



Lifting loads of indian industry for 50 YEARS

50th ANNUAL REPORT 2011 - 2012

HERCULES HOISTS LIMITED





HERCULES HOISTS LIMITED

50th ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

SHEKHAR BAJAJ – Chairman

KLAUS CARL UEBEL

NARESH CHANDRA

VINAYA L. MEHROTRA

KISHORILAL F. JHUNJHUNWALA

MUKUL M. UPADHYAYA

GAURAV V. NEVATIA

TUSHAR P. SHAH

SHAILESH V. HARIBHAKTI

(Alternate Director to Mr. K. C. Uebel)

H. A. NEVATIA – Whole Time Director

PRESIDENT & CEO

M. S. SAIGAL

BANKERS

BANK OF MAHARASHTRA

AUDITORS

M. L. BHUWANIA & CO.

Chartered Accountants

REGISTERED OFFICE

Bajaj Bhawan, 2nd Floor,
226, Jamnalal Bajaj Marg,
Nariman Point, Mumbai 400 021.

ADMINISTRATIVE OFFICE

Survey Nos. 43/2B, 43/5, 45/2,
Kharpada-Savroli Road,
At Village Dhamani, Taluka-Khalapur, Khopoli,
Dist. - Raigad, Maharashtra - 410 202.

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ANNUAL GENERAL MEETING

Tuesday, 17th July, 2012, 11.00 A.M.
at Walchand Hirachand Hall, 4th Floor,
Indian Merchants' Chamber,
Indian Merchants' Chamber Marg,
Churchgate, Mumbai-400 020.

**Shareholders are requested
to bring with them the
Attendance Slip on page 39
and their copy of the Balance Sheet**

FINANCIAL HIGHLIGHTS

(Rupees in Lacs)

Description	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
PROFIT & LOSS ACCOUNT						
Gross Sales	12,971.39	12,748.32	8,830.27	10,248.55	10,052.53	9,871.51
Net Sales	11,789.69	11,635.11	8,167.40	9,141.70	8,850.73	8,630.37
Sale of Power Units Generated	275.76	223.86	272.56	244.18	218.65	240.37
Other Income	955.20	559.81	497.95	330.91	389.20	255.34
Gross Revenue	13,020.65	12,418.78	8,937.91	9,716.79	9,458.58	9,126.08
Cost of Material	6,108.04	5,687.54	4,775.13	4,757.21	4,585.32	3,900.83
Operating & Other Expenses	2,277.15	2,129.18	1,497.34	1,675.78	1,760.86	1,756.55
Interest & Finance Expenses	5.51	24.29	46.99	76.01	118.55	137.20
Depreciation/Amortisation	203.32	202.65	196.99	175.71	175.55	169.99
Profit Before tax and extra ordinary items	4,426.64	4,375.12	2,421.46	3,032.08	2,818.30	3,161.51
Extra Ordinary Items	-	-	392.70	-	0.98	0.98
Profit Before tax	4,426.64	4,375.12	2,028.76	3,032.08	2,817.32	3,160.53
Current Tax (IncomeTax)	1,274.00	1,369.55	712.61	1,035.93	964.12	805.51
Deferred Tax	41.56	30.68	(88.95)	(0.06)	10.45	162.84
Fringe Benefit Tax	-	-	-	7.60	7.20	6.67
Adjustment for earlier years	19.42	(16.07)	(34.03)	71.37	8.89	17.75
Profit After Tax & Adjustment for earlier Years	3,091.66	2,990.96	1,439.13	1,917.24	1,826.66	2,167.76
Dividend -Interim / Proposed Dividend	560.00	480.00	320.00	320.00	320.00	320.00
Dividend Distribution Tax	90.85	77.87	53.15	54.38	54.38	44.88
Retained Profit	2,440.82	2,433.09	1,065.98	1,542.86	1,452.28	1,802.88
BALANCE SHEET						
Net Worth	13,787.57	11,346.76	8,913.67	7,847.68	6,304.83	4,868.34
Loan Funds						
- Secured Loan	-	-	397.78	531.77	705.68	1,805.26
- Unsecured Loan	23.52	22.02	22.02	22.12	22.12	22.12
Deferred Tax Liability (Net)	408.17	366.60	335.92	424.87	424.93	422.61
Total Sources of Funds	14,219.26	11,735.38	9,669.39	8,826.44	7,457.56	7,118.33
Fixed Assets & Intangible Assets						
- Gross (including Capital WIP)	4,468.70	4,666.20	4,400.74	4,195.04	3,578.69	3,326.40
- Net	2,976.84	3,361.95	3,292.51	3,230.65	2,770.24	2,678.90
Investments	2,259.27	2,457.27	1,147.04	1,573.32	172.78	172.78
Long term Loans & Advances	489.93	312.94	635.35	251.76	371.35	218.41
Current Assets	10,577.53	7,820.46	6,254.73	5,015.25	5,669.66	5,461.41
Current Liabilities	(1,377.82)	(1,567.63)	(1,212.95)	(794.55)	(1,088.26)	(1,170.91)
Provisions	(706.48)	(649.61)	(447.29)	(449.99)	(438.21)	(243.24)
Miscellaneous Expenditure	-	-	-	-	-	0.98
Total Application of Funds	14,219.26	11,735.38	9,669.39	8,826.44	7,457.56	7,118.33
RATIOS and STATISTICS						
Proprietary Fund Ratio #	0.85: 1	0.81: 1	0.79: 1	0.78: 1	0.7: 1	0.57: 1
Debt Equity Ratio *	0: 1	0: 1	0.05: 1	0.07: 1	0.12: 1	0.38: 1
Current Ratio	5.07: 1	3.53: 1	3.77: 1	4.03: 1	3.71: 1	3.86: 1
Return on Proprietors Fund	22.42%	26.36%	16.15%	24.43%	28.97%	44.54%
Return on Capital Employed Ratio+	31.17%	37.49%	25.53%	35.21%	39.38%	46.34%
Operating Ratio †	21.04%	20.04%	25.55%	20.25%	21.89%	22.33%
Net Profit Ratio	37.55%	37.60%	24.84%	33.17%	31.83%	36.62%
Dividend Per Share (Rs.)	3.50	3.00	2.00	2.00	2.00	2.00
Earning per Equity Share (Rs.)	19.32	18.70	8.99	11.98	114.17	135.48
Book Value per Equity Share (Rs.)	86.17	70.92	55.71	49.05	394.05	304.21
No. of Equity Shareholders	9146	9147	8865	9302	8276	3748
No. of Employees	113	108	99	143	131	130

Proprietor's Fund = Equity Capital + Reserves & Surplus - Miscellaneous Expenses.

* Debt Equity = Term Liability / Net Worth.

+ Capital Employed = Equity Capital + Reserves & Surplus + Loan Funds - Miscellaneous Expenses.

† Operating Costs for Operating Ratio = Operating & Other Expenses + Depreciation/Amortisation + Extra-Ordinary Item.

Note:

Ratios and Statistics given for F.Y. 2011-12 and F.Y. 2010-11 are as per Revised Schedule VI. Therefore some figures may not be comparable with other 4 years due to change.

HERCULES HOISTS LIMITED

Regd. Office: Bajaj Bhawan, 2nd floor, 226, Jammalal Bajaj Marg, Nariman Point, Mumbai - 400 021.
Tel. 91-22-22023626, Fax : 91-22-22025160

Admn. Office : Survey Nos. 43/2B, Village Dhamani, Savroli Kharpada Road, Taluka Khalapur, Dist. Raigad, Pin Code : 410202 Maharashtra.
Tel. (02192) 274135, Fax : (02192) 274325. E-Mail : indef@indef.com

NOTICE

NOTICE is hereby given that the **Fiftieth Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020, on Tuesday, the 17th day of July, 2012, at 11.00 A.M. to transact the following business :-

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012 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 K.F. Jhunjhunwala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mukul M. Upadhyaya, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Gaurav V. Nevatia, 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.

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 Friday, the 13th July, 2012 to Tuesday, the 17th July, 2012, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after 17th July, 2012.
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 : 28th May, 2012

Shekhar Bajaj
Chairman

DIRECTORS' REPORT

We present our **50th Annual Report** together with the Audited Financial Accounts for the year ended 31st March, 2012:

Financial Results	As on 31st March, 2012 (Rs.)	As on 31st March, 2011 (Rs.)
Revenue from Operations	1,210,014,433	1,193,584,840
Gross Profit	462,996,223	457,777,201
Depreciation	20,331,958	20,265,218
Profit after Depreciation	442,664,265	437,511,983
Extraordinary Items (VRS)	0	0
Provision for taxation for the year (including deferred tax)	131,556,409	140,022,849
Net Profit after tax & VRS	311,107,856	297,489,134
Earlier year's income-tax adjustment	(1,941,624)	1,606,709
Balance brought forward	15,000,000	15,000,000
Profit available for appropriation	324,166,232	314,095,843
Proposed Dividend	56,000,000	48,000,000
Corporate Tax on Dividend	9,084,600	7,786,800
Transferred to General Reserve	244,081,632	243,309,043
Balance carried to BALANCE SHEET	15,000,000	15,000,000

2. The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.3.50 (including Rs.0.50 for the Golden Jubilee Year) per Equity Share of Re.1/- for the year ended 31st March, 2012, as against Rs.3.00 per Equity Share of Re.1/- in the previous year.
3. The revenue from operations of the Company at Rs.121.00 Crores are 1.40% higher compared to last year's revenue from operations of Rs.119.36 Crores. The net profit of Rs.30.92 Crores is also 3.40% higher, as compared to last year's net profit of Rs.29.91 Crores. The Company has been able to maintain the sales, inspite of slow-down in new projects/expansion activities on the one hand and increased competition on the other hand. The Directors are hopeful of improved performance in the current year. The company is constantly exploring the possibility of tie-up with foreign firms for improving sales as well as new products/designs.
4. The Company's 4 Windmills produced 64.48 lakhs units of energy in the year 2011-12, as against 54.27 lakhs units of energy produced in the previous year.
5. Shri K.F. Jhunjhunwala, Shri Mukul M. Upadhyaya and Shri Gaurav V. Nevatia, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.
6. Unauthorised price increase of Rs.1.98 Crores over a period of 3 years were given by some officers of the Company in collusion with certain identified vendors. The Company has terminated the services of those officers. The amount lying to the credit of these vendors have been held back and appropriate legal action is being taken against the perpetrators. Some of the above identified vendors have filed winding up petition against the Company for non-payment of their dues. The Company's solicitors are taking appropriate legal action in the matter. The Auditors of the Company have made a remark of the same in Annexure No. (i)(xxi) to their Report,.
7. 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.
8. To comply with the requirements of Corporate Governance pursuant to 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.
9. Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information/representations received from the Management, confirm that :
 - I. in the preparation of the annual accounts, the applicable standards have been followed and that no material departures have been made from the same;
 - II. such accounting policies have been selected and applied consistently and that reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;
 - III. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken; and
 - IV. the annual accounts are prepared on a going concern basis.
10. The particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, etc. to the extent applicable are set out in Annexure-I hereto.
11. 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.

