

HERCULES HOISTS LIMITED
49th ANNUAL REPORT 2010-2011

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

Wednesday, 27th July, 2011, 11.00 A.M.
at Kamalnayan Bajaj Hall, Bajaj Bhavan,
Ground Floor, 226, Jamnalal Bajaj Marg,
Nariman Point, Mumbai - 400 021

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

HERCULES HOISTS LIMITED

Regd. Office: Bajaj Bhawan, 2nd floor, 226, Jamnalal 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,
Raigad, Pin Code : 410202 Maharashtra.
Tel. (02192) 274135, Fax : (02192) 274325. E-Mail : indef@indef.com

NOTICE

NOTICE is hereby given that the **Forty Ninth Annual General Meeting of the Members of Hercules Hoists Limited** will be held at Kamal Nayan Bajaj Hall, Bajaj Bhawan, Ground floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Wednesday, the 27th day of July, 2011, 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, 2011 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 Shekhar Bajaj, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vinaya L. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Naresh Chandra, 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.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, (including any statutory modification(s) or enactment thereof) and Articles of Association of the Company and subject to such sanctions, if any, as may be required to be obtained from any authority, the Company hereby accords its approval and consent to the re-appointment of Shri H.A. Nevatia as a Director in Whole-time employment of the Company as an Adviser for a period of two years from 22nd November, 2010 to 21st November, 2012, on the following remuneration and perquisites with powers to the Board of Directors to alter and vary the terms and conditions of remuneration (including minimum remuneration in case of absence or inadequacy of profits) in such manner as the Board may deem fit within the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modification or substitution thereof.

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

2. **Perquisites** :

- (i) Free use of Company's Car for Company's work as well as for personal purposes, along with Driver.
- (ii) Telephone at residence and a mobile phone at Company's cost.”

“FURTHER RESOLVED THAT in any financial year during the period 22nd November, 2010 to 21st November, 2012, when the Company has made no profits or its profits are inadequate, it will pay to the Whole-time Director by way of remuneration and perquisites as specified above, subject to restrictions, if any, set forth in Schedule XIII of the Companies Act, 1956.”

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

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

Item No. 7.

After retiring as Managing Director of the Company, Shri H.A. Nevatia was appointed as a Director in the whole-time employment of the Company as an Adviser from 22nd November, 2001. His current term expired on 21st November, 2010.

The Board of Directors felt that his continued contribution on various matters will be in the interest of the Company. Accordingly, it was decided in the Board Meeting held on 26th October, 2010 to continue the services of Shri H.A. Nevatia as a Director in the whole-time employment of the Company as an Adviser for a further period of two years from 22nd November, 2010 to 21st November, 2012 on the terms as set out in the Resolution. The approval of the shareholders is accordingly sought for the re-appointment of Shri H.A. Nevatia as a Director in the whole-time employment of the Company and the remuneration payable to him. The perquisites like Provident Fund, Gratuity, Superannuation and Leave are not applicable to Shri H.A. Nevatia. The Board recommends passing of the Special Resolution as set out in Item No. 7 of the Notice.

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

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, the 20th July, 2011 to Wednesday, the 27th July, 2011, both days inclusive.
3. Payment of Dividend, if sanctioned, will be made after 27th July, 2011.
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 : 17th May, 2011

Shekhar Bajaj
Chairman

Important Communication

The Ministry of Corporate Affairs (MCA) vide its Circular No. 17/2011 dated 21st April, 2011, clarify that as a measure of "Green Initiative in Corporate Governance", it will be in compliance, if the Annual Report (i.e. documents listed in Section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA M/s. Universal Capital Securities Pvt. Ltd. (formerly known as Mondkar Computers Pvt. Ltd.) and also update the e-mail address as and when there is any change. Once you have registered your e-mail ID with the Depository (in case of electronic holdings) or with us (in case of physical holdings), at any point of time, if you ever wish to obtain physical copies of the documents issued by e-mail to you, you can always request for the same by sending an e-mail to **Shareholders_Grievance@indef.com** or by writing to us at our Registered/Corporate Office, duly quoting your Demat Account details or your Folio Number, as may be applicable.

**DIRECTORS' REPORT**

Dear Shareholders,

We present our 49th Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2011:

1. Financial Results	Current Year Rupees	Previous Year Rupees
Sales (Net)	1,185,897,003	843,996,306
Gross Profit	458,399,218	261,845,562
Depreciation	20,265,218	19,699,351
Profit after Depreciation	438,134,000	242,146,211
Extraordinary Items (VRS)	0	39,270,317
Provision for taxation for the year (including deferred tax)	140,644,866	62,366,394
Net Profit after tax & VRS	297,489,134	140,509,500
Earlier year's income-tax adjustment	1,606,709	3,403,442
Balance brought forward	15,000,000	15,000,000
Profit available for appropriation	314,095,843	158,912,942
Proposed Dividend	48,000,000	32,000,000
Corporate Tax on Dividend	7,786,800	5,314,880
Transferred to General Reserve	243,309,043	106,598,062
Balance carried to BALANCE SHEET	15,000,000	15,000,000

- The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend of Rs.3.00 per Equity Share of Re.1/- for the year ended 31st March, 2011, as against Rs.2.00 per Equity Share of Re.1/- in the previous year.
- The sales of the Company at Rs.118.59 Crores are 41% higher compared to last year's sales of Rs.84.40 Crores. The net profit of Rs.29.75 Crores is also 112% higher, as compared to last year's net profit of Rs.14.05 Crores. As a result of higher sales, the company was able to negotiate better prices from some of its component suppliers. The economy seems to be slowly stabilising and the Directors are hopeful of improved performance in the year 2011-12 also.
- The Company's 4 Windmills produced 54.27 lakhs units of energy in the year 2010-11, as against 68.53 lakhs units of energy produced in the previous year.
- 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.
- Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the information/representations received from the Management, confirm that :
 - in the preparation of the annual accounts, the applicable standards have been followed and that no material departures have been made from the same;
 - such accounting policies have been selected and applied consistently and that reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;
 - proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities has been taken; and
 - the annual accounts are prepared on a going concern basis.
- The Board of Directors are grieved to inform that Shri E.B. Desai, who has been a Director since 6th January, 1964, expired on 24th December, 2010 after a brief illness. The Board of Directors place on record the significant contribution made by late Shri E.B. Desai for the progress of the company.
Shri Shailesh V. Haribhakti resigned as Director, which was accepted in the Board Meeting held on 26th October, 2010. In the same Meeting, he was appointed as 'Alternate Director to Shri K.C. Uebel'.
Shri Shekhar Bajaj, Shri Vinaya L. Mehrotra and Shri Naresh Chandra, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.
- Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising "Group" as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969, are disclosed in the Annual Report for the purpose of Regulation 3(1)(e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
- You are requested to appoint Auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
- The 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.
- 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.
14. 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
Date : 17th May, 2011.

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	316,776	381,860
Total Amount (Rs.)	2,063,410	2,558,420
Rate/Unit (Rs.)	6.51	6.70
(b) Own Generation		
Through Diesel Generator		
Units	31,571	7973
Units per litre of Diesel Oil	2.43	2.62
Diesel Cost (Rs.)	525,886	107,475
Rate/Unit (Rs.)	16.66	13.48
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.

i. Foreign Exchange Earnings & Outgoings:

Particulars	Current Year	Previous Year
(i) Foreign Exchange Earnings	9,096,449	6,967,119
(ii) Foreign Exchange Outgo	21,975,460	9,531,109

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, 2011 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.	7,802,742	5,687,041	A.M.I.E., M.B.M.	68	48	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.

Group :

Persons constituting group within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sr No	Name of the Person / Entity	Sr No	Name of the Person / Entity	Sr No	Name of the Person / Entity
1	Anant Bajaj	27	Bachhraj And Company Pvt. Ltd.	53	Sanraj Nayan Investments Pvt. Ltd.
2	Deepa Bajaj	28	Bachhraj Factories Pvt. Ltd.	54	Shekhar Holdings Pvt. Ltd.
3	Geetika Bajaj	29	Bajaj Allianz Financial Distributors Ltd.	55	Shishir Holdings Pvt. Ltd.
4	Kiran Bajaj	30	Bajaj Allianz General Insurance Company Ltd.	56	The Hindustan Housing Co Ltd.
5	Kriti Bajaj	31	Bajaj Allianz Life Insurance Company Ltd.	57	Hind Lamps Ltd.
6	Kumud Bajaj	32	Bajaj Auto Employees' Welfare Funds – through the Trustees Kevin D'Sa, VS Raghavan & Madhur Bajaj	58	Bajaj Ventures Ltd.
7	Madhur Bajaj	33	Bajaj Auto Finance Ltd.	59	Bajaj Electricals Limited Employees Welfare Funds I To IV through the Trustees Shekhar Bajaj and Anant Bajaj
8	Minal Bajaj	34	Bajaj Auto Holdings Ltd.	60	Anant Trading Company
9	Nimisha Bajaj	35	Bajaj Auto Ltd.	61	Bachhraj Trading Company
10	Niraj Bajaj	36	Bajaj Electricals Ltd.	62	Bajaj Trading Company
11	Niravnayan Bajaj	37	Bajaj Financial Securities Ltd.	63	Rishabh Trading Company
12	Pooja Bajaj	38	Bajaj Financial Solutions Ltd.	64	Anant Trust
13	Rahul Kumar Bajaj	39	Bajaj Finserv Ltd.	65	Aryaman Trust
14	Rajivnayan Bajaj	40	Bajaj Holdings & Investment Ltd.	66	Deepa Trust
15	Rishab Bajaj	41	Bajaj International Pvt. Ltd.	67	Geetika Trust
16	Ruparani Bajaj	42	Bajaj Sevashram Private Ltd.	68	Kriti Trust
17	Sanjali Bajaj	43	Baroda Industries Pvt Ltd.	69	Minal Trust
18	Sanjivnayan Bajaj	44	Hercules Hoists Ltd.	70	Neelima Trust
19	Shefali Bajaj	45	Hind Musafir Agency Ltd.	71	Nimisha Trust
20	Shekhar Bajaj	46	Jamnalal Sons Pvt. Ltd.	72	Niravnayan Trust
21	Siddhant Bajaj	47	Kamalnayan Investment & Trading Pvt Ltd.	73	Rishabnayan Trust
22	Sunaina Kejriwal	48	Madhur Securities Pvt. Ltd.	74	Sanjali Trust
23	Manish Kejriwal	49	Mukand Engineers Ltd.	75	Siddhant Trust
24	Aryaman Kejriwal	50	Mukand Ltd.	76	Suman Jain
25	Neelima Bajaj Swamy	51	Niraj Holdings Pvt Ltd.	77	Nirvaan Kejriwal
26	Aditya Swamy	52	Rahul Securities Pvt Ltd.	78	Nirvaan Trust

Note: Shareholdings of HUFs, are held in the names of the respective individuals in the capacity of Karta. Hence HUFs, are not separately listed hereinabove.

