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of 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 Profit & Loss Account. 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 Profit & Loss Account 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 Profit and Loss Account..

(e) Investments

Long Term Investments are stated at cost of acquisition. 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. Dividends are accounted for as and when received.

(f) Foreign Exchange Transactions

Transaction in foreign currency is recorded 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. Foreign currency assets and liabilities outstanding at the close of the financial year are valued at the closing exchange rate and loss or gain due to foreign exchange fluctuation is charged to Profit and Loss Account.

(g) 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 and trade discounts.

(h) Taxation

- (i) Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.
- (ii) The deferred tax for timing difference between the book profits and tax profits for the year is accounted for using the tax rate and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax assets arising from timing differences are recognised to the extent there is a virtual certainty that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.
- (iii) Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

(i) Lease

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

(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 asset 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 Profit and Loss Account. 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) Provision 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.

(l) Miscellaneous Expenditure

Voluntary Retirement Scheme is amortised over a period of five years.

2. Contingent Liabilities :

Sr. No.	Particulars	2008-09	2007-08
		Rs.	Rs.
(a)	Disputed Excise Duty Liability	7,494,903	6,229,201
(c)	Disputed Income Tax Liability (Company in Appeal)	4,860,185	1,688,994
(d)	Bonds issued under Export Promotion Capital Goods (EPCG) Scheme	411,942	371,119
(e)	Claims against the Company not acknowledged as debts	732,470	732,470



3. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advance) Rs. 76,46,840/- (previous year Rs.1,12,23,850/-)
4. (a) Creditors include dues to Micro, Small and Medium Enterprises as under, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2009 :

Particulars	2008-09	2007-08
Principal Amount	-	41,186
Interest thereon remaining unpaid to any supplier as at the end of each accounting year		818
The amount of interest paid by buyer in terms of Section 18, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	
Amount of interest accrued and remaining unpaid at the end of each accounting year	-	818
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23	-	

- (b) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

5. Managerial Remuneration

Remuneration paid to Whole Time Director	2008-09	2007-08
Salary	120,000	120,000
Perquisites & Other Benefits	184,149	183,942
Total Payments made	304,149	303,942

6. 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	2008-09	2007-08
Employer's Contribution to Provident Fund	2,473,040	2,411,902
Employer's Contribution to Superannuation Fund	1,145,100	9,90,120

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 Profit & Loss Account 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 Profit and Loss Account.

The following table sets out the assumptions taken, status of the gratuity plan and leave encashment and the amount recognised in the Company Financial Statements as on 31st March, 2009.

Sr.No.	Particulars	2008-09		2007-08	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Assumptions				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	3.00%	5.00%	3.00%	5.00%
II	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	3,375,851	14,902,442	2,393,001	14,127,533
(b)	Interest cost	270,068	1,192,195	191,440	1,059,565
(c)	Current Service Cost	3,375,851	713,220	302,620	681,762
(d)	Benefits Paid	(699,873)	(2,718,716)	-	1,228,420
(e)	Actuarial gain on obligations	-	1,176,457	390,254	616,938
(f)	Present value of obligations as at the end of year	3,455,214	15,265,598	2,496,807	15,257,378
III	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	2,873,440	15,687,836	-	14,982,668
(b)	Expected return on plan assets	240,007	1,331,335	10,131	1,348,133
(c)	Contributions	2,401,677	408,618	2,863,309	585,455
(d)	Benefits paid	(699,873)	(2,718,716)	-	1,228,420
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	4,815,251	14,709,073	2,873,440	15,687,836