13. The relationship with the employees continued to be cordial.

Your Directors take this opportunity to thank the banks, government authorities, regulatory authorities, stock exchanges, employees and stake holders for their continued co-operation and support to the Company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 28th May, 2012

Shekhar Bajaj
Chairman

ANNEXURE-I.

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

A. Conservation of Energy:

The Company's manufacturing process is not energy intensive. The details of energy consumption and costs are as follows :-

i. Power and Fuel Consumption

Particulars	Current Year	Previous Year
1. Electricity:		
(a) Purchased		
Units	298977	316776
Total Amount (Rs.)	2,392,580	2,063,410
Rate/Unit (Rs.)	8.00	6.51
(b) Own Generation		
Through Diesel Generator		
Units	25143	31571
Units per litre of Diesel Oil	2.62	2.43
Diesel Cost (Rs.)	430,821	525886
Rate/Unit (Rs.)	17.13	16.66
2,3 & 4. Coal,Furnace Oil, Others/Internal Generation	Nil.	Nil.

ii. Consumption per Unit of Production:

From the records and other Books maintained by the Company in accordance with the provisions of the companies Act, 1956, the Company is not in a position to give the required information for the current year as well as the previous year.

B. Technology Absorption:

The Company's engineers are constantly improving the designs and quality of the Company's products as well as production procedures. The Company has made substantial improvements in the Steel Mill Duty Hoists ranging from 5 T. to 30 T. capacity.

i. Foreign Exchange Earnings & Outgoings:

Particulars	Current Year	Previous Year
(i) Foreign Exchange Earnings	12,539,652	9,096,449
(ii) Foreign Exchange Outgo	25,069,162	21,975,460

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, 2012 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.	8,240,214	7,100,757	A.M.I.E., M.B.M.	69	49	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, taxable rent, furniture perks, etc.
- Shri M.S. Saigal is not related to any Director of the Company.

COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2012

To,
The Members
HERCULES HOISTS LIMITED

CIN: L45400MH1962PLC012385

AUTHORISED CAPITAL: Rs. 2,00,00,000 PAID-UP CAPITAL: Rs. 1,60,00,000

We have examined the registers, records, books and papers of **HERCULES HOISTS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2012**. In our opinion and to the best of our information and according to the examinations, carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns with the payment of additional fees in the event of delayed filing as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, comment under this paragraph relating to the Company has a minimum prescribed paid-up capital and its maximum number of members during the said financial year were upto fifty and the Company during the year under review:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, Directors or their relatives.
 - (iii) is prohibited from making any invitation or acceptance of any deposits from persons other than its members, Directors or their relatives" are not required.
4. The Board of Directors of the Company duly met **four** times respectively on **17th May 2011, 27th July 2011, 8th November 2011** and **8th February 2012** 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 20th July 2011 to 27th July 2011 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The 49th Annual General Meeting for the financial year ended on 31st March 2011 was held on 27th July 2011 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.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act and the same was placed before all the meetings of the Board of Directors of the Company.
11. There were no instances falling within the purview of Section 314 of the Act and consequently, the Company was not required to obtain any approval from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates.
13. The Company:
 - (i) has delivered certificates on splitting up of securities within the time limit prescribed under the Act
 - (ii) has deposited the amount of dividend declared on 27th July 2011 in a separate Bank Account on 29th July 2011, which is within five days from the date of declaration of such dividend.
 - (iii) has made ECS credits to shareholders entitled to receive dividend on 2nd August 2011, which is within 30 days from the date of declaration of the aforesaid dividend.
 - (iv) has transferred an amount of Rs. 140/- (Rupees One Hundred and Forty Only) to Investor Education and Protection Fund on 24th August 2011, being unclaimed dividend for the year 2003-04 which had remained unclaimed for a period of seven years from the date of transfer to unclaimed dividend Account within the prescribed time.
 - (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 other appointment of additional directors, alternate directors and directors to fill casual vacancy during the year under review.
15. The Company approved at the Annual General Meeting held on 27th July 2011 the re-appointment of Mr. H.A. Nevatia as Whole-Time Director for a period of 2 years from 22nd November 2010 to 21st November 2012 and necessary compliance with respect to the said appointment was made.
16. The Company has not appointed any sole selling agents.
17. The Company was not required to obtain any approval from Registrar of Companies, Company Law Board, Regional Director, Central Government and/or such authorities prescribed under the various provisions of the Act during the year under review.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors and complied with the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the year under review.
20. The Company has not bought back any of its shares during the year under review.
21. The Company has not issued any Preference Shares or Debentures and hence redemption, if any, of Preference Shares or Debentures does not arise.
22. The Company has currently kept in abeyance dividend benefits pertaining to 3,88,240 equity shares held in the name of Late Mr. Pramod Kumar S. Nevatia bearing Folio no. 136, as the ownership of the same is under dispute.

23. The Company has not invited / accepted any deposits including any unsecured loans within the purview of Section 58A of the Act during the year under review.
24. The Company has not made any borrowings during the year under review.
25. The Company has made short term loans to companies and body corporate and also made investments, which are in compliance with the provisions of the Act and necessary entries have been made 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 amended the provisions of the Memorandum of Association with respect to Objects Clause of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to share capital during the year under review.
30. The Company has not altered the Articles of Association of the Company during the year under review.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under review.
33. The Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner during the year under review.

Place : Mumbai
Dated : 9th May, 2012

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

ANNEXURE 'A'

Registers as maintained by the Company

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

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the year ended on 31st March 2012.

Sr. No	Form	Filed u/s.	For
1.	32	u/s 303(2) on 9th June 2011	Cessation of Mr. Shailesh V. Haribhakti as Alternate Director to Mr. Klaus Carl Uebel with effect from 5th February 2011.
2.	32	u/s 303(2) on 9th June 2011	Appointment of Mr. Shailesh V. Haribhakti as Alternate Director to Mr. Klaus Carl Uebel with effect from 8th February 2011.
3.	23	u/s 192 on 12th August 2011	Re-appointment of Mr. H. A. Nevatia for a term of 2 years from 22nd November 2010 to 21st November 2012 approved at the Annual General Meeting held on 27th July 2011.
4.	66	u/s 383 (1)(A) on 12th August 2011	Compliance Certificate for the year ended 31st March 2011.
5.	1INV	u/s 205C on 25th August 2011	Transfer of Rs. 140/- on 24th August 2011 to Investor Education and Protection Fund.
6.	20B	u/s 159 on 20th September 2011	Annual Return as on the date of Annual General Meeting held on 27th July 2011.
7.	23AC-XBRL & 23ACA-XBRL	u/s 220 on 2nd December 2011	Balance Sheet & Profit & Loss A/C for the year ended 31st March 2011 adopted at Annual General Meeting held on 27th July 2011 in XBRL format.

Place : Mumbai
Dated : 9th May, 2012

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

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Development:

The Company manufactures material handling equipments, such as, Chain Pulley Blocks, Chain and Wire Rope Electric Hoists, Ratchet Lever 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, power plants, petro chemicals, mining, pharmaceutical, logistics, general engineering industries, turn-key solutions providers, etc., wherever unit loads are moved. The Company is also marketing Shrouded Conductors of AKAPP, Netherlands and Profile Crane Systems of Erikkila, Finland.

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 and licence for its product Chain Pulley Blocks from Bureau of Indian Standards..

The Company has 4 Windmills of 1.25 M.W. each, installed in District Dhule of Maharashtra.

The Company's growth greatly depends upon new projects and expansion of existing companies, besides the replacement requirements. Although the government is conscious of the need for speedier development of infrastructure and related projects, various bottle-necks are holding up the push that is needed in this area. The Company hopes that the uncertainties will soon be removed.

(b) Opportunities and Threats:

The Company is trying to increase its sales and market share through aggressive marketing, advertisement in trade journals, participation in industrial exhibitions, such as, CeMat, etc. and vigorous follow-up with customers. The Company has strengthened its marketing set-up by appointing new Business Facilitators. The Company is expanding the Crane business and is hopeful of achieving some revenue from this sector. The Company is making concerted efforts to export its products in the Middle East, U.S.A. and neighbouring countries and have started getting few orders. The company is also making efforts to obtain CE marking for its products, so that, it can export its products to Europe and other countries.

The Company faces competition from the unorganized sector manufacturing similar products as well as imports from China, which are cheaper. The Company is also facing competition from foreign manufacturers, who have set-up operations in India. The Company is making efforts to upgrade its products to meet this challenge. The Company has taken measures to check sales of fake **Indef** products in the market.

(c) Financial Review / Segment wise Performance :

The Company has achieved gross revenue of Rs.121.00 Crores, as against Rs.119.36 Crores in the previous year. The profit before tax is Rs.44.27 Crores as against Rs.43.75 Crores in the previous year. The net profit after tax stands at Rs.30.92 Crores as against Rs.29.91Crores in the previous year.

Segment Performance :

Name of the segment	Segment Revenue for the year 2011-12	Segment Revenue for the year 2010-11
Materials Handling Equipments	1,182,438,500	1,171,198,700/-
Windmill Segment	27,575,933	22,386,140/-

(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, growth in capital equipments' demand and big projects' expansion activities. Any negative change in the outlook of this sector can affect the Company's performance. The Government of India and other state governments have given priority to infrastructural development and as such, the capital goods industry should grow at a better pace in the years to come.

The Company has adequate capacity in its Khopoli factory. This has enabled the Company to be more competitive, to meet the market demand and reduce delivery period. Effective steps are constantly taken to control costs, improve the quality of the products, introduce design changes and strengthen the internal control procedures.