COMPLIANCE CERTIFICATE

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 2011**. 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, Regional Director, Central Government, Company Law Board or other authorities 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 **five** times respectively on **19th May 2010, 7th June 2010, 10th August 2010, 26th October 2010, and 5th February 2011** 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 3rd August 2010 to 10th August 2010 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 10th August 2010 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. The Company conducted a Postal Ballot for amending the Object Clause of its Memorandum of Association. The amendment wherein two new clauses viz., Clause 11-A and 11-B were inserted after the existing Clause 11 was carried out vide the Special Resolution passed by way of Postal Ballot on **20th December 2010**. Necessary compliance in this regard was made by the Company.
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 duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
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. We were informed that 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. was not required to deliver any certificate as there was no allotment/transfer/transmission of the securities.
 - ii. has deposited the amount of dividend declared on 10th August 2010 in a separate Bank Account on 13th August 2010, which is within five days from the date of declaration of such dividend.
 - iii. has posted dividend warrants/ made ECS credits within 30 days from the date of declaration of the aforesaid dividend.
 - iv. has transferred the following amounts to Investor Education and Protection Fund which has remained unclaimed or unpaid for a period of seven years:-

- a. Rs.346/- (Rupees Three Hundred and Forty Six Only) on 13th April 2010, being interest on matured fixed deposits with the Company.
 - b. Rs. 35/- (Rupees Thirty Five Only), being interest on matured deposits and Rs. 75/- (Rs. Seventy Five), being unclaimed dividend for the year 2002-2003 on 8th October 2010 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. Mr. Shailesh Haribhakti ceased to be a Director of the Company w.e.f 25th August 2010 & was appointed as an Alternate Director to Mr. K. C. Uebel with effect from 26th October 2010. There was no other appointment of additional directors, alternate directors and directors to fill casual vacancy during financial year under review.
 15. The Company has re-appointed Mr. H.A. Nevatia as a Whole-Time Director of the Company with effect from **22nd November 2010** for a period of 2 years and necessary compliance with the provisions of Section 269 read with Schedule XIII of the Act have been made.
 16. The Company has not appointed any sole selling agents.
 17. The Company has obtained the necessary approval from Registrar of Companies, for the amendment to the Object Clause of the Memorandum of Association.
 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.
 20. The Company has not bought back any of its shares.
 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. As the ownership of 3,88,240 equity shares registered in the name of Late Mr. Pramod Kumar S. Nevatia is under dispute, the Company has kept in abeyance the corporate rights entitled pertaining to the said shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans within the purview of Section 58A of the Act during the year under review.
 24. The Company has not made any borrowings during the year under review.
 25. The Company has not made loans and advances or given guarantees or provided securities to other bodies corporate. The investments made by the Company 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 amended the provisions of the Memorandum of Association with respect to Objects Clause of the Company and necessary compliance in this regard has been made.
 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. We were informed that there were no prosecutions initiated against or show cause notices received by the Company, during the year under review, for offences under the Act.
 32. We were informed that the Company has not received any money as security from its employees during the year under review.
 33. We were further informed that the Company has made the contribution towards Provident Fund to the Recognised Provident Fund Commissioner during the year under review.

Place : Thane
Date : 11th May 2011

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

ANNEXURE 'A'

Registers as maintained by the Company

Sr. No.	Registers	Under Section
01.	Register of Directors, Managing Directors	303
02.	Register of Director's Share and Debenture Holdings	307
03.	Register of Charges (including Debentures)	143
04.	Register of Contracts	301
05.	Register of Contracts, Companies and Firms in which Directors are interested	301(3)
06.	Register of Renewed and Duplicate Certificates	Rule 7 of the (Companies (Issue of Share Certificates) Rules, 1960
07.	Register of Documents Sealed	-
08.	Minutes Book	193
09.	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 financial year ended on 31st March 2011.

Sr. No.	Form	Filed u/s.	For
1.	Form 1	u/s 205C on 3rd May 2010	Transfer of Rs. 346/- on 13th April 2010 to Investor Education and Protection Fund.
2.	Compliance Certificate in Form 66	u/s 383 (1)(A) on 25th August 2010	The financial year ended 31st March 2010.
3.	Form 8	u/s 135 on 27th August 2010	Modification of Charge ID 10116671 on account of enhancement in Bank guarantee limit from Rs.2 Crore to Rs.3.50 Crore.
4.	Balance Sheet in Form 23AC, 23ACA	u/s 220 on 3rd September 2010	Balance Sheet & Profit & Loss A/C for the year ended 31st March 2010 adopted at Annual General Meeting held on 10th August 2010.
5.	Annual Return in Form 20B	u/s 159 on 15th September 2010	As on the date of Annual General Meeting on 10th August 2010.
6.	Form 1	u/s 205C on 19th October 2010	Transfer of unclaimed interest of Rs. 35/- on matured deposit and unclaimed dividend of Rs. 75/-for the year 2002-03 to IEPF on 8th October 2010.
7.	Form 61	Pursuant to Section 192A on 2nd November 2010	Filing of Board Resolution and Calendar of Events pertaining to the conduct of Postal Ballot.
8.	Form 32	u/s 303(2) on 15th November 2010	Cessation of Mr. Shailesh .V. Haribhakti as Director with effect from 25th August 2010.
9.	Form 25C	u/s 269(2) on 24th November 2010	Re-appointment of Mr. H. A. Nevatia as Whole Time Director of the Company with effect from 22nd November 2010.
10.	Form 32	u/s 303(2) on 10th December 2010	Appointment of Mr. Shailesh .V. Haribhakti as an Alternate Director to Mr. Klaus Carl Uebel with effect from 26th October 2010
11.	Form 23	u/s 192 on 31st December 2010	Special Resolution for amending the Object Clause of the Memorandum of Association passed through Postal Ballot.
12.	Form 32	u/s 303(2) on 10th January 2011	Cessation of Mr. E.B. Desai as a Director with effect from 24th December 2010.

Place : Thane
Date : 11th May 2011

S. N. ANANTHASUBRAMANIAN
Practising Company Secretary
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, turn-key solutions providers, etc., wherever unit loads are moved. The Company is also marketing Shrouded Conductors of AKAPP, Netherlands.

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.

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

Even though the Indian industries could withstand the worldwide economic slow-down because of its large domestic consumption, the pace of growth, particularly capital goods industry, is still slow, with the result the order booking and the sales turnover are not increasing as expected.

(b) Opportunities and Threats:

The Company has adequate capacity to meet the market demand for its products and can effect quick delivery to the customers. The Company has developed good quality vendors, who can supply the components to the company according to its requirements. The Company had conducted a market survey for its products and is now trying to increase its sales and market share through aggressive marketing. The Company is strengthening its marketing set-up by appointing new Business Facilitators and are also advertising in industrial journals. The Company is participating in industrial exhibitions, such as, CeMat, etc. to promote the products. The Company is trying to enter into the Crane business, which is quite large in the country and is studying various options available.

The Company is making concerted efforts to export its products in the Middle East, U.S.A. and neighbouring countries. The company had participated in the ProMat exhibition, which was held in Chicago, USA, in March, 2011. 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 has been successful in meeting this competition through cost effective production, reduction in prices of the products, aggressive marketing efforts, better quality products and good after-sales-service. The Company is also facing competition from foreign manufacturers, who have set-up operations in India. The Company is making efforts to upgrade its products to meet this challenge.

(c) Financial Review / Segment wise Performance :

The Company has achieved gross revenue of Rs.118.59 Crores, as against Rs.84.40 Crores in the previous year. The profit before tax is Rs.43.81 Crores as against Rs.24.21 Crores in the previous year. The net profit after tax stands at Rs.29.91 Crores as against Rs.14.39 Crores in the previous year.

Segment Performance :

Name of the segment	Segment Revenue for the year 2010-11	Segment Revenue for the year 2009-10
Materials Handling Equipments	1,187,729,775/-	834,144,958/-
Windmill Segment	22,386,140/-	27,255,783/-

(d) Internal Control Systems and their adequacy:

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

(e) Risks and Concerns:

The Company is engaged in the manufacturing and marketing of Material Handling Equipments and its demand potentialities are linked with infrastructural development, capital equipment growth and big projects' expansion activities. Any negative change in the outlook of this sector can affect the Company's performance. The Government of India and other state governments have given priority to infrastructural development and as such, the capital goods industry is expected to grow at a rapid pace.

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 and strengthen the internal control procedures.

(f) Business Out-look:

The Indian economy appears to be steadily improving. The Company will be able to sustain the growth in view of its good brand image, wide range of good quality products and quicker delivery.

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

The Company continued its endeavour in maintaining peace and harmony at all levels of employment in the organization in the year under review. At present, the Company has 107 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 Board of Directors

Place : Mumbai
Dated : 17th May, 2011

Shekhar Bajaj
Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

Composition of the Board

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

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

Sr. No.	Name of the Director	Category	No. of Shares held	Financial Year ended 31st March 2011		Other directorships	No. of Committee Position held in other companies.	
				BMs	AGM		Chairman	Member
01.	Shri Shekhar Bajaj, Chairman	NED (Promoter)	628605	5	Yes	5	-	-
02.	Shri Naresh Chandra	NED (Promoter)	-	3	Yes	1	-	-
03.	Shri H.A. Nevatia	ED	800	5	Yes	1	-	-
04.	Shri K.F. Jhunjhunwala	NED (Independent)	440000	5	Yes	-	-	-
05.	Shri Vinaya L. Mehrotra	NED (Independent)	-	3	Yes	1	-	-
06.	Shri K. C. Uebel	NED (Independent)	-	1	No	-	-	-
07.	Shri Mukul M. Upadhyaya	NED (Independent)	-	5	Yes	-	-	-
08.	Shri Gaurav V. Nevatia	NED (Independent)	-	5	Yes	-	-	-
09.	Shri Tushar P. Shah	NED (Independent)	-	1	No	-	-	-
09.	Shri Shailesh V. Haribhakti (Alternate Director to Mr. K.C. Uebel)	NED (Independent)	1000	2	Yes	14	5	5
11.	Shri E. B. Desai (Expired on 24.12.2010)	NED (Independent)	10640	3	Yes	8	3	4

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

Shri Shailesh V. Haribhakti resigned as a Director of the Company and the resignation was accepted in the Board Meeting held on 26th October, 2010. In the same Meeting, he was appointed as 'Alternate Director to Mr. K. C. Uebel'. Shri E.B. Desai, who was an Alternate Director/Director of the Company since 6th January, 1964, expired on 24th December, 2010.