Sr.No.	Particulars	2008-09		2007-08	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
IV	Fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	2,873,440	15,687,836	-	14,982,668
(b)	Actual return on plan assets	240,007	1,331,335	10,131	1,348,133
(c)	Contributions	2,401,677	408,618	2,863,309	585,455
(d)	Benefits Paid	(699,873)	(2,718,716)	-	1,228,420
(e)	Fair value of plan assets at the end of year	4,815,251	14,709,073	2,873,440	15,687,836
(f)	Funded status	1,360,037	(556,525)	376,633	430,459
(g)	Excess of Actual over estimated return on plan assets		-	-	-
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)				
V	Actuarial Gain/Loss recognized				
(a)	Actuarial gain for the year -Obligation	-	(1,176,457)	390,254	616,938
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	-	1,176,457	390,254	616,938
(d)	Actuarial gain recognized in the year	-	1,176,457	390,254	616,938
VI	The amounts to be recognized in the balance sheet and statements of Profit and Loss Account				
(a)	Present value of obligations as at the end of the year	3,455,214	15,265,598	2,496,807	15,257,378
(b)	Fair value of plan assets as at the end of the year	4,815,251	14,709,073	2,873,440	15,687,836
(c)	Funded status	1,360,037	(556,525)	376,633	430,458
(d)	Net liability/(asset) recognized in balance sheet	(1,360,037)	556,525	(376,633)	(430,458)
VII	Expenses Recognised in statement of Profit & Loss Account				
(a)	Current Service cost	3,375,851	713,220	302,620	681,762
(b)	Interest Cost	270,068	1,192,195	191,440	1,059,565
(c)	Expected return on plan assets	(240,007)	(1,331,335)	10,131	1,348,133
(d)	Net Actuarial gain recognised in the year	-	1,176,457	390,254	616,938
(e)	Expenses recognised in statement of Profit & Loss Account	3,405,912	1,750,537	93,675	1,010,132
VIII	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets.				
(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.

7. Derivatives :

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

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

Particulars	As on 31.03.2009		As on 31.03.2008		Foreign Currency
	Amount in foreign currency	Rs.	Amount in foreign currency	Rs.	
Export of goods	46,698	3,374,405	31,330	2,470,997	GBP
	84,520	5,656,924	28,344	1,770,366	EURO
	16,807	851,280	14,139	560,195	USD

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

Particulars	As on 31.03.2009		As on 31.03.2008		Foreign Currency
	Amount in foreign currency	Rs.	Amount in foreign currency	Rs.	
Import of goods	42,106	2,872,077	53,637	3,402,176	EURO
	20,170	1,034,923	-	-	GBP



8. **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	2008-09	2007-08
Profit/(Loss) before taxation and extra-ordinary items (Rs.)	303,208,653	281,829,969
Less : Provision for taxation (net of extra-ordinary items) (Rs.)	103,593,000	96,412,000
Less : Provision for Fringe Benefit Tax (Rs.)	760,076	720,000
Less : Deferred tax (net of extra-ordinary items) (Rs.)	(5,698)	1,044,928
Less : Income Tax of earlier year (Rs.)	7,137,325	889,011
Profit/(Loss) attributable to the shareholders (Rs.)	191,723,950	182,764,030
Basic/Weighted average number of Equity Shares outstanding during the year	16,000,000	16,000,000
Face value of each Equity shares (Rs.)	1	1
Basic / Diluted Earnings per share (Rs.)	11.98	11.42

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

Particulars	2008-09	2007-08
Profit/(Loss) attributable to the shareholders (Rs.)	191,723,950	182,666,012
Basic/Weighted average number of Equity Shares outstanding during the year	16,000,000	16,000,000
Face value of each Equity shares (Rs.)	1	1
Basic / Diluted Earnings per share (Rs.)	11.98	11.42

9. **Auditor's Remuneration includes**

Particulars	2008-09	2007-08
Audit Fees (including Limited Review) (Rs.)	165,000	165,000
Tax Audit Fees (Rs.)	45,000	45,000
VAT Audit Fees (Rs.)	50,000	50,000
Certification & Other matter Fees (Rs.)	4,500	3,000
Out of pocket expenses (Rs.)	22,058	24,147
Towards Service Tax (Refer note below) (Rs.)	25,687	32,505
Total Rs.	312,245	319,652

Note : Out of above service tax credit of Rs. 25,687/- (previous year Rs.32,505/-) has been taken and the same has not been debited to Profit & Loss Account.