The Company has a Risk Assessment and Management Policy, wherein the Company has identified key risks, such as, Market Information (increasing market share), Competition Risk (strengthening marketing set-up), New Products Development (strengthening R & D activities), Employee Risk (reducing attrition rates and retaining employees) and Credit Risk (recovery of outstandings) etc. Risk minimization/mitigation steps are regularly undertaken and reports are placed before the Audit Committee Meetings and Board Meetings.

(f) Business Out-look:

The Indian economy appears to have slightly improved, as compared to the global economy. The Company will be able to maintain its growth in view of its good brand image, wide range of good quality products, quicker delivery and effective marketing.

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

Your company recognizes the employees as the real assets of the organization and lays due emphasis on all round development of its human resources. 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 113 employees comprising of engineers, marketing staff, 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 the Board of Directors

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.

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 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 2011-12 are as follows:-

Name of the Director	Details of Fees paid during the year 2011-12	Amount (Rs.)
Shri Shekhar Bajaj	Sitting Fees for attending the Board Meetings	80,000/-
Shri K.C. Uebel	-do-	Nil.
Shri Shailesh V. Haribhakti	-do-	40,000/-
Shri Mukul M. Upadhyaya	-do-	80,000/-
Shri Tushar P. Shah	-do-	20,000/-
Shri Naresh Chandra	Sitting Fees for attending the Board Meetings and Committee Meetings.	1,00,000/-
Shri K.F. Jhunjunwala	-do-	1,20,000/-
Shri Vinaya L. Mehrotra	-do-	1,20,000/-
Shri Gaurav V. Nevatia	-do-	1,60,000/-
Shri H.A. Nevatia Whole-time Director	Remuneration	1,20,000/- + Perks

6. Disclosures regarding re-appointment of Directors who are liable to retire by rotation

Shri K.F. Jhunjunwala, Shri Mukul M. Upadhyaya and Shri Gaurav V. Nevatia retire by rotation and being eligible, are being re-appointed.

(i) Shri K.F. Jhunjunwala

Shri K.F. Jhunjunwala, aged 74, is a diploma holder in Textile manufacturing with distinction from VJTI, Mumbai. He is an Industrialist having vast experience in business, viz. cotton, export-import, real estate development, stock broking, etc. He is a member of National Stock Exchange of India Ltd. and sub-broker of Bombay Stock Exchange Ltd. He has been a Director of your Company since 16th March, 1995. He became a Director of East India Cotton Association in 1985 and was elected as its President on 23rd November, 2002. He was the member of the Executive Committee of Indian Merchants' Chamber, Mumbai and also a Committee Member of Western Region of FICCI. He is also connected with various trusts and social organizations. He is the Past President and Life Member of Lion's Club of Malad, Borivli. He is also a Director of Bearbull Securities Pvt. Ltd., Shree Shakti Housing & Development Pvt. Ltd., JCO Components Pvt. Ltd. and Cotton Association of India.

(ii) Shri Mukul M. Upadhyaya

Shri Mukul Upadhyaya, aged 74, 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 49 years and he has held various positions in the field of advertising communication, 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 has led many Indian delegations to Asian and World Advertising Congresses.

(iii) Shri Gaurav V. Nevatia

Shri Gaurav V. Nevatia, aged 39 years, has been a Director of your Company since 26th October, 2006. He is B.Com. and M.M.S. (Finance) from Bombay University. He has been managing his family business of investments, arbitrage, and stock broking as a member of the National Stock Exchange of India Ltd. for the last 17 years. He has wide experience in handling all aspects of the business including equity analysis, futures & options markets and risk management.

7. General Meetings of the Company

Financial Year ended	Date	Venue	Time	No. of Special Resolutions
31.03.2011	Annual General Meeting on 27.07.2011	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	11.00 A.M.	1
31.03.2010	Annual General Meeting on 10.08.2010	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	4.00 P.M.	-
31.03.2009	Annual General Meeting on 29.07.2009	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, 226, Nariman Point, Mumbai 400 021	12.00 NOON	1

In the Annual General Meeting held on 29th July, 2009, 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, 2008. A Special Resolution was passed through Postal Ballot during the year 2010-11 for inclusion of two new Clauses, viz. 11-A and 11-B after Clause 11 in the Objects Clause of the Memorandum of Association of the Company. One Special resolution was passed in the Annual General Meeting held on 27th July, 2011, seeking the approval of the shareholders for the re-appointment of Shri H.A. Nevatia as a 'Whole-time Director' for a period of two years from 22nd November, 2010.

8. Disclosures

The particulars/details of transactions between the Company and its related parties as per the Accounting Standards are set out in Note No.32 forming parts of the Accounts. These transactions are not likely to have any conflict with the Company's interest.

All details relating to financial and commercial transactions, where Directors may have a potential interest, are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.

The Company has laid down the procedures to inform Board Members about the risk assessment and mitigation procedures. The Board is periodically informed about business and other functional risks and its minimization procedures.

There are no instances of non-compliances by the company necessitating imposition of penalties, strictures on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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.

10. GENERAL SHAREHOLDER INFORMATION:

(a)	Registered Office:	Bajaj Bhawan, 2nd floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
(b)	Date, Time and Venue of Annual General Meeting:	Tuesday, the 17th July, 2012 at 11.00 A.M. at. Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020.
(c)	Financial Calendar:	
	Financial Year	1st April 2011 to 31st March 2012
	For the financial year ended 31st March 2012, results were announced for the quarter ending on:	
	31st March, 2011	17th May, 2011
	30th June, 2011	27th July, 2011
	30th September, 2011	8th November, 2011
	31st December, 2011	8th February, 2012
	31st March, 2012	28th May, 2012
	For the financial year ended 31st March 2013, results will be announced for the quarter ending on	
	30th June, 2012	before 14th August, 2012
	30th September, 2012	before 14th November, 2012
	31st December, 2012	before 14th February, 2013
	31st March, 2012	before 30th May, 2013
(d)	Dates of Book Closure	From 13th July, 2012 to 17th July, 2012 (both days inclusive)
(e)	Dividend and payment date	Dividend of Rs.3.50 (including Rs.0.50 for the Golden Jubilee Year) 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 17th July, 2012.
(f)	Listing Details	The Company's shares are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
(g)	Stock Code with BSE/NSE	505720 and HERCULES EQ respectively.

HERCULES HOISTS LIMITED

(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,11	268.00	229.00	6,11,817	1,537.76	273.00	228.65	12,48,543	3,123.30
May, 11	246.85	221.15	1,90,188	439.55	246.90	210.05	3,99,249	920.77
June, 11	262.00	227.10	5,67,748	1,398.05	261.70	217.30	12,58,228	3,104.89
July, 11	371.00	242.00	75,93,595	25,433.25	371.80	241.00	1,57,42,409	52,645.20
Aug. 11	337.80	220.00	17,12,838	4,788.82	337.85	212.40	35,85,625	10,016.78
Sept. 11	276.00	217.30	22,58,664	5,799.89	276.00	215.60	49,03,712	12,619.99
Oct. 11	266.00	233.95	5,39,656	1,368.03	265.40	233.35	12,08,940	3,066.17
Nov. 11	270.00	205.00	4,90,309	1,198.69	269.85	204.30	9,76,317	2,406.89
Dec. 11	233.85	190.55	4,06,708	891.34	234.65	190.55	7,31,648	1,602.89
Jan. 12	261.50	212.95	9,28,142	2,242.78	261.35	212.55	17,21,192	4,176.69
Feb. 12	277.30	242.10	6,19,144	1,607.88	277.45	242.00	14,66,602	3,812.21
Mar. 12	304.20	243.00	32,68,802	9,151.31	304.00	245.05	69,90,817	19,629.50

(i) Registrar and Share Transfer Agents : Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt. Ltd.)

21, Shakil Niwas, Opp. Satya Saibababa Temple, Mahakali Caves Road, Andheri (East), Mumbai 400 093.

Tel. (022) 282072 03-04-05; 28257641; Fax : (022) 28207207 • E-Mail : Info@unisec.in; Website : http://www.unisec.in

(j) Shareholding Pattern as on 31st March, 2012:

Particulars	No. of Equity Shares held	%	Shareholding Pattern
Promoters	1,11,24,365	69.53	
Financial Institutions, Banks, etc.	8,925	0.06	
Overseas Corporate Bodies, NRIs, etc.	8,30,308	5.18	
General Public	24,83,629	15.52	
Private Corporate Bodies	2,77,930	1.74	
Clearing Members	62,566	0.39	
Trusts	16,882	0.11	
Directors and their relatives, not part of the Promoter Group.	11,95,395	7.47	
Total	1,60,00,000	100.00	

(k) Distribution of shareholding as on 31st March, 2012 :

No. of Equity Shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holding
Upto 500	8,515	93.101	6,86,041	4.288
501 – 1000	300	3.280	2,41,333	1.508
1001 – 2000	140	1.531	2,13,623	1.335
2001 – 3000	50	0.547	1,26,568	0.791
3001 – 4000	22	0.241	79,379	0.496
4001 –5000	15	0.164	71,338	0.446
5001 – 10000	41	0.448	3,00,048	1.875
10001 & above	63	0.689	1,42,81,670	89.260
Total	9,146	100.00	1,60,00,000	100.00

(l) Dematerialisation of Shares:

As on 31st March 2012, 1,46,62,070 equity shares of the Company representing 91.64% 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 factory is situated at Survey No. 43/2B, 43/5 and 45/2, Village Dhamani, Savroli Kharpada Road, Taluka Khalapur (near Khopoli), District Raigad, Pin Code 410202, Maharashtra

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

- (i) Windmill Nos. K-41 & 42 – Village Khori-Titane, Taluka Sakri, Dhule District, Maharashtra.
- (ii) Windmill No. K-265 - Village Amkhel, Taluka Sakri, Dhule District, Maharashtra.
- (iii) 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 Administrative Office at **Hercules Hoists Limited**, Survey Nos. 43/2B, 43/5, 45/2, Village Dhamani, Savroli Kharpada Road, Taluka Khalapur, District: Raigad, Pincode : 410202, Maharashtra. Tel. (02192) 274135/274036/274087; Fax: (02192) 274325/274125 • E-mail: indef@indef.com; 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 Exchanges.

Place : Mumbai
Dated : 4th May, 2012

Sd/-
M.S. Saigal
President & CEO

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 28th May, 2012.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 28th May, 2012

Shekhar Bajaj
Chairman

CEO / CFO Certification

To,

The Board of Directors
Hercules Hoists Limited,
Survey Nos. 43/2B, 43/5, 45/2,
At Village Dhamani, Taluka Khalapur
Savroli Kharpada Road,
District : Raigad, Pin Code : 410202. (M.S.)