During the financial year under review, five Board Meetings were held on 19th May, 2010, 7th June, 2010, 10th August, 2010, 26th October, 2010 and 5th February, 2011 and the Annual General Meeting of the Company was held on 10th August, 2010.

Board Procedure

Board members are given relevant documents and information in advance of each Board and Committee Meeting. To enable the Board to discharge its responsibilities effectively, the Chairman, Whole-time Director and the President & CEO review the overall Company's performance. In addition to the legal matters compulsorily required to be dealt by it, the Board also does review of:

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

3. Audit Committee

The Audit Committee consists of Shri Vinaya L. Mehrotra, Chairman, Shri Hariprasad A. Nevatia and Shri Gaurav V. Nevatia, all of whom are Independent Directors, except Shri H.A. Nevatia. Shri E.B. Desai, who was a Member of the Audit Committee expired on 24th December, 2010. The terms of reference of the Audit Committee specified by the Board are as in line with Clause 49 II (C), (D) and (E) of the Listing Agreement with the Stock Exchanges.

During the year under review, the Audit Committee met five times, viz on 19th May, 2010, 7th June, 2010, 10th August, 2010, 26th October, 2010 and 5th February, 2011. Shri. H.A. Nevatia and Gaurav V. Nevatia attended all the Meetings, Shri Vinaya L. Mehrotra attended 3 Meetings and late Shri E.B. Desai attended 2 Meetings.

4. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of two Non Executive Directors, viz. Shri Naresh Chandra, Chairman and Shri K.F. Jhunjunwala, Member. During the year under review, the Committee met on 24th March, 2011. No complaints were received by the Company from the shareholders during the year under review.

The amounts of interest on matured deposits, which have remained unpaid or unclaimed for 7 years as well as unclaimed dividend amounting to Rs.75/- for the financial year 2002-03, have been transferred to the Investor Education and Protection Fund within the time stipulated by law on respective due dates in accordance with the provisions of Section 205(C) of the Companies Act, 1956.

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 only paid remuneration by way of a sitting fee @ Rs.20,000/- for each of the Board / Committee Meeting attended by them.

The details of remuneration paid to the Directors during the year 2010-11 are as follows:-

Name of the Director	Details of Fees paid during the year 2010-11	Amount (Rs.)
Shri Shekhar Bajaj	Sitting Fees for attending the Board Meetings	1,00,000/-
Shri K.C. Uebel	-do-	20,000/-
Shri Shailesh V. Haribhakti	-do-	40,000/-
Shri Mukul M. Upadhyaya	-do-	1,00,000/-
Shri Tushar P. Shah	-do-	20,000/-
Shri Naresh Chandra	Sitting Fees for attending the Board Meetings and Committee Meetings.	80,000/-
Shri E.B. Desai	-do-	1,20,000/-
Shri K.F. Jhunjunwala	-do-	1,20,000/-
Shri Vinaya L. Mehrotra	-do-	1,20,000/-
Shri Gaurav V. Nevatia	-do-	2,00,000/-
Shri H.A. Nevatia Whole-time Director	Remuneration	1,20,000/- + Perks.

6. Disclosures regarding appointment of Directors

Shri Shekhar Bajaj, Shri Vinaya L. Mehrotra and Shri Naresh Chandra retire by rotation and being eligible, are being re-appointed. Shri H.A. Nevatia has been re-appointed as a Whole-Time Director and Shri Shailesh V. Haribhakti has been appointed as an 'Alternate Director to Shri K.C. Uebel

(i) Shri Shekhar Bajaj

Shri Shekhar Bajaj, aged 62 years, has been a Director of your Company since 12th February, 1989 and is the Chairman of the Board of Directors. He is part of the Bajaj family which controls the management of the Company. He is a B.Sc. from Pune University and MBA from New York University, USA. He has been the Managing Director of M/s. Bajaj Electricals Limited since 1984 and he revived that Company and brought over all improvement in that Company through great skill and relentless efforts. He has over 29 years of varied and rich work experience in a wide range of functions with emphasis on marketing and has been closely associated with a number of start-up businesses. He was the President of Electric Lamp and Component Manufacturers' Association and has been the past President of Associated Chamber of Commerce & Industry of India, Indian Merchants' Chamber, Council for Fair Business Practices, Indian Fan Manufacturers' Association, etc. Shri Bajaj is the Chairman & Managing Director of M/s. Bajaj Electricals Limited and is the Director of M/s. Bajaj Auto Limited, M/s. Bajaj Ventures Limited, M/s. Bajaj International Pvt. Ltd., M/s. Bajaj Sevashram Pvt. Ltd., M/s. Bachhraj Factories Pvt. Ltd., M/s. Hind Lamps Ltd., M/s. Hind Musafir Agency Ltd., M/s. Shekhar Holdings Pvt. Ltd., M/s. Starlite Lighting Ltd.. and M/s. Rudi Multi-Trading Co. Ltd.

(ii) Shri Vinaya L. Mehrotra

Shri Vinaya Mehrotra, aged 83 years, has been a Director of your Company since 12th February, 1989. He is a commerce graduate from Allahabad University and is son of Shri Lalji Mehrotra – former Indian Ambassador to Burma (Myanmar) and Japan. He is an erstwhile Branch Manager of Bachhraj Trading Corporation Limited, Nagpur and Radio Lamp Works Limited, Patna. He has over 20 years experience as in-charge of production planning and distribution, sales and marketing of electrical and engineering goods in India and abroad. As the Commercial Manager of India Carbon Limited and later Area Manager of Assam Carbon Products Limited (an Indo-British Company) at Bombay, he was responsible for setting up of a chemical plant of the former and management including finance, accounts, marketing, etc. of electrical and industrial carbon products and liaison with railways for the latter. He is Director of M/s. Cheree Exports Pvt. Ltd. and Director of The Hindustan Housing Company Limited. He was the Vice-President of International Senior Citizens Association, Los Angeles (U.S.A.) for several years and President of various social service organizations. He is currently President of The Indo-Japanese Association working for the economic and cultural relations between the two countries. He is the Chairman of L.M. Technical Institute and Trustee of various Public Charitable Trusts working exclusively for educational and medical activities.

(iii) Shri Naresh Chandra

Shri Naresh Chandra, aged 76, is M.A. and Diploma in Business Administration (U.K.). He is an industrialist and he has been a Director of your Company since 20th September, 1972. He was the Managing Director of M/s. Kaycee Industries Limited from 1968 to 2002. He has vast experience in overall management. He is also Director of M/s. Endurance Technologies Ltd., M/s. High Technology Transmission Systems (India) Pvt. Ltd., M/s. Varroc Engineering Pvt. Ltd., M/s. Varroc Polymers Pvt. Ltd., M/s. Varroc Trading Pvt. Ltd., M/s. Durovalves India Pvt. Ltd., M/s. Varroc Exhaust Systems Pvt. Ltd. and M/s. Varroc Elastomers Pvt. Ltd.

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

He was re-appointed as a Director in the whole-time employment of the Company as an Adviser for a period of two years from 22nd November, 2010 by the Board of Directors in its Meeting held on 26th October, 2010. Shri Nevatia, aged 78 years, is B.Sc. (Hons.) from University of Bombay. He was Chief Executive of the Company since its inception and was appointed as Managing Director on 27th January, 1976, which post he held till 21st November, 2001. He has been a Whole-time Director since 22nd November, 2001. He has contributed substantially to the growth of the company and he has a deep knowledge of the hoisting industry. He has extensively travelled abroad to attend material handling exhibitions and he was twice invited to attend Top Management Seminars in Japan. He had also been actively associated with Industry Associations, viz. Confederation of Indian Industry, Indo-German Chamber of Commerce and he was the past President of the Bombay Productivity Council. Shri Nevatia is also a Director of M/s. Dagger Master Tool Industries Ltd. as also Chairman of its Remuneration Committee, M/s. Bajaj Sevashram Pvt. Ltd. and M/s. Jamnalal Sons Pvt. Ltd.

(v) Shri Shailesh V. Haribhakti, who has been appointed as 'Alternate Director to Mr. K.C. Uebel'.

Shri Shailesh V. Haribhakti, aged 55, who was a Director of your Company since 30th January, 2006, resigned from the Board of Directors, which was accepted in the Board Meeting held on 26th October, 2010. He was appointed as an 'Alternate Director to Shri K.C. Uebel' in the same Board Meeting. He is a Fellow Chartered Accountant and he is the Managing Partner of M/s. Haribhakti & Co., Chartered Accountants and is the Chairman of M/s. BDO Consulting Pvt. Ltd. He served a three year term on the Standards Advisory Council of the International Accounting Standards Board. He is a Committee Member of Futures & Options segment of the National Stock Exchange of India Ltd. and a Member of the SEBI Committee on Disclosures and Accounting Standards. He serves as a Member of the Managing Committees of ASSOCHAM and IMC and the Corporate Governance Committees of ASSOCHAM and Confederation of Indian Industry and is the Chairman of the Global Warming Committee of Indian Merchants Chamber. He is a Director of M/s. Pentaloon Retail (India) Ltd. as also Member of its Audit Committee; M/s. Hexaware Technologies Ltd. as also Chairman of its Audit Committee; M/s. Ambuja Cements Ltd. as also Chairman of its Audit Committee; M/s. Raymond Ltd. as also Chairman of its Audit Committee; M/s. ACC Ltd. as also Chairman of its Audit Committee; M/s. L&T Finance Holdings Ltd. as also Chairman of its Audit Committee; The Dhanalakshmi Bank Ltd. as also Member of its Audit Committee; M/s. Blue Star Ltd. as also Member of Its Audit Committee; M/s. Mahindra Life Space Developers Ltd. as also Member of its Audit Committee; M/s. Torrent Pharmaceuticals Ltd. as also Member of its Audit Committee; Director of M/s. Future Capital Holdings Ltd., M/s. J.K. Paper Ltd., M/s. Everest Kanto Cylinder Ltd., M/s. Future Value Retail Ltd. and as 'Alternate Director' in M/s. Fortune Finance Services (India) Ltd. He is also a Director of M/s. Advantage Moti India Pvt. Ltd., M/s. Quadrum Solutions Pvt. Ltd., M/s. J.M. Financial Asset Reconstruction Co. Pvt. Ltd., M/s. Milestone Ecofirst Advisory Services (India) Pvt. Ltd., M/s. Planet People & Profit Consulting Pvt. Ltd. and M/s. Haribhakti SME Transformation & Support Solutions Pvt. Ltd.