10. **Segment Information for the year ended 31st March, 2009**

(i) **Information about primary business segment**

Particulars	2008-09				2007-08			
	Segments			Total	Segments			Total
	Material Handling Equipment	Windmill Power	Unallocated		Material Handling Equipment	Windmill Power	Unallocated	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue								
Segment Revenue	941,350,764	24,417,743	-	965,768,507	909,513,584	21,865,406	-	931,378,990
Result								
Segment Results	303,220,106	816,771	-	304,036,877	280,601,600	(5,844,153)	-	274,757,447
Less:Unallocated corporate expenses net of Unallocated Corporate Income	-	-	(2,987,197)	(2,987,197)	-	-	(3,623,088)	(3,623,088)
Less:Interest (Net)	-	-	2,158,973	2,158,973	-	-	10,695,610	10,695,610
Less:Extra ordinary items	-	-	-	-	(98,018)	-	-	(98,018)
Profit Before Tax	303,220,106	816,771	(828,224)	303,208,653	280,503,582	(5,844,153)	7,072,523	281,731,951
Less:Provision for Tax (Net of Deferred Tax)	-	-	(104,347,378)	(104,347,378)	-	-	(98,176,928)	(98,176,928)
Net Profit After Tax & Before Prior Period	303,220,106	816,771	(105,175,602)	198,861,275	280,503,582	(5,844,153)	(91,104,405)	183,555,023
Add : Prior Period Tax Adjustments	-	-	(7,137,325)	(7,137,325)	-	-	(889,011)	(889,011)
Net Profit After Prior Period Adjustments	303,220,106	816,771	(112,312,927)	191,723,950	280,503,582	(5,844,153)	(91,993,416)	182,666,012
Other Information								
Segment Assets	524,506,905	211,528,349	276,458,308	1,012,493,561	491,696,530	231,746,041	179,976,153	903,418,724
Segment Liabilities	79,030,229	55,225,575	93,469,308	227,725,112	110,055,730	72,696,295	90,183,800	272,935,825
Capital Expenditure	78,191,032	1,500,000	-	79,691,032	12,964,548	-	-	12,964,548
Depreciation / Amortisation	5,270,002	12,263,739	36,899	17,570,640	5,315,385	12,210,168	29,031	17,554,584



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 geographical segment.

11. Related party disclosure

- (a) Related party disclosure in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("ICAI")

Sr. No.	Related Parties	Nature of Relationship
(i)	Bajaj Electricals Limited	Shri Shekhar Bajaj is Chairman & Managing Director
(ii)	Bajaj Auto Limited	Shri Shekhar Bajaj is Director
(iii)	Bajaj Finserv Ltd.	Bajaj Finserv Ltd. exercises significant influence in Hercules Hoists Limited
(iv)	Hind Lamps Limited	Shri Shekhar Bajaj is Chairman
(v)	Hind Musafir Agency Ltd.	Shri Shekhar Bajaj is Chairman
(vi)	Hindustan Housing Co. Ltd.	Shri Shekhar Bajaj is Member
(vii)	Baroda Industries Ltd.	Relatives of Shri Shekhar Bajaj, Smt. Minal Bajaj (Brother's Wife) & Shri Niraj Bajaj (Brother) are Directors
(viii)	Mukand Ltd.	Relative of Shri Shekhar Bajaj, Shri Niraj Bajaj (Brother) is Director
(ix)	Bajaj Allianz General Insurance Co. Ltd.	Relative of Shri Shekhar Bajaj, Shri Niraj Bajaj (Brother) is Director
(x)	Bajaj International Pvt. Ltd.	Shri Shekhar Bajaj is Chairman
(xi)	Shri Shekhar Bajaj	Chairman (Key Management Personnel)
(xii)	Shri H.A. Nevatia	Whole Time Director (Key Management Personnel)
(xiii)	Shri M.S. Saigal	President & CEO (Key Management Personnel)

- (b) Transactions that have taken place during the year with related parties by the Company.