Dear Sirs,

We certify as follows :-

- (a) We have reviewed financial statements and the cash flow statement for the year 2011-12 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 2011-12;
 - (ii) that there are no significant changes in the accounting policies during the year 2011-12 and whatever changes have taken place have been disclosed in the Notes to the financial statements;
 - (iii) that there are no instances of fraud in the Company during the year 2011-12.

For **Hercules Hoists Limited,**

Place : Khalapur
Dated : 4th May, 2012

Sd/-
(M.S. Saigal)
President & CEO.

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

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

We have examined all relevant records of **Hercules Hoists Limited** (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year ended 31st March 2012. We have obtained all the information and explanations to the best of our knowledge and belief as were necessary for the purpose of this certification.

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

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

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

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

Place : Thane
Dated : 28th May, 2012

S. N. Ananthasubramanian
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 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 2012 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2012 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 more particularly Note No.39, 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 2012;
 - b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Ashish Bairagra
Partner
Membership No. 109931

Place: Mumbai
Date: 28/05/2012

Annexure referred to in paragraph 3 of Auditor's report to the members of Hercules Hoists Limited for the year ended 31st March 2012.

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

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets of the Company are physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with the accounts.
 - (c) In our opinion and according to the information and explanation given to us, there was no substantial disposal of fixed assets during the year.
- (ii)
 - (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.

HERCULES HOISTS LIMITED

- (iii) During the year, the Company has granted unsecured loan to a Company, covered in register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company. There are no stipulations with respect to the repayment of the loan and the interest thereon. The details of loan transactions are as under:

No. of parties	Total amount of loan given	Maximum balance outstanding during the year	Amount receivable at the end of the year
1	20,000,000	24,937,500	24,937,500

The Company has not taken any loan, secured or unsecured, to Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

- (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, internal control procedures need to be strengthened to make them commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year except transactions of special nature for which alternate quotations are not available, in our opinion, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. As explained to us such accounts and cost records are under preparation.
- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, 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 following are disputed amounts in respect of Income Tax, Service tax and Excise Duty:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
Income tax Act,1961	Disallowance of deduction U/s 80HHC	244,331	2002-03 to 2003-04	Commissioner of Income Tax (Appeals)
Income tax Act,1961	Vacancy Allowance & Disallowance U/s 14 A	28,973,206	2004-05 to 2008-09	Income Tax Appellate Tribunal
Income tax Act,1961	Penalty levied under section 271(1) (c) of the Act	436,215	2004-05	Income Tax Appellate Tribunal
Income tax Act,1961	Assessment reopened under section 148	57,553,469	2004-05 to 2005-06	Income Tax Appellate Tribunal
Income tax Act,1961	Fringe Benefit Tax	36,921	2000-01 to 2007-08	Commissioner of Income Tax (Appeals)
Central Excise Act,1944	Non Fulfillment of Conditions for export	10,382	1993-94	Deputy Commissioner of Central Excise
Central Excise Act,1944	Demand of Service Tax on Royalty	117,969	1999-2000 to 2003-04	Deputy Commissioner of Central Excise & Service tax
Central Excise Act,1944	Demand of Excise duty on erection and commission service charges	478,004	2000-01 to 2005-06	Commissioner of Central Excise (Appeals)
Central Excise Act,1944	Demand of Excise duty on erection and commission service charges	3,765,704	2005-06 to 2009-10	Central excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty on Advertisement & sales promotion	3,510,654	2000-01 to 2009-10	Central excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty for non producing of rewarehousing Certificate	186,705	2008-09	Assistant commissioner of Central Excise
Central Excise Act,1944	Demand of Excise duty on sales under notification	3,544,627	2009-10	Central excise Appellate Tribunal

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2012. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2012 and in the immediately preceding financial year ended March 31, 2010.
- (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 by the Company has been noticed or reported. However unauthorized price increase of Rs.1.98 Crores over 3 years were given by some officers of the Company in collusion with certain identified vendors and those purchases were accounted at invoiced value in the respective years. Amount lying to the credit of these vendors have been held back and appropriate legal action is being taken against the perpetrators. Some of the above mentioned vendors have filed winding up petition against the company for non payment of their dues which the Company is contesting. Recoveries will be accounted on receipt basis.

Place: Mumbai
Date: 28/05/2012

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

Ashish Bairagra
Partner
Membership No. 109931

BALANCE SHEET AS AT 31 ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
		Rupees	Rupees
EQUITY AND LIABILITIES			
Shareholder's funds			
(a) Share Capital	1	16,000,000	16,000,000
(b) Reserve & Surplus	2	1,362,757,186	1,118,675,554
Non- current Liabilities			
(a) Deferred tax liabilities (net)	3	40,816,839	36,660,429
(b) Other long- term liabilities	4	2,352,400	2,202,400
Current liabilities			
(a) Short- term borrowings	5	41,227,219	841,773
(b) Trade payables	6	73,206,726	115,492,031
(c) Other current liabilities	7	23,348,170	40,429,422
(d) Short - term provisions	8	70,648,278	64,960,717
TOTAL		1,630,356,818	1,395,262,326
ASSETS			
Non - current Assets			
(a) Fixed assets	9		
(i) Tangible Assets		290,930,167	327,399,995
(ii) Intangible Assets		1,127,061	1,667,678
(iii) Capital work - in - progress		5,627,006	7,127,069
(b) Non - current Investment	10	225,927,273	245,726,782
(c) Long - term loans and advances	11	48,992,751	31,294,443
Current Assets			
(a) Inventories	12	209,681,530	235,508,706
(b) Trade receivables	13	221,211,318	214,189,941
(c) Cash & cash equivalents	14	250,980,919	176,314,716
(d) Short- term loans and advances	15	323,237,938	125,850,614
(e) Other current assets	16	52,640,856	30,182,382
TOTAL		1,630,356,818	1,395,262,326
Contingent Liabilities and commitments	17		
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	1 to 41		

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

As per our report attached of even date.

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants
Firm Registration Number : 101484W

ASHISH BAIRAGRA
Partner
Membership No. 109931

Place : Mumbai.
Date : 28/05/2012

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director

Place : Mumbai.
Date : 28/05/2012

Statement of Profit and Loss for the year ended 31 ST MARCH, 2012

Particulars	Note No.	Year ended 31st March, 2012 Rupees	Year ended 31st March, 2011 Rupees
Revenue from operations	18	1,210,014,433	1,193,584,840
Other income	19	92,050,585	48,293,418
Total Revenue		1,302,065,017	1,241,878,258
Expenses:			
Cost of Materials Consumed	20	600,592,340	552,813,979
Purchase of Stock - in - Trade	21	3,325,050	28,332,262
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	6,886,139	(12,392,125)
Employee benefit expenses	23	58,438,829	50,016,023
Finance Cost	24	550,565	2,428,878
Depreciation & amortization expenses	9	20,331,958	20,265,218
Other Expenses	25	169,275,871	162,902,040
Total Expenses		859,400,752	804,366,275
Profit before exceptional and extraordinary items & tax		442,664,265	437,511,983
Exceptional Items		-	-
Profit before extraordinary items and tax		442,664,265	437,511,983
Extraordinary Items		-	-
Profit before tax		442,664,265	437,511,983
Tax expenses:			
(1) Current tax			
of Current year		127,400,000	136,954,983
of Earlier years		1,941,624	(1,606,709)
(2) Deferred tax		4,156,409	3,067,866
Profit/(Loss) for the period from continuing Operations	(A)	309,166,232	299,095,843
Profit/(Loss) from discontinuing operations		-	-
Tax expenses of discontinuing operation		-	-
Profit/(Loss) from discontinuing operations (after tax)	(B)	-	-
Profit / (Loss) for the period	(A+B)	309,166,232	299,095,843
Earning per equity share:	26		
Basic and Diluted Earnings per Share (excluding Extraordinary Items, net of tax)		19.32	18.70
Basic and Diluted Earnings per Share (including Extraordinary Items, net of tax)		19.32	18.69

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS 1 to 41

As per our report attached of even date

The notes referred above form an integral part of the Statement of Profit and Loss.

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

Chartered Accountants

Firm Registration Number : 101484W

ASHISH BAIRAGRA

Partner

Membership No. 109931

Place : Mumbai.

Date : 28/05/2012

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director

Place : Mumbai.

Date : 28/05/2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	2011-12 Rupees	2010-11 Rupees
(A) CASH FLOW FROM OPERATING ACTIVITIES	442,664,265	437,511,983
Net Profit before tax & Extraordinary Items		
Adjustment for:		
Dividend Received	(17,640,469)	(12,715,707)
Depreciation /Amortisation	20,331,958	20,265,218
Interest income	(50,529,009)	(19,077,550)
Interest expense	550,565	2,032,807
Bad debts	300,825	1,131,596
Allowance for Bad Debts	6,395,453	3,315,170
Provision for Liquidated Damages (Net)	120,677	415,309
Provision For Incentive/Warranty/Liquidated Damages (Net)	216,703	(654,425)
(Profit)/Loss on Sale of Long Term Investments (Net)	(8,841,393)	-
(Profit)/Loss on Sale of Assets/Discarded Assets (Net)	(5,514,630)	215,433
Excess Provision written back (Net)	(4,420,308)	(3,757,548)
Sundry balance written back (Net)	(3,735,428)	(1,168,646)
Exchange Rate Fluctuation (Net)	(256,750)	10,500
	(63,021,806)	(9,987,843)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	379,642,459	427,524,140
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
Long Term Loans & Advances	(257,546)	325,463
Short Term Loans & Advances	(2,120,005)	(5,769,587)
Other Current Assets	(4,775,024)	(7,925,111)
Trade Receivables	(12,714,201)	(84,464,004)
Inventories	25,827,176	(28,202,916)
Trade Payables	(38,620,164)	11,784,136
Short Term Provisions	814,337	(2,493,710)
Other Long Term Liabilities	150,000	-
Other Current Liabilities	1,815,637	7,175,100
	(29,879,790)	(109,570,628)
Cash Generated from Operations	349,762,669	317,953,512
Direct Taxes paid	(176,652,004)	(134,952,828)
NET CASH FROM OPERATING ACTIVITIES	173,110,665	183,000,684
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Loan (given)/ returned	(170,000,000)	-
Purchase of Fixed Assets including Capital Work in Progress	(8,085,518)	(18,910,706)
Sale of Fixed Assets	32,145,273	121,681
Purchase of Non Current Investments	(90,481,883)	(131,023,092)
Sale of Non Current Investments	119,122,785	-
Interest Received	32,845,559	24,739,271
Dividend Received	17,640,469	12,715,707
	(66,813,315)	(112,357,139)
NET CASH USED IN INVESTING ACTIVITY	(66,813,315)	(112,357,139)