7. General Meetings of the Company

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

At the Annual General Meeting held on 25th July, 2008, a Special Resolution was passed altering the Capital Clause of the Memorandum of Association and the Articles of Association in respect of sub-division of the equity shares of the Company from

Rs.10/- fully paid-up to Re.1/- fully paid-up and also approving the sub-division of equity shares from Rs.10/- fully paid-up to Re.1/- fully paid-up. 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.

No resolution was passed through Postal Ballot during the above 3 financial years. A Special Resolution was passed through Postal Ballot during the year 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 is proposed to be passed at the ensuing Annual General Meeting 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 the Notes to the Audited Accounts – Schedule No. 19 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, 2 nd floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
(b)	Date/Time/Time/Venue of Annual General Meeting	27 th July, 2011 At 11.00 A.M. at Kamal Nayan Bajaj Hall, Bajaj Bhawan, Ground Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.
(c)	Financial Calendar	
	Financial Year	1 st April 2010 to 31 st March 2011
	For the financial year ended 31 st March 2011, results were announced for the quarter ending on	
	30 th June, 2010	10 th August, 2010
	30 th September, 2010	26 th October, 2010
	31 st December, 2010	5 th February, 2011
	31 st March, 2011	17 th May, 2011
	For the financial year ended 31 st March 2012, results will be announced for the quarter ending on	
	30 th June, 2011	Before 14 th August, 2011
	30 th September, 2011	before 14 th November, 2011
	31 st December, 2011	before 14 th February, 2012
	31 st March, 2012	before 30 th May, 2012
(d)	Dates of Book Closure	From 20 th July, 2011 to 27 th July, 2011 (both days inclusive)
(e)	Dividend and payment date	Dividend of Rs.3.00 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 27 th July, 2011.
(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.

(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,10	244.00	220.00	230614	539.86	244.30	215.20	240506	564.17
May, 10	236.00	214.00	251623	569.59	236.65	214.55	293771	666.92
June, 10	231.75	215.10	170552	375.04	233.70	210.50	73169	162.03
July, 10	278.00	211.10	1762716	4473.98	277.00	202.00	3768904	9658.39
Aug. 10	303.00	245.45	1198355	3355.54	302.70	242.10	2328698	6543.86
Sept. 10	385.40	275.00	5887197	20360.53	385.50	274.30	9566410	33146.88
Oct. 10	349.20	317.00	626645	2098.45	349.50	315.30	1059293	3557.17
Nov. 10	365.50	245.00	356096	1192.19	365.00	271.40	752683	2534.79
Dec. 10	333.60	242.00	1298760	4078.95	333.65	245.00	3138119	9817.65
Jan. 11	320.50	218.20	1369033	3765.71	321.00	202.85	2803473	7721.92
Feb. 11	244.40	199.00	789563	1811.87	245.00	198.35	1909231	4403.46
Mar. 11	240.25	208.20	910589	2057.26	240.50	203.65	2081738	4702.18

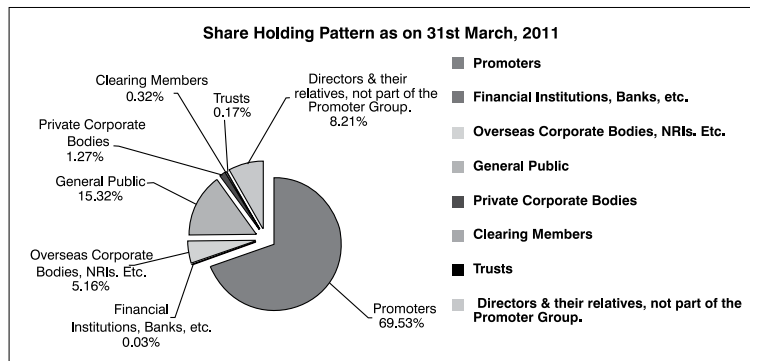
(i) Registrar and Share Transfer Agents :

Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt. Ltd.)

21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road,
Andheri (East), Mumbai 400 093. Tel. (022) 282072 03-04-05; 28257641; Fax : (022) 28207207
E-Mail : Info@uniseq.in; Website : http://www.uniseq.in

(j) Shareholding Pattern as on 31st March, 2011:

Particulars	No. of Equity Shares held	%
Promoters	1,11,24,365	69.53
Financial Institutions, Banks, etc.	5,045	0.03
Overseas Corporate Bodies, NRIs, etc.	8,26,249	5.16
General Public	24,61,555	15.38
Private Corporate Bodies	2,03,115	1.27
Clearing Members	50,465	0.32
Trusts	26,741	0.17
Directors and their relatives, not part of the Promoter Group.	13,02,465	8.14
Total	1,60,00,000	100.00



(k) Distribution of shareholding as on 31st March, 2011 :

No. of Equity Shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holding
Upto 500	7,951	92.94	6,61,355	4.13
501 – 1000	271	3.17	2,21,581	1.39
1001 – 2000	157	1.84	2,42,476	1.52
2001 – 3000	47	0.55	1,17,588	0.73
3001 – 4000	23	0.27	81,291	0.51
4001 –5000	12	0.14	57,827	0.36
5001 – 10000	38	0.44	2,91,142	1.82
10001 & above	56	0.65	1,43,26,740	89.54
Total	8,555	100.00	1,60,00,000	100.00

(l) Dematerialisation of Shares:

As on 31st March 2011, 1,46,56,860 equity shares of the Company representing 91.61% 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 Plot 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 : 25th April, 2011

M.S. Saigal

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by a Practising Company Secretary is given as an annexure to the Directors' Report

The above Report was adopted by the Board of Directors at their Meeting held on 17th May, 2011.

For and on behalf of Board of Directors

Place : Mumbai

Dated : 17th May, 2011

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 2010-11 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 2010-11;
 - (ii) that there are no significant changes in the accounting policies during the year 2010-11 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 2010-11.

For **Hercules Hoists Limited**

Place : Mumbai
Dated : 25th April, 2011.

(M.S. Saigal)
President & CEO.

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,
Hercules Hoists Limited,
Bajaj Bhawan, 2nd floor,
226, Jammalal Bajaj Marg,
Nariman Point, Mumbai 400 021.

We have examined all relevant records of **Hercules Hoists Limited** (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited for the financial year ended **31st March 2011**. 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
Date : 16th May, 2011

S. N. Ananthasubramanian
Practising Company Secretary
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 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor'S Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that no Director is disqualified as on 31st March 2011 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Ashish Bairagra
Partner.
Membership No. 109931

Place : Mumbai
Dated : 17th May, 2011

Annexure referred to in paragraph 3 of Auditor's report to the members of Hercules Hoists Limited for the year ended 31st March 2011.

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets..
- (b) As explained to us, the fixed assets of the Company are physically verified by the Management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No physical verification has been conducted by the Company in the current financial year, however as explained to us, the same will be covered in the next financial year as per the program.
- (c) In our opinion and according to the information and explanation given to us, there was no substantial disposal of fixed assets during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable..
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, the company has neither taken nor granted any loan, secured or unsecured to/from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, clause 4 (iii) of the order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that during the year, the particulars of the contracts/ arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) According to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of rupees five lacs in respect of any party during the year except transactions of special nature for which alternate quotations are not available, in our opinion, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 4 (vi) of the Order is not applicable to the Company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for

any of the products of the Company..

- (ix) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than six months from the date they became payable.

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

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

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
Income Tax Act,1961	Disallowance of deduction U/S 80HHC,	244,331	2002-03 and 2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Vacancy Allowance & Disallowance U/S 14A	1,444,663	2004-05	Income Tax Appellate Tribunal
Income Tax Act,1961	Penalty levied under section 271(1) (c) of the Act	436,215	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Disallowance of depreciation, disallowance U/S 14A & Vacancy Allowance	74,788,568	2005-06 and 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Disallowance of depreciation, disallowance U/S 14A & Vacancy Allowance	18,741,054	2006-07	Income Tax Appellate Tribunal
Income Tax Act,1961	Fringe Benefit Tax	36,921	2006-07	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	110,930	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	444,897	2000-01 to 2005-06	Commissioner of Central Excise (Appeals)
Central Excise Act,1944	Demand of Excise duty on Advertisement & sales promotion	3,394,051	2000-01 to 2009-10	Central Excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty on erection and commission service charges	3,454,686	2005-06 to 2009-10	Central Excise Appellate Tribunal
Central Excise Act,1944	Demand of Excise duty on sales under notification	3,079,090	2009-10	Commissioner of Central Excise (Appeals)
Central Sales Tax Act,1956	Demand under Sales tax Assessment	8,753,089	2004-05	Joint Commissioner (Appeals)

- (x) The Company does not have accumulated losses at the end of the financial year March 31, 2011. Further, the Company has not incurred any cash losses during the financial year ended March 31, 2011 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 loan 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, representations and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2011.