Sr.No.	Related parties	Nature of Transactions during the year	2008-09	2007-08
(i)	Bajaj Electricals Limited	Sale of Products	2,720,665	5,296,742
		Receivables against sales	3,347,745	5,421,059
		Reimbursement of expenses	15,000	664
(ii)	Bajaj Auto Limited	Investments in Equity Share	1,608,337	1,608,337
(iii)	Bajaj Finserv Ltd.	Investments in Equity Share	1,557,394	1,557,394
(iv)	Hind Lamps Limited	Interest received	-	473,698
		Interest Receivable	682,320	319,547
		Inter Corporate Deposit refund received	-	5,062,500
		Inter Corporate Deposit Receivable	4,937,500	4,937,500
		Investments in Preference Share	10,000,000	10,000,000
(v)	Hind Musafir Agency Ltd.	Purchase of Travel Tickets	2,646,602	527,467
		Payable against Purchases	-	167,671
(vi)	Hindustan Housing Co. Ltd.	Office Maintenance Charges	113,581	92,762
		Payable towards Maintenance Charges	17,095	7,983
		Deposit for Services	146,780	170,340
(vii)	Baroda Industries Ltd.	Expenses for services received	179,311	89,388
		Payable towards services	-	37,284
		Payables against Purchases /(Advance given)	(99,935)	(99,935)
		Sale of products	2,252,644	3,370,435
		Receivables against Sales	43,109	43,109
(ix)	Bajaj Allianz General Insurance co. Ltd.	Payment of Insurance Premiums	165,138	1,957,681
		Payable against purchases/(Advance given)	(39,463)	(205,188)
(x)	Shri H.A.Nevatia	Remuneration Paid (including Other benefits)	304,149	303,942
(xi)	Shri M.S.Saigal	Remuneration Paid (including Other benefits)	4,940,154	5,603,168

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.



12. **Additional information pursuant to the provision of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.**

A. Details of licensed and installed capacity and production, stocks and turnover:

Sr. No.	Particulars	Units	Licensed Capacity	# Installed Capacity	Actual Production	Opening Stock	Closing Stock	Turnover
				Ref. Note (a & b)				
I.	Material Handling Equipments	Nos.	N.A.	29,250	39,599	288	90	39,797
		Value (in Rs.)				3,343,179	1,722,928	883,299,285
		(Nos.)	(N.A.)	(29,250)	(41,828)	(117)	(288)	(41,657)
		(Value) (in Rs.)				(2,464,429)	(3,343,179)	(864,664,184)
II.	Wind Mill Power	KWH	N.A.	5 MW	6,384,181	-	-	6,349,120
		Value (in Rs.)						24,417,743
		(KWH)	(N.A.)	(5 MW)	(3,825,915)	-	-	(6,090,654)
		(Value) (in Rs.)						(21,865,406)

Material Handling Equipment includes Chain Pulley Block, Electric Hoists, Trolleys, Cranes & Spares, etc.

Notes :

- Installed Capacity being technical matter is as Certified by Directors and relied upon by Auditors.
- Actual Production includes production parts from external sources.
- Turnover for the year includes value of spare parts sold for Rs.117,569,323 (Previous Year Rs.101,775,034).
- Windmill Power Generated is net of 35,061 units (Previous Year 38,664 units) of energy used for self-consumption.
- The above figures have been ascertained after adjustment of excess and shortages ascertained on physical count, etc.
- The turnover of Previous Year includes 2,203,403 KWH being short fall in generation of power as guaranteed by the Wind Turbine Supplier.
- Figures in bracket are of previous year.

B. Goods for Trade (Figures in bracket are of previous year)

Sr. No.	Particulars	Units	Opening Stock	Purchase	Closing Stock	Turnover
I	Material Handling Equipments	Nos.	-	29	-	29
		Value (in Rs.)	-	28,505,314	-	30,870,676
		(Nos.)	(1)	(32)	-	(33)
		(Value) (in Rs.)	(154,229)	(18,085,014)	-	(20,408,517)

Material Handling Equipment includes Chain Pulley Block, Electric Hoists, Trolleys, Cranes & Spares, etc.

Notes :

- The above figures have been ascertained after adjustment of excess and shortages ascertained on physical count.
- Figures in bracket are of previous year.

C. Consumption of Raw-materials and Components:

Sr.No.	Raw Materials and Components	Measure of	2008-09		2007-08	
			Quantity	Value (in Rs.)	Quantity	Value (in Rs.)
1.	Castings	M/Tonnes	979.04	50,909,860	674.77	39,361,801
2.	Forgings	M/Tonnes	437.67	30,996,023	368.58	25,800,455
3.	Electric Motors	Nos.	14699.00	55,611,444	9900.00	54,497,862
4.	Steel	M/Tonnes	1780.96	71,238,534	1110.89	56,655,435
5.	Chains	M/Tonnes	649.21	66,777,515	809.69	57,468,783
6.	Other Components and materials		---	152,034,743	---	181,134,142
Total Rs...				427,568,119		414,918,478

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.