	2011-12 Rupees	2010-11 Rupees
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Net (Decrease)/ Increase in Long Term Borrowings	(15,948,787)	(18,122,600)
Net (Decrease)/ Increase in Short Term Borrowings	40,385,446	(3,806,773)
Interest Paid	(1,438,280)	(1,857,771)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(54,629,527)	(36,450,788)
NET CASH USED IN FINANCING ACTIVITY	(31,631,148)	(60,237,932)
 NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	74,666,203	10,405,613
 OPENING BALANCE OF CASH & CASH EQUIVALENTS	176,314,716	165,909,103
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	250,980,919	176,314,716
	74,666,203	10,405,613

Notes

1 Closing Balance of Cash & Cash Equivalents

Cash and Cash Equivalents Includes:

CASH IN HAND	7,098	31,814
BALANCE WITH SCHEDULED BANKS		
- In Current Account	46,101,634	159,557,302
- In Unpaid Dividend Account (refer note no. 3)	5,436,864	4,279,591
- In Fixed Deposit Account	193,165,239	6,596,390
- In Margin Money Account	6,270,084	5,849,619
	250,980,919	176,314,716

- 2 Interest received on delayed payments from dealers of Rs.15,396,358/- (Previous Year Rs.10,655,595/-) has been considered as cash flow from operating activities.
- 3 The Company can utilise these balances only towards settlement of the unpaid dividend.
- 4 Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants
Firm Registration Number : 101484W

ASHISH BAIRAGRA
Partner
Membership No. 109931

Place : Mumbai.
Date : 28/05/2012

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director

Place : Mumbai.
Date : 28/05/2012

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS
1 SHARE CAPITAL

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Authorized Shares		
20,000,000 Equity shares, Re. 1/- par value (Previous Year 20,000,000 equity shares Re. 1/- par value)	20,000,000	20,000,000
	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Fully Paid Up Shares		
16,000,000 Equity shares, Re. 1/- par value fully paid up (Previous Year 16,000,000 equity shares Re. 1/- par value)	16,000,000	16,000,000
	<u>16,000,000</u>	<u>16,000,000</u>
Total Issued, Subscribed and Fully Paid Up Share Capital	<u>16,000,000</u>	<u>16,000,000</u>

Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2012 :

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Number of shares at the beginning	16,000,000	16,000,000
Add: Shares issued during the year	-	-
Less : Shares bought back (if any)	-	-
Number of shares at the end	<u>16,000,000</u>	<u>16,000,000</u>

Note No 1.2: Terms/rights attached to equity shares

- (A) The company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) The amount of per share dividend of Rs. 3.50 (Previous Year Rs. 3.00) has been proposed to be distributed to equity shareholders for the year ended 31/03/2012. The total amount of dividend shall be Rs. 65,084,600/- (Including Dividend Distribution Tax Rs. 9,084,600/-).
- (C) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

- (A) In the Financial Year 2006-07, 800,000 Equity Shares of Rs.10 each (8,000,000 Equity Shares of Re.1 each post sub-division) were allotted as fully paid-up Bonus Shares by Capitalisation of Reserves.
- (B) In the Financial Year 2008-09, 1,600,000 Equity Shares of Rs.10 each fully paid were sub-divided into 16,000,000 Equity Shares of Re.1 each fully paid up.

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

Name of the shareholder	No. of shares held	% held as at 31st March, 2012	No. of shares held	% held as at 31st March, 2011
Bajaj Holdings & Investment Ltd.	3,125,520	19.53	3,125,520	19.53
Jamnalaal Sons Pvt. Ltd.	2,610,840	16.32	2,610,840	16.32
Mrs. Sunaina Kejriwal	995,240	6.22	995,240	6.22
Bajaj Sevashram Pvt. Ltd.	934,000	5.84	934,000	5.84
Mr. Anant Bajaj	832,000	5.20	832,000	5.20

2 RESERVE & SURPLUS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Capital reserve		
Opening Balance (A) (As per last Balance Sheet)	513,804	513,804
General reserve		
Opening Balance	1,103,161,750	859,852,707
Add: Transferred from surplus	244,081,632	243,309,043
Less : Amount withdrawn	-	-
(B)	<u>1,347,243,382</u>	<u>1,103,161,750</u>

Surplus - Opening balance	15,000,000	15,000,000
Add: Net profit after tax transferred from statement of profit & loss	309,166,232	299,095,843
Amount available for appropriation	324,166,232	314,095,843
Less : Appropriations		
Proposed Dividend	56,000,000	48,000,000
Dividend Tax	9,084,600	7,786,800
Amount transferred to general reserve	244,081,632	243,309,043
Surplus Closing Balance (C)	15,000,000	15,000,000
Total of Reserve & Surplus (A+B+C)	1,362,757,186	1,118,675,554

3 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Deferred tax liabilities		
On account of difference in depreciation as per books and income tax	52,084,013	51,220,174
(A)	<u>52,084,013</u>	<u>51,220,174</u>
Less : Deferred tax assets		
On account of Expenses allowable under income tax on payment basis	2,513,426	5,260,979
On account of Voluntary Retirement Scheme	5,096,502	7,644,753
On account of Provision for warranty	181,557	111,248
On account of Allowance for Bad & Doubtful Debts	3,475,689	1,542,765
(B)	<u>11,267,174</u>	<u>14,559,745</u>
Total of Net Deferred Tax Liability (A-B)	40,816,839	36,660,429

Note No. 3.1 : Accounting Policy of Deferred Tax

The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

4 OTHER LONG - TERM LIABILITIES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Others		
Deposits	2,352,400	2,202,400
	<u>2,352,400</u>	<u>2,202,400</u>

5 SHORT TERM BORROWING

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Secured Loans		
Other Loans and Advances		
Working Capital Facilities from Bank (Refer Note No. 5.1 given below)	41,227,219	841,773
	<u>41,227,219</u>	<u>841,773</u>

Note No. 5.1 :

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

HERCULES HOISTS LIMITED

6 TRADE PAYABLES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Sundry Creditors For Goods (Refer Note No. 6.1 given below)	35,269,712	62,456,358
Sundry Creditors For Expenses (Refer Note No. 6.1 given below)	37,937,014	53,035,673
	73,206,726	115,492,031

Note No. 6.1 :

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

7 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Current Maturities of Long Term Debt (Refer Note No. 7.1 given below)	-	15,948,787
Interest Accrued and due on Borrowing	-	887,715
Unpaid Dividends	5,436,864	4,279,591
Advances From Customers	5,566,928	2,076,652
Sundry Creditors for Capital Goods	314,851	3,876,539
Other Liabilities		
Statutory Liabilities	1,510,136	1,973,261
Employee Benefit Payable	10,519,391	11,386,877
	23,348,170	40,429,422

Note No. 7.1 :

(A) The above Long Term Debt is secured.

(i) Secured by first charge on the windmills at location no. K41, K42, K265 & J06, situated at Dhulia.

(ii) Also secured by parri passu charge on all the present and future movable and immovable properties of the Company.

(B) The above Long Term Debt (Term Loan) was taken in F.Y. 2006-07 and the same was repayable in 6 years (including Moratorium period of 12 months).

8 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<u>Provision for Employee Benefits</u>		
For Gratuity	-	126,298
<u>Other Provisions</u>		
Provision For Taxation	17,260	4,252,985
(Net of Advance Tax Rs. Nil (Previous Year Rs. 133,324,015))		
Proposed Dividend	56,000,000	48,000,000
Corporate Dividend Tax	9,084,600	7,786,800
Other Provisions **	5,546,418	4,794,634
	70,648,278	64,960,717

** Disclosure relating to provisions

The movement in the following provisions is summarised as under :

Note No. **	Provision Related to	Opening Balance	Additions	Utilisation	Reversal	Closing Balance
1.	Warranty	342,881	537,345	275,295	45,347	559,584
2.	Liquidated Damages	1,951,753	120,677	285,596	-	1,786,834
3.	Incentives to marketing employees	-	800,000	-	-	800,000
4.	Incentives to management staff (excluding marketing employees)	2,500,000	2,400,000	2,331,851	168,149	2,400,000
	TOTAL	4,794,634	3,858,022	2,892,742	213,496	5,546,418

**** Note:**

1. 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.
2. 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. The company gives incentives to its marketing business facilitators based on their performance.
4. The company gives incentives to its management staff (excluding marketing employees) based on their performance.

9. FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK				Depreciation				Net Block	
	As at 31.03.2011	Addition during the year	Deduction during the year	As at 31.03.2012	As At 31.03.2011	For the year	Deduction during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangibles Assets :										
Freehold Land	8,669,771	-	1,275,116	7,394,655	-	-	-	-	7,394,655	8,669,771
Leasehold Land	1,500,000	-	-	1,500,000	160,713	53,571	-	214,284	1,285,716	1,339,287
Buildings (Refer Note No 9.2 given below)	116,816,411	4,948,860	25,088,941	96,676,330	9,833,546	2,663,465	1,066,608	11,430,403	85,245,927	106,982,865
Plant & Machinery	47,536,104	34,201	16,725	47,553,580	34,043,904	1,847,501	15,888	35,875,517	11,678,063	13,492,200
Machine Accessories	202,957	-	-	202,957	188,908	1,316	-	190,224	12,733	14,049
Electrical Installations	12,112,964	455,485	30,399	12,538,050	2,668,119	602,432	1,837	3,268,714	9,269,336	9,444,845
Windmill Plant	231,253,191	-	-	231,253,191	66,350,759	12,210,168	-	78,560,927	152,692,264	164,902,432
Furniture & Fixtures	7,360,461	1,411,812	1,010,526	7,761,747	3,021,056	455,554	180,109	3,296,501	4,465,246	4,339,405
Factory Fixtures	9,396,902	355,961	-	9,752,863	1,208,155	451,793	-	1,659,948	8,092,915	8,188,747
Jigs & Fixtures	7,527,103	-	-	7,527,103	4,547,361	311,727	-	4,859,088	2,668,015	2,979,742
Dies & Patterns	138,650	-	-	138,650	114,973	16,744	-	131,717	6,933	23,677
Vehicles	3,412,600	889,748	-	4,302,348	943,337	399,485	-	1,342,822	2,959,526	2,469,263
Office Equipments	2,892,874	439,200	457,290	2,874,784	961,273	137,676	93,969	1,004,980	1,869,804	1,931,601
Computers	5,423,623	1,416,889	323,509	6,517,003	2,801,512	639,909	213,452	3,227,969	3,289,034	2,622,111
Total Tangible Assets	454,243,610	9,952,156	28,202,506	435,993,260	126,843,616	19,791,341	1,571,863	145,063,094	290,930,167	327,399,995
Intangibles Assets :										
Computer Software	4,605,385	-	-	4,605,385	2,937,707	540,617	-	3,478,324	1,127,061	1,667,678
Technical Know-How	644,027	-	-	644,027	644,027	-	-	644,027	-	-
Total Intangible Assets	5,249,412	-	-	5,249,412	3,581,734	540,617	-	4,122,351	1,127,061	1,667,678
Total	459,493,022	9,952,156	28,202,506	441,242,672	130,425,350	20,331,958	1,571,863	149,185,445	292,057,228	329,067,673
Previous Year	440,074,134	20,419,035	1,000,146	459,493,022	110,823,160	20,265,218	663,032	130,425,350	329,067,673	
C W I P - TANGIBLE										
Current Year	7,127,069	5,090,241	6,590,304	5,627,006	-	-	-	-	5,627,006	7,127,069
Previous Year	-	11,442,956	4,315,887	7,127,069	-	-	-	-	7,127,069	

Note No 9.1: Accounting Policy of Fixed Assets & Depreciation / Amortisation

1. Fixed assets are stated at cost less accumulated depreciation.
2. Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except in case of Dies & Patterns which is depreciated @ 20%.
3. Cost of technical know-how is amortised over a period of six years.
4. 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.
5. Leasehold Land is depreciated over the period of the Lease.

Note No. 9.2: Buildings

1. Building include Rs. 500 being the cost of 10 shares of Bajaj Bhavan Owner's Co-operative Society of Rs. 50 each
2. Gross block of Buildings includes Rs.2,263,752/- (Previous Year Rs. Nil), Net block of Rs.1,744,089/- towards cost of assets held for sale.

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10. NON CURRENT INVESTMENT

Particulars	As at 31st March, 2012			As at 31st March, 2011	
	Face Value	Qty	Amount (Rs.)	Qty	Amount (Rs.)
Non Trade Investments					
Quoted					
<u>Equity Instruments</u>					
Bajaj Holdings & Investment Ltd.	10	286,094	103,225,208	286,094	103,225,208
Bajaj Auto Ltd.	10	182,590	20,662,787	182,590	20,662,787
Bajaj Finserv Ltd.	5	82,694	1,557,394	82,694	1,557,394
Bajaj Electricals Ltd.	2	378,717	70,481,883	-	-
Total Value of Quoted Investments			195,927,273		125,445,389
Aggregate market value of Quoted Investments Rs. 665,130,093/- (Previous Year Rs. 537,051,507/-)					
Unquoted					
<u>Preference Shares</u>					
9% Redeemable Preference Shares of Hind Lamps Ltd.	25	400,000	10,000,000	400,000	10,000,000
<u>Mutual Funds</u>					
HDFC High Interest Fund	10	-	-	966,885	10,281,393
ICICI Prudential FMP Series 53, 1 Year Plan Cumulative	10	-	-	3,000,000	30,000,000
Birla Sun Life Fixed Term Plan Series CJ Growth	10	-	-	3,000,000	30,000,000
DSP BlackRock FMP 12M-Series 10 Growth	10	-	-	3,000,000	30,000,000
Sundaram Fixed Term Plan AS 367 Days Growth	10	-	-	1,000,000	10,000,000
DSP BlackRock FMP 12M-Series 25 Growth	10	2,000,000	20,000,000	-	-
Total Value of Unquoted Investments			30,000,000		120,281,393
Total of Long Term Investments			225,927,273		245,726,782
Less : Provision for Diminution in the value of Investment			-		-
Net Value of Investment			225,927,273		245,726,782

Note No. 10.1 : Accounting Policy of Investments

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

11 LONG TERM LOANS & ADVANCES

Particulars	As at 31st March, 2012		As at 31st March, 2011	
		Rupees		Rupees
(Unsecured, Considered Good, unless specified otherwise)				
Capital Advances		-		366,575
Deposits		16,128,063		15,851,766
Other Loans and Advances				
Prepaid Expenses		30,840		49,590
Loan and Advances to employees		-		-
Advance Tax		32,833,848		15,026,512
(Net of Provision for Taxation Rs. 336,270,808/- (Previous Year Rs. 170,709,097/-))				
		48,992,751		31,294,443

12 INVENTORIES

Particulars	As at 31st March, 2012 Rupess	As at 31st March, 2011 Rupess
Raw Material (Refer Note No. 12.2 given below)	180,427,030	199,311,315
Work in Progress	20,084,338	24,935,398
Finished Goods	1,981,858	4,016,937
Stores & Spares	7,001,925	7,134,925
Packing Material	186,379	110,131
	209,681,530	235,508,706

Note No. 12.1 : Accounting Policy of Inventories Valuation

Inventories are valued at the lower of cost and net realisable value. Cost of Finished and Work in Progress is at estimated cost and cost of Raw materials, Components and Spare Parts is at weighted average cost.

Note No. 12.2 : Goods in transit

Raw Material includes goods in transit Rs. 346,378/- (Previous Year Rs. 2,912/-)

13 TRADE RECEIVABLES

Particulars	As at 31st March, 2012 Rupess	As at 31st March, 2011 Rupess
(Unsecured, Considered Good, unless specified otherwise)		
<u>More Than Six Months (Refer Note No. 38)</u>		
Considered Good	28,101,335	19,272,816
Considered Doubtful	10,712,557	4,755,016
Less : Allowance for Bad Debts	(10,712,557)	(4,755,016)
	28,101,335	19,272,816
<u>Others</u>		
Considered Good	193,109,983	194,917,125
	221,211,318	214,189,941

14 CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2012 Rupess	As at 31st March, 2011 Rupess
<u>Balances With Banks</u>		
In Current Account	46,101,634	159,557,302
In Unpaid Dividend Account	5,436,864	4,279,591
In Margin Money account (Refer Note No. 14.1 given below)	6,270,084	5,849,619
In Bank Deposits Account	193,165,239	5,743,570
In Bank Deposits Account more than 12 Months for maturity	-	852,820
Cash on Hand	7,098	31,814
	250,980,919	176,314,716

Note No. 14.1

Margin money deposits amounting to Rs. 6,270,084/- (Previous Year Rs. 5,849,619/-) are lying with bank against Bank Guarantees.

15 SHORT TERM LOANS & ADVANCES

Particulars	As at 31st March, 2012 Rupess	As at 31st March, 2011 Rupess
(Unsecured, Considered Good, unless specified otherwise)		
Deposits	2,039,523	1,702,856
<u>Loans and Advances to Related Parties</u>		
Loan to Companies	24,937,500	4,937,500
<u>Other Loans & Advances</u>		
Prepaid Expenses	5,360,982	6,045,732
Loan to Companies (Other than Related Parties)	230,000,000	80,000,000
Advance Tax	49,588,404	24,321,085
(Net of Provision for Taxation Rs. 321,335,941/- (Previous Year Rs. 220,275,404/-))		
Balance with Central Excise	2,565,699	3,419,943
Loan and Advances to employees	167,076	439,426
Advance to suppliers	8,578,753	4,984,072
	323,237,938	125,850,614

HERCULES HOISTS LIMITED

16 OTHER CURRENT ASSETS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Interest Receivable	24,378,618	6,695,168
Export Duty Draw Back	2,037	32,449
Commission Receivable	-	177,748
VAT Refund Receivable	28,240,245	23,257,061
Octroi Receivable	19,956	19,956
	52,640,856	30,182,382

17 a) CONTINGENT LIABILITIES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Disputed Income Tax Liability	122,144,142	115,591,752
Disputed Sales Tax Liability	-	8,753,089
Disputed Excise Duty Liability	13,385,300	11,698,100
Indemnity Bonds issued under Export Promotion Capital Goods (EPCG) Scheme	507,554	507,554
Claims against the company not acknowledged as debts	732,470	732,470
Sales Tax Liabilities related to pending C Form	47,952,124	-
	184,721,590	137,282,965

b) COMMITMENTS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Estimated Amounts of Contract remaining to be executed on Capital account and not provided for	-	893,550
	-	893,550

18 REVENUE FROM OPERATIONS

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Sale of Products (Refer Note No 18.2 given Below)	1,324,715,430	1,297,217,675
<u>Other Operating Revenue</u>		
Export Duty Drawback	85,705	68,976
Income from Erection & Commissioning Services	1,219,100	6,250,000
Scrap Sales	2,164,828	1,368,861
Less : Excise Duty	118,170,630	111,320,672
	1,210,014,433	1,193,584,840

Note No. 18.1 : Accounting Policies of Revenue Recognition

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

Note No 18.2 : Sale of Products

Particulars	2011-2012	2010-2011
Chain Pulley Blocks, Hoists, Trolleys, Stakers	1,168,847,006	1,121,476,584
Spares	124,967,441	122,135,785
Cranes	3,325,050	31,219,166
Sale of Power Units	27,575,933	22,386,140
	1,324,715,430	1,297,217,675

19 OTHER INCOME

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Interest Income (Refer Note No 19.1 given Below)	50,529,009	29,733,145
Dividend income on Long Terms Non-trade investments	17,640,469	12,715,707
Profit on Sale of Fixed Assets (Net)	5,514,630	-
<u>Other non-operating income</u>		
Exchange Rate Fluctuation (Net)	435,441	185,814
Profit on sale of Long Term Non Trade Investments (Net)	8,841,393	-
Commission Income	312,069	-
Provision no longer required, written back	4,420,308	3,757,922
Sundry Balance Written Off (Net)	3,735,428	1,168,646
Cash discount on Purchases of goods	441,923	607,472
Miscellaneous income	179,914	124,712
	92,050,585	48,293,418
 Note No. 19.1 : Break-up of Interest received	2011-2012	2010-2011
Interest income on loan given to employee	6,773	26,330
Interest income from parties	15,396,358	10,655,595
Interest income on other deposit	16,451	30,914
Interest income on deposits with banks	22,277,523	9,751,245
Interest income on inter corporate deposits	12,831,904	9,269,061
	50,529,009	29,733,145