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

Ashish Bairagra
Partner.
Membership No. 109931

Place : Mumbai
Dated : 17th May, 2011

**HERCULES HOISTS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	16,000,000		16,000,000
b) Reserves & Surplus	2	1,118,675,554		875,366,511
			1,134,675,554	891,366,511
2. LOAN FUNDS				
a) Secured Loans	3		17,678,275	39,777,629
3. DEFERRED TAX LIABILITY				
	4		51,220,174	50,479,082
			1,203,574,003	981,623,222
APPLICATION OF FUNDS				
1. FIXED ASSETS				
a) Gross Block	5	459,493,022		440,074,134
Less : Accumulated Depreciation/Amortisation		130,425,350		110,823,160
Net Block		329,067,673		329,250,975
Capital Work in Progress		7,127,069		-
			336,194,741	329,250,975
2. INVESTMENTS				
	6		245,726,782	114,703,689
3. DEFERRED TAX ASSET				
	7		14,559,745	16,886,518
4. CURRENT ASSETS, LOANS AND ADVANCES :				
a) Inventories	8	235,508,706		207,305,790
b) Sundry Debtors	9	217,522,062		134,788,368
c) Cash & Bank Balances	10	176,314,716		165,909,103
d) Other Current Assets	11	26,989,106		24,725,716
e) Loans & Advances	12	152,753,227		156,724,148
			809,087,817	689,453,125
Less :				
CURRENT LIABILITIES & PROVISIONS				
a) Current Liabilities	13	141,287,350		123,941,563
b) Provisions	14	60,707,732		44,729,522
			201,995,082	168,671,085
NET CURRENT ASSETS				
			607,092,735	520,782,040
			1,203,574,003	981,623,222

Notes forming part of the Accounts

19

The Schedules referred to herein form an integral part of the Balance Sheet

As per our report attached of even date

For **M. L. BHUWANIA & CO.**
Chartered Accountants**ASHISH BAIRAGRA**
Partner
Membership No. 109931
Place : Mumbai.
Date : 17/05/2011

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman**H. A. NEVATIA - Whole Time Director**
Place : Mumbai.
Date : 17/05/2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
INCOME				
Sales		1,274,831,535		883,027,251
Less : Excise Duty		111,320,672		66,286,728
		<u>1,163,510,863</u>		<u>816,740,523</u>
Income from sale of power units generated		<u>22,386,140</u>		<u>27,255,783</u>
			1,185,897,003	843,996,306
Other Income	15		<u>55,981,255</u>	<u>49,795,074</u>
			1,241,878,258	893,791,380
EXPENDITURE				
Cost of Material	16	591,956,379		477,512,901
Operating & Other Expenses	17	188,484,802		149,734,127
Interest & Finance Expenses	18	3,037,859		4,698,790
Depreciation / Amortisation	5	<u>20,265,218</u>		<u>19,699,351</u>
			803,744,258	651,645,169
Profit before Tax and Extraordinary Items			<u>438,134,000</u>	<u>242,146,211</u>
<u>Less</u> : Extraordinary Items - Voluntary Retirement Scheme			-	39,270,317
Profit before Tax			438,134,000	202,875,894
<u>Less</u> : Provision for Tax				
- Current Tax (Including Wealth Tax Rs. 277,000 ; Previous Year Rs.141,000)		137,577,000		71,261,000
- Deferred Tax		<u>3,067,866</u>	<u>140,644,866</u>	<u>(8,894,606)</u>
Profit after Tax			297,489,134	140,509,500
<u>Add / (Less)</u> : Adjustments				
Taxes of earlier years			<u>1,606,709</u>	<u>3,403,442</u>
			299,095,843	143,912,942
<u>Add / (Less)</u> : Brought Forward				
Balance from previous year			<u>15,000,000</u>	<u>15,000,000</u>
Balance available for appropriation			<u>314,095,843</u>	<u>158,912,942</u>
Appropriations :				
Proposed Dividend			48,000,000	32,000,000
Corporate Dividend Tax			7,786,800	5,314,880
Transfer to General Reserve			243,309,043	106,598,062
Balance carried to Balance Sheet			<u>15,000,000</u>	<u>15,000,000</u>
			<u>314,095,843</u>	<u>158,912,942</u>
Earning Per Share (Refer Note No. 8 of Schedule 19)				
Basic and Diluted Earnings per Share (excluding Extraordinary Items, net of tax)			18.70	10.63
Basic and Diluted Earnings per Share (including Extraordinary Items, net of tax)			18.69	8.99

Notes forming part of the Accounts 19

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

As per our report attached of even date

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

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 17/05/2011

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 17/05/2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	Rupees	2010-2011 Rupees	2009-2010 Rupees
A. Cash Flow from Operating Activities :			
Net Profit Before Tax And Extraordinary Items		438,134,000	242,146,211
<i>Adjustments For :</i>			
Depreciation/Amortisation	20,265,218		19,699,351
(Profit)/Loss On Sale Of Assets/Discarded Assets	215,433		(564,410)
Interest Paid	2,032,807		3,920,797
Interest Received	(19,077,550)		(14,687,712)
Dividend Received	(12,715,707)		(3,418,289)
Excess Provision w/b	(3,757,548)		
Profit on sale of Non Trade Investments (Net)	-		(14,284,638)
Unrealised Exchange Rate Fluctuation	10,500		(44,996)
Bad Debts	1,131,596		453,182
Provision For Doubtful Debts	3,315,170		243,830
Provision For Liquidated Damages (Net)	415,309		-
Provision For Incentive/Warranty/Liquidated Damages (Net)	(654,425)		589,469
		(8,819,197)	(8,093,417)
Operating Profit Before Working Capital Changes		429,314,803	234,052,794
<i>Adjustments For :</i>			
Trade And Other Receivables	(92,919,886)		24,969,436
Inventories	(28,202,916)		(62,358)
Trade Payables	15,827,652		40,755,710
Loans & Advances	(5,444,124)		2,330,507
		(110,739,274)	67,993,295
Cash Generated From Operations		318,575,529	302,046,090
Direct Taxes Paid Including Fringe Benefit Tax (Net of Refund)	(135,229,828)		(105,618,186)
		(135,229,828)	196,427,904
Cash Flow Before Extraordinary Items		183,345,701	196,427,904
Extraordinary Item		-	(39,270,317)
Net Cash From Operating Activities		183,345,701	157,157,587
B. Cash Flow From Investing Activities :			
Purchase Of Fixed Assets (including capital work in progress & capital advance)	(18,910,706)		(32,639,032)
Sale Of Fixed Assets	121,681		2,906,395
Loans given to companies	-		(80,000,000)
Purchase of Investments	(131,023,092)		(197,426,145)
Sale of Investments	-		254,338,657
Interest Received	24,739,271		6,676,968
Dividend Received	12,715,707		3,418,289
Net Cash From Investing Activities		(112,357,139)	(42,724,868)
C. Cash Flow From Financing Activities :			
Proceeds From Borrowings	-		4,648,546
Repayment Of Amount Borrowed	(21,929,373)		(18,000,000)
Interest Paid	(2,202,788)		(3,974,323)
Dividend Paid (Inclusive Of Dividend Tax)	(36,450,788)		(36,495,984)
Net Cash From Financing Activities		(60,582,949)	(53,821,761)
Net Increase/(Decrease) In Cash And Cash Equivalents :		10,405,613	60,610,958
Cash And Cash Equivalents As At 31.03.2011 (Closing Balance)		176,314,716	165,909,103
Cash And Cash Equivalents As At 31.03.2010 (Opening Balance)		165,909,103	105,298,145
		10,405,613	60,610,958

Note :

1. CASH AND CASH EQUIVALENTS INCLUDES :

Cash and Cheques on hand	31,814	25,606
Balance with Scheduled Banks:		
In Current account	159,557,302	72,677,290
In Unpaid Dividend account	4,279,591	3,418,670
In Fixed Deposit account	6,596,390	84,310,000
In Margin Money account	5,849,619	5,477,537
	176,314,716	165,909,103

2. Interest received on delayed payments from dealers Rs. 10,655,595 (Previous Year Rs. 7,280,566) has been considered as cash flow from operating activities.
3. Previous years figures are regrouped and / or rearranged wherever considered necessary to make them comparable with those of current year.

As per our report attached of even date

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

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 17/05/2011

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 17/05/2011

**SCHEDULES 1 TO 19 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2011
AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2011**

<u>Rupees</u>	<u>As at 31st March, 2011 Rupees</u>	<u>As at 31st March, 2010 Rupees</u>
SCHEDULE 1 - SHARE CAPITAL		
<u>Authorised :</u>		
20,000,000 Equity Shares of Rs.1 each	<u>20,000,000</u>	<u>20,000,000</u>
<u>Issued, Subscribed and Paid Up :</u>		
16,000,000 Equity Shares of Re. 1 each (Previous Year 16,000,000 of Re.1 each) Fully paid-up.		
<u>Note :</u>		
1. Out of the above, 250,000 Equity Shares of Re. 1 each (Previous Year 250,000 Equity Shares of Rs. 1 each) are allotted as fully paid-up for consideration other than cash and 15,250,000 Equity Shares of Re. 1 each (Previous Year 15,250,000 Shares of Rs. 1 each) are allotted as fully paid-up Bonus Shares by Capitalisation of Reserves.	<u>16,000,000</u>	<u>16,000,000</u>
SCHEDULE 2 - RESERVES & SURPLUS		
Capital Reserve	513,804	513,804
General Reserve		
Balance as per last Balance Sheet	859,852,707	753,254,645
Add : Transferred from Profit & Loss Account	<u>243,309,043</u>	<u>106,598,062</u>
	1,103,161,750	859,852,707
Profit & Loss Account	<u>15,000,000</u>	<u>15,000,000</u>
	<u>1,118,675,554</u>	<u>875,366,511</u>
SCHEDULE 3 - SECURED LOANS		
<u>Term Loan</u>		
Bank of Maharashtra (Refer Note No.1)	<u>15,948,787</u>	<u>34,071,387</u>
	15,948,787	34,071,387
Working Capital Facilities from Bank (Refer Note No.2)	<u>841,773</u>	<u>4,648,546</u>
Interest accrued and due	<u>887,715</u>	<u>1,057,696</u>
	<u>17,678,275</u>	<u>39,777,629</u>
Note :		
1. (a) Secured by first charge on the windmills at location no. K41, K42, K265 & J06, situated at Dhulia.		
(b) Also secured by parri passu charge on all the present and future movable and immovable properties of the Company		
2. Secured by hypothecation of stock, book debts and secured by collateral security of movable and immovable fixed assets of Company.		
SCHEDULE 4 - DEFERRED TAX LIABILITY		
- On account of Depreciation / Amortisation	<u>51,220,174</u>	<u>50,479,082</u>
	<u>51,220,174</u>	<u>50,479,082</u>

SCHEDULE 5 - FIXED ASSETS

(Amount in Rs.)