D. Imported and Indigenous Raw-materials & Components and Spare Parts consumption:

Sr.No.	Particulars	2008-09				2007-08			
		Raw-materials & Components		Spare Parts		Raw-materials & Components		Spare Parts	
		Value (in Rs.)	%	Value (in Rs.)	%	Value (in Rs.)	%	Value (in Rs.)	%
(i)	Imported (Excluding imported material purchased locally)	19,128,517	4.47%	745,651	18.21%	51,164,266	12.33%	1,068,354	26.06%
(ii)	Indigenous	408,439,602	95.53%	3,348,274	81.79%	363,754,212	87.67%	3,030,934	73.94%
	Total	427,568,119	100.00%	4,093,925	100.00%	414,918,478	100.00%	4,099,288	100.00%

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.

E.	C.I.F. Value of Imports (excluding imported materials purchased locally).	2008-09	2007-08
		Rs.	Rs.
1.	Raw Materials & Components	34,129,448	38,909,236
2.	Spares Parts	931,478	510,065

F.	Remittance in Foreign Currencies on account of dividend to non-resident shareholders:	2008-09	2007-08
	Number of Shareholder	1	-
	Number of Shares	80,000	-
	Amount remitted (in Rs.)	1,600,000	-
	Financial Year	2007-08	-
	Nature of Dividend	Annual	-

G.	Expenditure in Foreign Currencies :	2008-09	2007-08
		Rupees	Rupees
1.	Travelling Expenses	92,963	68,095
2.	Others	345,917	5,753

H.	Earnings in Foreign Currencies:	2008-09	2007-08
		Rupees	Rupees
	Exports (on F.O.B. basis)	29,532,457	37,045,987

13. Disclosure relating to provisions

The movement in the following provisions is summarised as under :

Sr. No.	Provision Related to	Opening Balance	Additions	Utilisation	Reversal	Short Provision	Closing Balance	Brief Description of Provision made
1.	Warranty	1,062,575	919,458	584,212	381,396	-	1,016,425	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.



Sr. No.	Provision Related to	Opening Balance	Additions	Utilisation	Reversal	Short Provision	Closing Balance	Brief Description of Provision made
2.	Liquidated Damages	4,814,195	483,120	236,366	1252308	-	3808641	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.
3.	Incentives to marketing employees	505,359	252,966	505,359	-	-	252966	The company gives incentives to its marketing employees based on their performance. A provision has been made for the expected liability based on the past experience.

14. Balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and consequential adjustments, if any.
15. Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with those of the current year's.

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 27th May, 2009

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 27th May, 2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 12385

Balance Sheet Date : 31032009

State Code 11

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

886426

Total Assets

886426

SOURCES OF FUND

Paid up Capital

16000

Reserves & Surplus

768768

Secured Loans

53177

Unsecured Loans

NIL

Deferred Tax Liability

48481

APPLICATION OF FUNDS

Net Fixed Assets

323066

Investments

157332

Net Current Assets

400035

Misc. Expenditure

NIL

Accumulated Losses

NIL

Deferred Tax Assets

5994

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover

971679

Total Expenditure

668471

Profit Before Tax

303209

Profit After Tax

198861

Earning Per Share in Rs.

11.98

Dividend Rate %

200

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY

(As Per Monetary Terms)

Item Code No. (I T C Code)

: 842500

Product Description

: HOISTS

Item Code No. (I T C Code)

: 842600

Product Description

: OVERHEADTRAVELLINGCRANES

Item Code No. (I T C Code)

: 843100

Product Description

: SPAREPARTSFORABOVEPRODUCTS

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

ASHISH BAIRAGRA
Partner

Membership No. 109931

Place : Mumbai.

Date : 27th May, 2009

H. A. NEVATIA - Whole Time Director

Place : Mumbai.

Date : 27th May, 2009



HERCULES HOISTS LIMITED

Regd. Office : 110, Minerva Industrial Estate, Mulund (West), Mumbai 400 080.

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 **47th ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday, the 29th July, 2009 at 12.00 Noon**
at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 and at any
adjournment thereof.

Signed this _____ day of _____ 2009.

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

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the member attending : _____

Full name of the first joint-holder : _____
(To be filled-in if first named joint-holder does not attend the Meeting)

Full name of Proxy : _____
(To be filled-in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **47th ANNUAL GENERAL MEETING** of the Company at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

Ledger Folio No. _____

No. of Shares held : _____

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

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