20 COST OF MATERIALS CONSUMED

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Opening Stock of Raw Material	199,308,403	179,369,998
Add : Purchases of Raw Material	581,364,589	572,752,384
	780,672,992	752,122,382
Less : Closing Stock of Raw Material	180,080,652	199,308,403
Cost of Materials Consumed (Refer Note No. 20.1 given below)	600,592,340	552,813,979
 Note No. 20.1 : Cost of Material Consumed	2011-2012	2010-2011
Castings	67,082,613	63,479,666
Forgings	40,200,726	38,257,016
Electric Motors	70,388,044	53,661,346
Steel	93,822,205	83,681,968
Chains	85,161,326	85,287,034
Others	243,937,426	228,446,949
Total	600,592,340	552,813,979

21 PURCHASE OF STOCK IN TRADE

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<u>Traded Items</u>		
Traded Goods (Refer Note No 21.1 as per given below)	3,325,050	28,332,262
	3,325,050	28,332,262
 Note No. 21.1 : Traded Goods		
Cranes	3,325,050	28,332,262
	3,325,050	28,332,262

22 CHANGES IN INVENTORIES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
FINISHED GOODS		
Opening Stock	4,016,937	5,134,569
Closing Stock	1,981,858	4,016,937
Change in Stock of Finished Goods	2,035,079	1,117,632
WORK IN PROGRESS		
Opening Stock	24,935,398	11,425,641
Closing Stock	20,084,338	24,935,398
Change in Stock of Work in Progress	4,851,060	(13,509,757)
Change in Inventories	6,886,139	(12,392,125)

23 EMPLOYEE BENEFIT EXPENSES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Salaries, Wages and Bonus	40,504,661	35,386,896
Contribution to Provident and other fund	4,308,832	3,826,631
Staff Welfare Expenses	13,625,336	10,802,496
	58,438,829	50,016,023

Note No. 23.1: Accounting Policy of Employee Benefit

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

24 FINANCE COST

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Interest Expense (Refer Note No 24.1 given below)	550,565	2,428,878
	550,565	2,428,878
Note No. 24.1 : Break-up of Interest Expense	542,877	2,032,807
Interest expense on Bank Borrowings	-	345,017
Interest expense on Income Tax Payment	-	51,054
Interest expense on Excise Payment	7,688	-
Interest expense on others	550,565	2,428,878

25 OTHER EXPENSES

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
Consumption Of Stores and Tools	3,923,590	5,770,387
Manufacturing & Processing charges	34,545,196	39,422,770
Power & Fuel	2,860,710	2,660,085
Consumption Of Packing Material (including packing Labour charges)	25,083,696	23,273,729
<u>Repairs & Maintenance</u>		
Plant & Machinery	1,040,997	1,192,582
Building	5,091,345	7,463,402
Others	779,977	729,362
Insurance Charges	695,376	620,777
Rent, Rates & Taxes	2,509,849	2,258,570
Erection and Commissioning Charges	1,058,000	258,846
Carriage outwards (Net)	14,281,136	7,740,247
Advertisement & Sales Promotion	8,904,151	7,181,453

Sales Incentive to Dealers	361,577	3,905,326
Discounts & Commission on sales	27,633,955	28,891,379
Incentive to Business Facilitator	800,000	789,053
Warranty expenses	919,270	778,571
Payment to Statutory Auditor (Refer Note No. 25.1 given below)	624,052	474,274
Directors' Fees	720,000	920,000
Directors' Remuneration	120,000	120,000
Fixed Assets Written Off	-	10,869
Loss on Sale of Fixed Assets (Net)	-	204,564
Bad Debts	300,825	1,131,596
Less: Allowance for Bad Debts written back	-	355,531
Allowance for Bad Debts	6,395,453	3,315,170
Provision for Liquidated Damages	120,677	415,309
Miscellaneous expenses	30,506,039	23,729,250
	169,275,871	162,902,040

Note No. 25.1 : Payment to Statutory Auditors

As Auditors :			
Audit Fees (including Limited Review)	380,000	350,000	
Tax Audit Fees	80,000	80,000	
VAT Audit Fees	40,000	40,000	
Towards Service Tax *	56,856	48,410	518,410
	56,856	48,410	
 In Other Capacity :			
Certification	60,000	-	
Income Tax matter	30,000	-	
Out of pocket expenses	34,052	4,274	
Towards Service Tax *	9,270	-	4,274
	9,270	-	4,274
	690,178	-	522,684

* Note: Out of above service tax credit of Rs. 66,126/- (Previous Year Rs.48,410/-) has been taken and the same has not been debited to Statement of Profit & Loss.

26 EARNING PER SHARE (EPS)

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Profit/(Loss) before taxation and extra-ordinary items (Rs.)	442,664,265	437,511,983
Less : Provision for taxation (net of extra-ordinary items) (Rs.)	129,948,251	139,563,906
Less : Deferred tax (net of extra-ordinary items) (Rs.)	1,608,158	276,925
Less : Income Tax of earlier year (Rs.)	1,941,624	(1,606,709)
Profit/(Loss) attributable to the shareholders (Rs.)	309,166,232	299,277,861
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.)	19.32	18.70

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Profit/(Loss) attributable to the shareholders (Rs.)	309,166,232	299,095,843
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.)	19.32	18.69

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Raw Materials & Components	24,492,708	20,020,253

HERCULES HOISTS LIMITED

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Number of Shareholder	1	1
Number of Shares	800,000	800,000
Amount remitted (in Rs.)	2,400,000	16,000,000
Financial Year	2010-2011	2009-2010
Nature of Dividend	Annual	Annual

29 Expenditure in Foreign Currencies

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Travelling Expenses	576,454	464,981
Others	-	1,490,226

30 Earnings in Foreign Currencies

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Exports (on F.O.B. Basis)	12,465,600	9,096,449
Freight	72,884	-
Insurance	1,168	-

31 Employee Benefits

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

Defined Contribution Plan

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Employer's Contribution to Provident Fund	2,152,062	1,966,260
Employer's Contribution to Superannuation Fund	1,623,440	1,276,049

Defined Benefit Plan

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

Sr. No.	Particulars	2011-12		2010-11	
		Leave Encashment Rupees	Gratuity Rupees	Leave Encashment Rupees	Gratuity Rupees
I	Assumptions				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	5.00%	5.00%	3.00%	5.00%
II	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	2,293,869	6,624,946	3,597,774	6,175,642
(b)	Interest cost	183,510	529,996	287,822	494,051
(c)	Current Service Cost	288,596	492,921	290,778	437,149
(d)	Benefits Paid	(908,561)	(657,346)	(424,034)	(679,834)
(e)	Actuarial gain on obligations	1,093,143	(118,935)	(1,458,471)	197,938
(f)	Present value of obligations as at the end of year	2,950,557	6,871,582	2,293,869	6,624,946
III	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	3,653,277	6,498,648	3,755,627	3,715,166
(b)	Expected return on plan assets	302,139	614,223	321,684	551,062
(c)	Contributions	382,910	633,774	-	2,912,254
(d)	Benefits paid	(908,561)	(657,346)	(424,034)	(679,834)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	3,429,765	7,089,299	3,653,277	6,498,648
IV	Fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	3,653,277	6,498,648	3,755,627	3,715,166
(b)	Actual return on plan assets	302,139	614,223	321,684	551,062
(c)	Contributions	382,910	633,774	-	2,912,254
(d)	Benefits Paid	(908,561)	(657,346)	(424,034)	(679,834)
(e)	Fair value of plan assets at the end of year	3,429,765	7,089,299	3,653,277	6,498,648
(f)	Funded status	479,208	217,717	1,359,408	(126,298)
(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	(1,093,143)	118,935	1,458,471	(197,938)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	1,093,143	(118,935)	(1,458,471)	197,938
(d)	Actuarial gain recognized in the year	1,093,143	(118,935)	(1,458,471)	197,938
VI	The amounts to be recognized in the balance sheet and statements of Profit and Loss				
(a)	Present value of obligations as at the end of the year	2,950,557	6,871,582	2,293,869	6,624,946
(b)	Fair value of plan assets as at the end of the year	3,429,765	7,089,299	3,653,277	6,498,648
(c)	Funded status	479,208	217,717	1,359,408	(126,298)
(d)	Net liability/(asset) recognized in balance sheet	(479,208)	(217,717)	(1,359,408)	126,298
VII	Expenses Recognised in statement of Profit & Loss				
(a)	Current Service cost	288,596	492,921	290,778	437,149
(b)	Interest Cost	183,510	529,996	287,822	494,051
(c)	Expected return on plan assets	(302,139)	(614,223)	(321,684)	(551,062)
(d)	Net Actuarial gain recognised in the year	1,093,143	(118,935)	(1,458,471)	197,938
(e)	Expenses recognised in statement of Profit & Loss Account	1,263,110	289,759	(1,201,555)	578,076
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.