Assets	Gross Block				Depreciation / Amortisation				Net Block	
	As at 31.03.2010	Additions	Deduction / Adjustments	As at 31.03.2011	Upto 01.04.2010	For the year	Deductions/ Adjustments	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
Freehold Land	8,669,771	-	-	8,669,771	-	-	-	-	8,669,771	8,669,771
Leasehold Land	1,500,000	-	-	1,500,000	107,142	53,571	-	160,713	1,339,287	1,392,858
Buildings	98,416,492	18,399,919	-	116,816,411	7,191,621	2,641,924	-	9,833,546	106,982,865	91,224,871
Windmill Plant	231,253,191	-	-	231,253,191	54,140,591	12,210,168	-	66,350,759	164,902,432	177,112,600
Plant & Machinery	47,850,046	83,116	397,058	47,536,104	32,418,787	1,890,348	265,230	34,043,904	13,492,200	15,431,259
Computers	5,143,845	337,837	58,059	5,423,623	2,231,933	602,223	32,644	2,801,512	2,622,111	2,911,912
Jigs & Fixtures	7,476,306	50,801	-	7,527,103	4,232,993	314,368	-	4,547,361	2,979,742	3,243,313
Factory Fixtures	9,396,902	-	-	9,396,902	769,011	439,144	-	1,208,155	8,188,747	8,627,891
Machine Accessories	202,956	-	-	202,957	187,592	1,316	-	188,908	14,049	15,364
Dies & Patterns	379,502	-	240,854	138,650	287,904	57,050	229,985	114,973	23,677	91,598
Electrical Installations	12,107,833	30,399	25,268	12,112,964	2,118,302	568,748	18,931	2,668,119	9,444,845	9,989,531
Furniture & Fixtures	6,693,870	778,778	112,187	7,360,461	2,615,385	480,213	74,542	3,021,056	4,339,405	4,078,485
Office Equipments	2,321,409	738,185	166,720	2,892,874	861,642	141,331	41,700	961,273	1,931,601	1,459,767
Vehicles	3,412,600	-	-	3,412,600	619,140	324,197	-	943,337	2,469,263	2,793,460
Intangible Assets :										
Computer Software	4,605,385	-	-	4,605,385	2,397,090	540,617	-	2,937,707	1,667,678	2,208,295
Technical Know-How	644,027	-	-	644,027	644,027	-	-	644,027	-	-
Total	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	329,250,975
Previous Year	414,369,917	33,360,931	7,656,714	440,074,134	96,438,538	19,699,351	5,314,729	110,823,160	329,250,975	
Capital WIP :										
Building	-	9,932,665	4,016,099	5,916,566	-	-	-	-	5,916,566	-
Plant & Machinery	-	98,140	98,140	-	-	-	-	-	-	-
Jigs & Fixtures	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	-	563,500	1,000	562,500	-	-	-	-	562,500	-
Office Equipments	-	262,137	140,000	122,137	-	-	-	-	122,137	-
Dies & Patterns	-	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-
Factory Fixtures	-	336,954	-	336,954	-	-	-	-	336,954	-
Electrical Installation	-	249,560	60,648	188,912	-	-	-	-	188,912	-
Total	-	11,442,956	4,315,887	7,127,069	-	-	-	-	7,127,069	-

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

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

286,094 (previous year 283,694) Equity Shares of Bajaj Holdings & Investment Ltd. of Rs.10 each fully paid up, 2,400 shares purchased during the year.	103,225,208	101,537,958
1,82,590 (previous year 83,694) Equity Shares of Bajaj Auto Ltd. of Rs.10 each fully paid up, 7,601 shares purchased & 91,295 Bonus shares received during the year	20,662,787	1,608,337
83,694 (previous year 83,694) Equity Shares of Bajaj Finserv Ltd. of Rs.5 each fully paid up	1,557,394	1,557,394

B. Unquoted
Preference Shares :

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

966,884.832 (Previous Year Nil) Units of HDFC High Interest Fund, Face Value Rs.10	10,281,393	-
3,000,000 (Previous Year Nil) Units of ICICI Prudential FMP Series 53, 1 Year Plan Cumulative, Face Value Rs.10	30,000,000	-
3,000,000 (Previous Year Nil) Units of Birla Sun Life Fixed Term Plan Series CJ Growth, Face Value Rs.10	30,000,000	-
3,000,000 (Previous Year Nil) Units of DSP BlackRock FMP 12M-Series 10 Growth, Face Value Rs.10	30,000,000	-
1,000,000 (Previous Year Nil) Units of Sundaram Fixed Term Plan AS 367 Days Growth, Face Value Rs.10	10,000,000	-
	245,726,782	114,703,689

Notes :

- Aggregate Value of Quoted Investments Rs.125,445,389 (Previous Year Rs.104,703,689)
- Market Value of Quoted Investments is Rs.537,051,507 (Previous Year Rs.367,702,192)
- Aggregate Value of Unquoted Investments is Rs.120,281,393 (Previous Year Rs.10,000,000)

<u>Rupees</u>	<u>As at 31st March, 2011 Rupees</u>	<u>As at 31st March, 2010 Rupees</u>
SCHEDULE 7 - DEFERRED TAX ASSET		
On account of		
- Expenses allowable under Income Tax on payment basis	5,260,979	5,391,493
- Voluntary Retirement Scheme	7,644,753	10,435,694
- Provision for Warranty	111,248	331,280
- Provision for Doubtful Debts	1,542,765	728,051
	<u>14,559,745</u>	<u>16,886,518</u>
SCHEDULE 8 - INVENTORIES		
(Valued at lower of cost and net realisable value)		
(As valued and certified by the Management)		
Stores & Tools	7,134,925	9,156,518
Raw Materials	199,308,403	179,369,998
Semi-finished Goods	24,935,398	11,425,641
Finished Goods	4,016,937	5,134,569
Goods in transit - Raw Materials	2,912	2,214,058
Packing Material	1,10,131	5,006
	<u>2,35,508,706</u>	<u>2,07,305,790</u>
SCHEDULE 9 - SUNDRY DEBTORS		
(Unsecured)		
<u>More than six months</u>		
- Considered Good	24,834,462	26,487,573
- Considered Doubtful	4,755,016	2,191,770
- Less : Provision for Doubtful Debts	<u>(4,755,016)</u>	<u>(2,191,770)</u>
<u>Others</u>	24,834,462	26,487,573
- Considered Good	192,687,600	1,08,300,795
	<u>2,17,522,062</u>	<u>134,788,368</u>
SCHEDULE 10 - CASH AND BANK BALANCES		
Cash and Cheques on hand	31,814	25,606
<u>Balance with Scheduled Banks:</u>		
- In Current account	1,59,557,302	72,677,290
- In Unclaimed Dividend account	4,279,591	3,418,670
- In Margin Money account	5,849,619	5,477,537
- In Fixed Deposits	6,596,390	84,310,000
	<u>1,76,282,902</u>	<u>84,310,000</u>
	<u>1,76,314,716</u>	<u>1,65,909,103</u>
SCHEDULE 11 - OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest receivable	3,363,047	9,024,768
Export Incentives, VAT Credit & Other Claims receivable	23,626,059	15,700,948
	<u>26,989,106</u>	<u>24,725,716</u>
SCHEDULE 12 - LOANS AND ADVANCES		
(Unsecured, considered good)		
Prepaid Expenses & other advances	6,095,322	4,112,729
Loan to Companies	84,937,500	84,937,500
Balance with Central Excise	3,419,943	4,138,777
Deposits given	17,415,777	17,773,905
Advance for goods and expenses	4,984,072	856,832
Advance for capital goods	366,575	9,001,973
Loan and Advances to employees	439,426	67,357
Advance Tax (Refer Note (1) below)	35,094,612	35,835,075
	<u>1,52,753,227</u>	<u>1,56,724,148</u>

Note :

(1) Advance Tax is net of Provisions for Income Tax Rs.528,561,501 previous year (Rs.3,92,593,868)

	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 13 - CURRENT LIABILITIES			
<u>Sundry Creditors [Refer Note No. 4 in Schedule 19]</u>			
- For Goods & Expenses		81,073,882	82,443,100
- For Capital goods		3,876,539	2,051,395
		84,950,421	84,494,495
Deposits		2,202,400	2,202,400
Advance from Customers		2,076,652	2,178,161
<u>Investor Education & Protection Fund (Refer Note (1) below)</u>			
- Unclaimed Dividend		4,279,591	3,415,499
- Unclaimed Interest on Fixed Deposit		-	378
Other Liabilities		47,778,286	31,650,630
		1,41,287,350	1,23,941,563

Note (1) :

Rs.Nil (previous year Rs. Nil) is due to be credited to Investor Education and Protection Fund as on the Balance Sheet date.

SCHEDULE 14 - PROVISIONS

Proposed Dividend	48,000,000	32,000,000
Tax on Proposed Dividend	7,786,800	5,314,880
Provision for Gratuity	1,26,298	2,460,476
Other Provisions (Refer Note 13 of Schedule 19)	4,794,634	4,954,166
	60,707,732	44,729,522

SCHEDULE 15 - OTHER INCOME

	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
Dividend received on Non-trade investments		12,715,707	3,418,289
Interest received on Loan, Deposits, IT Refund, from Customers, etc. (Gross, TDS Rs.1,918,642 previous year Rs.1,963,852).		29,733,145	21,968,278
Income from Erection & Commissioning Services (Gross, TDS Rs.Nil previous year Rs.Nil)		6,250,000	478,132
Export Duty Drawback		68,976	61,531
Exchange Rate Fluctuation (Net)		185,814	-
Commission Received		-	1,248,221
Profit on sale of Non Trade Investments (Net)		-	14,284,638
Profit on Sale of Fixed Assets (Net)		-	775,445
Provision no longer required, written back		3,757,922	3,679,329
Miscellaneous receipts		3,269,691	3,881,211
		55,981,255	49,795,074

	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 16 - COST OF MATERIAL			
a) Raw Materials Consumed :			
Opening Stock	179,369,998		1,68,256,865
Add : Purchases	<u>5,72,752,384</u>		<u>4,50,695,995</u>
	7,52,122,382		6,18,952,860
Less: Closing Stock	<u>1,99,308,403</u>		<u>1,79,369,998</u>
		5,52,813,979	4,39,582,862
b) (Increase) / Decrease in stocks of Finished and Semi-finished goods :			
Opening Stock			
Semi-finished goods	11,425,641		26,771,962
Finished goods	<u>5,134,569</u>		<u>1,731,723</u>
	16,560,210		28,503,685
Closing Stock			
Semi-finished goods	24,935,398		11,425,641
Finished goods	<u>4,016,937</u>		<u>5,134,569</u>
	28,952,335		16,560,210
		(12,392,125)	11,943,475
c) Purchase for Resale		28,332,262	9,233,730
d) Increase / (Decrease) on account of excise duty on Finished Goods (Net)		(71,466)	4,63,330
e) Packing material consumed (including packing labour charges)		<u>23,273,729</u>	<u>16,289,504</u>
		5,91,956,379	4,77,512,901