32 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.	Relative of Shri Shekhar Bajaj, Shri Madhur Bajaj (Brother) is Director
(iv)	Bajaj Holdings & Investment Ltd.	Relative of Shri Shekhar Bajaj, Shri Madhur Bajaj (Brother) is Director
(v)	Hind Lamps Limited	Shri Shekhar Bajaj is Chairman
(vi)	Hind Musafir Agency Ltd.	Shri Shekhar Bajaj is Chairman
(vii)	Hindustan Housing Co. Ltd.	Shri Shekhar Bajaj is Member
(viii)	Baroda Industries Pvt. Ltd.	Relatives of Shri Shekhar Bajaj, Smt. Minal Bajaj (Brother's Wife) & Shri Niraj Bajaj (Brother) are Directors
(ix)	Mukand Ltd.	Relative of Shri Shekhar Bajaj, Shri Niraj Bajaj (Brother) is Director
(x)	Bajaj Allianz General Insurance Co. Ltd.	Relative of Shri Shekhar Bajaj, Shri Niraj Bajaj (Brother) is Director
(xi)	Bajaj International Pvt. Ltd.	Shri Shekhar Bajaj is Chairman
(xii)	Shri Shekhar Bajaj	Chairman (Key Management Personnel)
(xiii)	Shri H.A. Nevatia	Whole Time Director (Key Management Personnel)
(xiv)	Shri M.S. Saigal	President & CEO (Key Management Personnel)

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

Sr. No.	Related Parties	Nature of Transactions during the year	2011-12 Rupees	2010-11 Rupees
(i)	Bajaj Electricals Limited	Reimbursement of expenses	13,041	2,070
		Payable against Reimbursement of Expense	8,097	15,000
		Purchase of Equity Shares	70,481,883	-
		Investments in Equity Share	70,481,883	-
(ii)	Bajaj International Pvt. Ltd.	Sale of Products	-	215,294
(iii)	Bajaj Auto Limited	Purchase of Equity Shares	-	19,054,450
		Investments in Equity Share	20,662,787	20,662,787
(iv)	Bajaj Holdings & Investment Ltd.	Purchase of Equity Shares	-	1,687,250
		Investments in Equity Share	103,225,208	103,225,208
(v)	Bajaj Finserv Ltd.	Investments in Equity Share	1,557,394	1,557,394
(vi)	Hind Lamps Limited	Interest received	1,534,636	469,061
		Interest Receivable	2,225,481	844,310
		Inter Corporate Deposit placed	20,000,000	-
		Inter Corporate Deposit Receivable	24,937,500	4,937,500
		Investments in Preference Share	10,000,000	10,000,000
(vii)	Hind Musafir Agency Ltd.	Purchase of Travel Tickets	5,858,763	4,118,061
		Payable against Purchases	-	22,779
(viii)	Hindustan Housing Co. Ltd.	Office Maintenance Charges	199,984	226,584
		Payable towards Maintenance Charges	238	-
		Deposit for Services	333,100	99,660
(ix)	Baroda Industries Pvt. Ltd.	Expenses for services received	303,359	216,577
		Payable towards services	34,823	19,183
		Advance given against Purchases	99,935	99,935
(xi)	Bajaj Allianz General Insurance Co. Ltd.	Payment of Insurance Premiums	2,736,019	2,408,206
		Payable against purchases	-	30,401
		Advance given against Purchases	3,849	-
(xii)	Shri H.A.Nevatia	Remuneration Paid (including Other benefits)	345,253	345,222
(xiii)	Shri M.S.Saigal	Remuneration Paid (including Other benefits)	8,240,214	7,802,742

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

33 Derivatives

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

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

Particulars	As on 31.03.2012		As on 31.03.2011		Foreign Currency
	Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.	
Export of goods	16,840	1,362,729	58,907	4,193,593	GBP
	71,438	3,626,178	18,251	809,421	USD

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

Particulars	As on 31.03.2012		As on 31.03.2011		Foreign Currency
	Amount in Foreign Currency	Rs.	Amount in Foreign Currency	Rs.	
Import of goods	-	-	36,300	1,632,411	USD

34 SEGMENT REPORTING

Segment Information for the year ended 31st March, 2012

Information about primary business segment

(Amount in Rupees)

Particulars	2011-12				2010-11			
	Segments			Total	Segments			Total
	Material Handling Equipment	Windmill Power	Unallocated		Material Handling Equipment	Windmill Power	Unallocated	
Revenue								
Segment Revenue	1,182,438,500	27,575,933	-	1,210,014,433	1,171,198,700	22,386,140	-	1,193,584,840
Result								
Segment Results	372,988,229	10,348,390	-	383,336,619	412,105,067	3,798,952	-	415,904,019
Less: Unallocated corporate expenses net of Unallocated Corporate Income	-	-	59,878,211	59,878,211	-	-	24,036,843	24,036,843
Less: Interest (Net)	(18,047)	(532,518)	-	(550,565)	(51,055)	(2,032,807)	(345,017)	(2,428,879)
Less: Extra ordinary items	-	-	-	-	-	-	-	-
Profit Before Tax	372,970,182	9,815,872	59,878,211	442,664,265	412,054,012	1,766,145	23,691,826	437,511,983
Less: Provision for Tax (Net of Deferred Tax)	-	-	(131,556,409)	(131,556,409)	-	-	(140,022,849)	(140,022,849)
Net Profit After Tax & Before Prior Period Adjustments	372,970,182	9,815,872	(71,678,198)	311,107,856	412,054,012	1,766,145	(116,331,023)	297,489,134
Add: Prior Period Tax Adjustments	-	-	(1,941,624)	(1,941,624)	-	-	1,606,709	1,606,709
Net Profit After Prior Period Adjustments	372,970,182	9,815,872	(73,619,822)	309,166,232	412,054,012	1,766,145	(114,724,314)	299,095,843
Other Information								
Segment Assets	617,814,407	175,306,301	848,486,022	1,641,606,730	642,399,347	186,840,587	576,329,152	1,405,569,085
Segment Liabilities	135,002,078	-	127,847,466	262,849,544	134,814,275	18,895,429	117,183,827	270,893,531
Capital Expenditure	9,952,156	-	-	9,952,156	5,775,510	-	14,643,525	20,419,035
Depreciation / Amortisation	7,861,964	12,263,739	206,255	20,331,958	7,844,479	12,263,739	157,000	20,265,218

Notes :

- 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.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- The Company does not have any geographical segment.

35 Imported and Indigenous Raw-materials & Components and Spare Parts consumption

(Amount in Rupees)

Particulars	2011-12				2010-11			
	Raw-materials & Components		Spare Parts		Raw-materials & Components		Spare Parts	
	Value (in Rupees)	%	Value (in Rupees)	%	Value (in Rupees)	%	Value (in Rupees)	%
(i) Imported (Excluding imported material purchased locally)	18,536,178	3.09%	-	0.00%	26,253,662	4.75%	-	0.00%
(ii) Indigenous	582,056,162	96.91%	3,923,590	100.00%	526,560,317	95.25%	5,770,387	100.00%
Total	600,592,340	100.00%	3,923,590	100.00%	552,813,979	100.00%	5,770,387	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.

36 Other significant Accounting Policies

(A) Basis of Preparation of financial statement

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

(B) Foreign Currency Transaction

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

(C) Accounting Policy Provision for Current Tax

Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961.

(D) Lease

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

(E) Impairment of Assets

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

(F) Provision & Contingent Liability

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.

(G) Miscellaneous Expenditure

Expenditure on Voluntary Retirement Scheme is expensed out in the year of expenditure incurred.

- 37 The Company has invested in Preference Shares of Hind Lamps Limited (hereinafter referred as HL) of Rs.10,000,000/-. The accounts of HL shows negative networth, however no provision has been made for diminution in the value of investment as in the opinion of the management, the diminution is not permanent in nature.
- 38 Balance of Debtors includes Rs.34,57,657/- (previous year Rs. 16,49,357/-) which are outstanding since long for which no provision has been made in the accounts as Management is hopeful of recovery.
- 39 Unauthorised price increase of Rs. 1.98 Crores over 3 years were given by some officers of the company in collusion with certain identified vendors and those purchases were accounted at invoiced value in the respective years. Amount lying to be credit of these vendors have been held back and appropriate legal action is being taken against the perpetrators. Some of the above mentioned vendors have filed winding up petition against the company for non payment of their dues which the company is contesting. Recoveries will be accounted on receipt basis.
- 40 Balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.
- 41 The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current presentation as per the revised schedule VI.

As per our report attached of even date.

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

ASHISH BAIRAGRA
PARTNER
MEMBERSHIP NO. 109931

PLACE : **MUMBAI**
DATED : **28/05/2012**

FOR AND ON BEHALF OF THE BOARD

SHEKHAR BAJAJ
CHAIRMAN

H.A. NEVATIA
WHOLE TIME DIRECTOR

PLACE : **MUMBAI**
DATED : **28/05/2012**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31ST MARCH, 2012

REGISTRATION DETAILS		APPLICATION OF FUNDS	(Rs. In lacs)
Registration No.	12385	Net Fixed Assets	2,976.84
State Code	11	Investments	2,259.27
Balance Sheet Date	31st March 2012	Long Term Loans & Advances	489.93
CAPITAL RAISED DURING THE YEAR		Net Current Assets	8,493.22
Public Issue	Nil	Accumulated Losses	-
Rights Issue	Nil	PERFORMANCE OF THE COMPANY	(Rs. In lacs)
Private Placement	Nil	Turnover including other income	13,020.65
Bonus Issue	Nil	Total Expenditure	8,594.01
POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS		Profit Before Tax	4,426.64
	(Rs. In lacs)	Profit After Tax	3,091.66
Total Liabilities	16,303.57	Earnings Per Share (Rs.)	19.32
Total Assets	16,303.57	Dividend Rate (%)	350.00
SOURCES OF FUNDS		GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY	
	(Rs. In lacs)	PRODUCT NAME	ITEM CODE (ITC CODE)
Paid up Capital	160.00	Hoists	842500
Reserves & Surplus	13,627.57	Overhead Travelling Cranes	842600
Secured Loans	-	Spare Parts for above products	843100
Unsecured Loans	23.52		
Deferred Tax Liability	408.17		

As per our report attached of even date.

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

FOR AND ON BEHALF OF THE BOARD

ASHISH BAIRAGRA
PARTNER
 MEMBERSHIP NO. 109931

SHEKHAR BAJAJ
CHAIRMAN

H.A. NEVATIA
WHOLE TIME DIRECTOR

PLACE : **MUMBAI**
 DATED : **28/05/2012**

PLACE : **MUMBAI**
 DATED : **28/05/2012**

NOTE

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HERCULES HOISTS LIMITED

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

PROXY FORM

I / We _____
of _____ in the district of _____
_____ being a member(s) of the above named Company, hereby appoint
_____ of _____
in the district of _____ or failing him
_____ of _____ in the
district of _____ as my / our proxy and to vote for me / us on my /our behalf
at the **50th ANNUAL GENERAL MEETING** of the Company to be held on **Tuesday, the 17th day of July, 2012 at 11.00 A.M. at Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020** and at any adjournment thereof.

Ledger Folio No. _____

No. of Shares held : _____

Signed this _____ day of _____ 2012.

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 50th ANNUAL GENERAL MEETING of the Company at Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020.

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.





HERCULES HOISTS LTD.

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

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E-mail: enquire@indef.com Website: <http://www.indef.com>