	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 17 - OPERATING AND OTHER EXPENSES			
Stores and Tools consumed		5,770,387	3,587,444
<u>Manufacturing Expenses</u>			
Manufacturing & Processing charges		39,422,770	35,609,092
Power & Fuel		2,660,085	2,870,637
<u>Expenditure on Employees</u>			
Salaries, Wages & Other benefits		35,386,896	29,233,781
Contribution to Provident & Other funds		3,826,631	5,329,336
Employees' Welfare expenses		10,802,496	7,177,523
<u>Selling & Distribution Expenses</u>			
Advertisement & Sales Promotion		7,181,453	6,329,126
Sales Incentive to Dealers		3,905,326	-
Discounts & Commission on sales		28,891,379	20,153,913
Incentive to Business Facilitator		789,053	2,00,000
Carriage outwards (Net)		7,740,247	5,234,761
Warranty expenses		778,571	1,250,466
<u>Repairs & Maintenance</u>			
Plant & Machinery		1,192,582	1,060,481
Building		7,463,402	3,987,113
Others		7,29,362	6,86,078
<u>Other Operating Expenses</u>			
Insurance		620,777	272,830
Rent, Rates & Taxes		1,981,570	2,337,108

	Rupees	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
<u>Other Expenses</u>			
Auditors' Remuneration [Refer Note No. 9 in Schedule 20]		474,274	309,987
Directors' Fees		920,000	840,000
Directors' Remuneration		120,000	120,000
Fixed Assets Written Off		10,869	199,954
Loss on Sale of Fixed Assets (Net)		204,564	-
Bad Debts	1,131,596		1,158,854
Less: Provision for Doubtful Debt written back	355,531	776,064	(705,672)
Provision for Doubtful Debts		3,315,170	243,830
Provision for Liquidated Damages		415,309	589,469
Erection and Commissioning Charges		258,846	324,853
Exchange Rate Fluctuation (Net)		-	149,133
Miscellaneous expenses		22,846,719	21,184,030
		<u>188,484,802</u>	<u>149,734,127</u>
SCHEDULE 18 - INTEREST & FINANCE EXPENSES			
On Term Loan		2,032,807	3,920,797
Other Bank Interest		51,054	-
Bank charges		953,998	777,993
		<u>3,037,859</u>	<u>4,698,790</u>

SCHEDULE 19 - NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2011

1. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation

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

(b) Fixed Assets & Depreciation / Amortisation

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

(c) Inventories

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

(d) Employee Benefits

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Profit & Loss Account. Gratuity and Leave encashment which are defined benefits are accrued based on

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

(e) Investments

Long Term Investments are stated at cost of acquisition. Provision for diminution in value of Long Term Investments is made only if such decline is other than temporary, in the opinion of the management. Dividends are accounted for as and when received.

(f) Foreign Exchange Transactions

Transaction in foreign currency is recorded at the exchange rate prevailing on the date of transaction. Resulted exchange differences arising on payment or conversion of liabilities are recognised as income or expense in the year in which they arise. Foreign currency assets and liabilities outstanding at the close of the financial year are valued at the closing exchange rate and loss or gain due to foreign exchange fluctuation is charged to Profit and Loss Account.

(g) Revenue Recognition

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

(h) Taxation

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

(i) Lease

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

(j) Impairment of Assets

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

(k) Provision and Contingent Liabilities

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

(l) Miscellaneous Expenditure

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

2. Contingent Liabilities :

Sr. No.	Particulars	2010-11	2009-10
		Rs.	Rs.
(a)	Disputed Excise Duty Liability	11,698,100	8,560,820
(b)	Disputed Income Tax Liability (Company in Appeal)	115,591,752	41,787,880
(c)	Indemnity Bonds issued under Export Promotion Capital Goods (EPCG) Scheme	507,554	457,256
(d)	Claims against the Company not acknowledged as debts	732,470	732,470
(e)	Disputed Sales Tax Liability (Company in Appeal)	8,753,089	-

3. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advance) Rs 893,550 (previous year Rs.4,948,699).
4. 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 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.

5. **Managerial Remuneration**

Remuneration paid to Whole Time Director	2010-11	2009-10
Salary	120,000	120,000
Perquisites & Other Benefits	225,222	124,991
Total Payments made	345,222	244,991

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

Defined Contribution Plan

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

Particulars	2010-11	2009-10
Employer's Contribution to Provident Fund	1,770,650	1,733,713
Employer's Contribution to Superannuation Fund	1,276,049	1,279,311

Defined Benefit Plan

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

Defined Benefits Plans

The following table sets out the assumptions taken, status of the gratuity plan and leave encashment and the amount recognised in the Company Financial Statements as on 31st March, 2011.

Sr.No.	Particulars	2010-11		2009-10	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
I	Assumptions				
(a)	Discount Rate	8.00%	8.00%	8.00%	8.00%
(b)	Salary Escalation	3.00%	5.00%	5.00%	5.00%
Sr.No.	Particulars	2010-11		2009-10	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		Rs.	Rs.	Rs.	Rs.
II	Changes in present value of obligations				
(a)	Present value of obligations as at the beginning of year	3,597,774	6,175,642	3,455,214	15,265,598
(b)	Interest cost	287,822	494,051	276,417	1,221,248
(c)	Current Service Cost	290,778	437,149	3,375,851	713,220
(d)	Benefits Paid	(424,034)	(679,834)	(1,525,643)	(11,747,954)
(e)	Actuarial gain on obligations	(1,458,471)	197,938	(1,984,065)	723,530
(f)	Present value of obligations as at the end of year	2,293,869	6,624,946	3,597,774	6,175,642
III	Changes in the fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	3,755,627	3,715,166	4,815,251	14,709,073
(b)	Expected return on plan assets	321,684	551,062	369,427	692,929
(c)	Contributions	-	2,912,254	96,592	61,118
(d)	Benefits paid	(424,034)	(679,834)	(1,525,643)	(11,747,954)
(e)	Actuarial gain on Plan assets	-	-	-	-
(f)	Fair value of plan assets at the end of year	3,653,277	6,498,648	3,755,627	3,715,166

Sr.No.	Particulars	2010-11		2009-10	
IV	Fair value of plan assets				
(a)	Fair value of plan assets at the beginning of year	3,755,627	3,715,166	4,815,251	14,709,073
(b)	Actual return on plan assets	321,684	551,062	369,427	692,929
(c)	Contributions	-	2,912,254	96,592	61,118
(d)	Benefits Paid	(424,034)	(679,834)	(1,525,643)	(11,747,954)
(e)	Fair value of plan assets at the end of year	3,653,277	6,498,648	3,755,627	3,715,166
(f)	Funded status	1,359,408	(126,298)	157,853	(2,460,476)
(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	1,458,471	(197,938)	1,984,065	(723,530)
(b)	Actuarial gain for the year - plan assets	-	-	-	-
(c)	Total gain for the year	(1,458,471)	197,938	(1,984,065)	723,530
(d)	Actuarial gain recognized in the year	(1,458,471)	197,938	(1,984,065)	723,530
VI	The amounts to be recognized in the balance sheet and statements of Profit and Loss Account				
(a)	Present value of obligations as at the end of the year	2,293,869	6,624,946	3,597,774	6,175,642
(b)	Fair value of plan assets as at the end of the year	3,653,277	6,498,648	3,755,627	3,715,166
(c)	Funded status	1,359,408	(126,298)	157,853	(2,460,476)
(d)	Net liability/(asset) recognized in balance sheet	(1,359,408)	126,298	(157,853)	2,460,476
VII	Expenses Recognised in statement of Profit & Loss Account				
(a)	Current Service Cost	290,778	437,149	3,375,851	713,220
(b)	Interest Cost	287,822	494,051	276,417	1,221,248
(c)	Expected return on plan assets	(321,684)	(551,062)	(369,427)	(692,929)
(d)	Net Actuarial gain recognised in the year	(1,458,471)	197,938	(1,984,065)	723,530
(e)	Expenses recognised in statement of Profit & Loss Account	(1,201,555)	578,076	1,298,776	1,965,069
VIII	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets.				
(a)	Administered by Life Insurance Corporation of India	100.00%	100.00%	100.00%	100.00%

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

7. **Derivatives :**

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

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

Particulars	As on 31.03.2011		As on 31.03.2010		Foreign Currency
	Amount in foreign currency	Rs.	Amount in foreign currency	Rs.	
Export of goods	58,907	4,193,593	22,782	1,534,381	GBP
	-	-	5,290	316,607	EURO
	18,251	809,421	16,807	753,294	USD
Others	-	-	3,000	179,550	EURO

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

Particulars	As on 31.03.2011		As on 31.03.2010		Foreign Currency
	Amount in foreign currency	Rs.	Amount in foreign currency	Rs.	
Import of goods	-	-	49,914	3,044,754	EURO
	36,300	1,632,411	14,520	659,353	USD

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

Particulars	2010-11	2009-10
Profit/(Loss) before taxation and extra-ordinary items (Rs.)	438,134,000	242,146,211
Less : Provision for taxation (net of extra-ordinary items) (Rs.)	140,185,923	73,930,596
Less : Deferred tax (net of extra-ordinary items) (Rs.)	276,925	1,541,088
Less : Income Tax of earlier year (Rs.)	(1,606,709)	(3,403,442)
Profit/(Loss) attributable to the shareholders (Rs.)	299,277,861	170,077,969
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.)	18.70	10.63

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

Particulars	2010-11	2009-10
Profit/(Loss) attributable to the shareholders (Rs.)	299,095,843	143,912,942
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.)	18.69	8.99

9. **Auditor's Remuneration includes**

Particulars	2010-11	2009-10
	Rs.	Rs.
Audit Fees (including Limited Review)	348,000	227,000
Tax Audit Fees	80,000	45,000
VAT Audit Fees	40,000	25,000
Certification & Other matter Fees	2,000	0
Out of pocket expenses	4,274	12,987
Towards Service Tax (Refer note below)	48,410	30,591
Total Rs.	522,684	340,578

Note : Out of above service tax credit of Rs. 48,410 (previous year Rs.30,591) has been taken and the same has not been debited to Profit & Loss Account.

10. Segment Information for the year ended 31st March, 2011

(i) Information about primary business segment

Particulars	2010-11				2009-10			
	Segments			Total	Segments			Total
	Material Handling Equipment	Windmill Power	Unallocated		Material Handling Equipment	Windmill Power	Unallocated	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue								
Segment Revenue	1,187,729,775	22,386,140	31,762,343	1,241,878,258	834,144,958	27,255,783	32,390,639	893,791,380
Result								
Segment Results	414,329,662	1,766,145	-	416,095,807	210,305,454	5,204,791	-	215,510,245
Less: Unallocated corporate expenses net of Unallocated Corporate Income	-	-	2,991,557	2,991,557	-	-	11,948,254	11,948,254
Less : Interest (Net)	-	-	19,046,636	19,046,636	-	-	14,687,712	14,687,712
Less : Extra ordinary items	-	-	-	-	(39,270,317)	-	-	(39,270,317)
Profit Before Tax	414,329,662	1,766,145	22,038,193	438,134,000	171,035,137	5,204,791	26,635,966	202,875,894
Less : Provision for Tax (Net of Deferred Tax)	-	-	(140,644,866)	(140,644,866)	-	-	(62,366,394)	(62,366,394)
Net Profit After Tax & Before Prior Period Adjustments	414,329,662	1,766,145	(118,606,673)	297,489,134	171,035,137	5,204,791	(35,730,428)	140,509,500
Add : Prior Period Tax Adjustments	-	-	1,606,709	1,606,709	-	-	3,403,442	3,403,442
Net Profit After Prior Period Adjustments	414,329,662	1,766,145	(116,999,964)	299,095,843	171,035,137	5,204,791	(32,326,986)	143,912,942
Other Information								
Segment Assets	642,399,347	186,840,587	576,329,152	1,405,569,085	521,632,341	199,519,088	429,142,878	1,150,294,307
Segment Liabilities	134,814,275	18,895,429	117,183,827	270,893,531	123,777,881	37,177,628	97,972,287	258,927,796
Capital Expenditure	5,775,510	-	14,643,525	20,419,035	33,360,931	-	-	33,360,931
Depreciation / Amortisation	7,844,479	12,263,739	157,000	20,265,218	7,398,713	12,263,739	36,899	19,699,351

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 geographical segment.

11. Related party disclosure

- 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 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	2010-11 (Rs.)	2009-10 (Rs.)
(i)	Bajaj Electricals Limited	Sale of Products	-	52,012
		Receivables against sales	-	52,649
		Reimbursement of expenses	2,070	15,000
		Payable against Reimbursement of Expense	15,000	15,000
(ii)	Bajaj International Pvt. Ltd.	Sale of Products	215,294	180,000
(iii)	Hind Lamps Limited	Interest received	332,999	413,172
		Interest Receivable	844,310	755,154
		Inter Corporate Deposit Receivable	4,937,500	4,937,500
		Investments in Preference Share	10,000,000	10,000,000
(iv)	Hind Musafir Agency Ltd.	Purchase of Travel Tickets	4,118,061	2,547,899
		Payable against Purchases	22,779	-
(v)	Hindustan Housing Co. Ltd.	Office Maintenance Charges	226,584	121,992
		Deposit for Services	99,660	123,220
(vi)	Baroda Industries Ltd.	Expenses for services received	216,577	187,672
		Payable towards services	19,183	-
(vii)	Mukand Ltd.	Payables against Purchases /(Advance given)	(99,935)	(99,935)
		Sale of products	-	222,837
(viii)	Bajaj Allianz General Insurance co. Ltd.	Payment of Insurance Premiums	2,408,206	1,494,366
		Payable against purchases/(Advance given)	30,401	(40)
(ix)	Shri H.A.Nevatia	Remuneration Paid (including Other benefits)	345,222	244,991
(x)	Shri M.S.Saigal	Remuneration Paid (including Other benefits)	7,802,742	4,297,887

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

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

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

Sr. No.	Particulars	Units	Licensed Capacity	# Installed Capacity	Actual Production	Opening Stock	Closing Stock	Turnover
				Ref. Note (a & b)				
I.	Material Handling Equipments	Nos.	N.A.	60,000	53,461	335	160	53,636
		Value (in Rs.)				5,134,569	4,016,937	1,132,291,697
		(Nos.)	(N.A.)	(60,000)	(38,702)	(90)	(335)	(38,457)
		(Value) (in Rs.)				(1,731,723)	(5,134,569)	(807,170,050)
II.	Wind Mill Power	KWH	N.A.	5 MW	5,427,154	-	-	5,394,871
		Value (in Rs.)						22,386,140
		(KWH)	(N.A.)	(5 MW)	(6,852,682)	-	-	(6,821,910)
		(Value) (in Rs.)						(27,255,783)

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

Notes :

- Installed Capacity being technical matter is as Certified by Directors and relied upon by Auditors.
- Turnover for the year includes value of spare parts sold for Rs. 106,245,684 (Previous Year Rs.92,786,358).
- Windmill Power Generated is net of 32,283 units (Previous Year 30,772 units) of energy used for self-consumption.
- The above figures have been ascertained after adjustment of excess and shortages ascertained on physical count, if any.
- Figures in bracket are of previous year.

B. Goods for Trade

Sr. No.	Particulars	Units	Opening Stock	Purchase	Closing Stock	Turnover
I	Material Handling Equipments	Nos.	–	30	–	30
		Value (in Rs.)	–	28,332,262	–	31,219,166
		(Nos.)	–	(30)	–	(30)
		(Value) (in Rs.)	–	(9,233,730)	–	(9,570,473)

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

Notes :

- (a) The above figures have been ascertained after adjustment of excess and shortages ascertained on physical count, if any.
(b) Figures in bracket are of previous year.

C. Consumption of Raw-materials and Components:

Sr.No.	Raw Materials and Components	Measure of	2010-11		2009-10	
			Quantity	Value (in Rs.)	Quantity	Value (in Rs.)
1.	Castings	M/Tonnes	906.85	63,479,666	853.39	44,376,211
2.	Forgings	M/Tonnes	354.23	38,257,016	394.45	27,934,886
3.	Electric Motors	Nos.	13242.00	53,661,346	12375.00	46,357,243
4.	Steel	M/Tonnes	1521.49	83,681,968	1618.72	71,223,838
5.	Chains	M/Tonnes	805.26	85,287,034	599.6	54,270,838
6.	Other Components and materials		---	228,446,949	---	195,419,846
Total Rs...				552,813,979		439,582,862

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

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

Sr.No.	Particulars	2010-11				200--10			
		Raw-materials & Components		Spare Parts		Raw-materials & Components		Spare Parts	
		Value (in Rs.)	%	Value (in Rs.)	%	Value (in Rs.)	%	Value (in Rs.)	%
(i)	Imported (Excluding imported material purchased locally)	26,253,662	4.75%	0	0.00%	24,558,576	5.59%	366,224	10.21%
(ii)	Indigenous	526,560,317	95.25%	5,770,387	100.00%	415,024,286	94.41%	3,221,220	89.79%
Total		552,813,979	100.00%	5,770,387	100.00%	439,582,862	100.00%	3,587,444	100.00%

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

E.	C.I.F. Value of Imports (excluding imported materials purchased locally).	2010-11	2009-10
		Rs.	Rs.
1.	Raw Materials & Components	20,020,253	7,626,346

F.	Remittance in Foreign Currencies on account of dividend to non-resident shareholders:	2010-11	2009-10
	Number of Shareholder	1	1
	Number of Shares	8,00,000	8,00,000
	Amount remitted (in Rs.)	1,600,000	1,600,000
	Financial Year	2010-11	2009-10
	Nature of Dividend	Annual	Annual

G.	Expenditure in Foreign Currencies :	2010-11	2009-10
		Rupees	Rupees
1.	Travelling Expenses	464,981	107,770
2.	Others	1,490,226	1,796,993

H.	Earnings in Foreign Currencies:	2010-11	2009-10
		Rupees	Rupees
	Exports (on F.O.B. basis)	9,096,449	6,967,119

13. Disclosure relating to provisions

The movement in the following provisions is summarised as under :

Sr. No.	Provision Related to	Opening Balance	Additions	Utilisation	Reversal	Closing Balance	Brief Description of Provision made
1.	Warranty	997,306	321,627	265,109	710,943	342,881	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.	Liquidated Damages	3,756,860	415,309	111,701	2,108,715	1,951,753	The Company has taken Orders with Liquidated Damages Clause. A provision has been made for the expected liability wherein the delivery is made beyond the delivery date and attracted the liquidated damages clause in the contract.
3.	Incentives to marketing employees	200,000	-	200,000	-	-	The company gives incentives to its marketing employees based on their performance. A provision has been made for the expected liability based on the past experience.
4.	Incentives to management staff (excluding marketing employees)	-	2,500,000			2,500,000	The company gives incentives to its management staff (excluding marketing employees) based on their performance.
	TOTAL	4,954,166	3,236,936	576,810	2,819,658	4,794,634	

14. The Company has investment 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 provisions has been made for diminution in the value of investment as in the opinion of the management, the decline is temporary in the nature.
15. Balance of Debtors includes Rs.16,49,357/- (previous year Rs. 30,59,227/-) which are outstanding since long for which no provision has been made in the accounts as Management is hopeful of recovery.
16. Balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation and consequential adjustments, if any.
17. Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with those of the current year's.

As per our report attached of even date

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

ASHISH BAIRAGRA
Partner
Membership No. 109931
Place : Mumbai.
Date : 17/05/2011

For and on behalf of the Board of Directors

SHEKHAR BAJAJ - Chairman

H. A. NEVATIA - Whole Time Director
Place : Mumbai.
Date : 17/05/2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

 Registration No. 12385

 Balance Sheet Date : 31032011

 State Code 11

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

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

1203574

Total Assets

1203574

SOURCES OF FUND

Paid up Capital

16000

Reserves & Surplus

1118676

Secured Loans

17678

Unsecured Loans

NIL

Deferred Tax Liability

51220

APPLICATION OF FUNDS

Net Fixed Assets

336195

Investments

245727

Net Current Assets

607092

Misc. Expenditure

NIL

Accumulated Losses

NIL

Deferred Tax Assets

14560

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

Turnover

1241878

Total Expenditure

803744

Profit Before Tax

438134

Profit After Tax

297489

Earning Per Share in Rs.

18.70

Dividend Rate %

300

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

(As Per Monetary Terms)

Item Code No. (I T C Code)

 : 842500

Product Description

 : HOISTS

Item Code No. (I T C Code)

 : 842600

Product Description

 : OVERHEADTRAVELLINGCRANES

Item Code No. (I T C Code)

 : 843100

Product Description

 : SPAREPARTSFORABOVEPRODUCTS

As per our report attached of even date

For M. L. BHUWANIA & CO.
Chartered Accountants
For and on behalf of the Board of Directors
SHEKHAR BAJAJ - Chairman
ASHISH BAIRAGRA
Partner
Membership No. 109931

Place : Mumbai.

Date : 17/05/2011

H. A. NEVATIA - Whole Time Director

Place : Mumbai.

Date : 17/05/2011

HERCULES HOISTS LIMITED

Regd. Office : Bajaj Bhavan, 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 **49th ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday, the 27th July, 2011 at 11.00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021** and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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 **49th ANNUAL GENERAL MEETING** of the Company at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, 226, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

Ledger Folio No. _____

No. of Shares held : _____

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

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