



RUTTONSHA INTERNATIONAL RECTIFIER LIMITED

REGD. / CORPORATE OFFICE : 139/141, Solaris 1, B-Wing, 1st Floor, Saki Vihar Road, Powai,
Andheri (East), Mumbai - 400 072. Maharashtra • Tel. : +91-22 28471956, 57, 58 • Fax : +91-22 28471959
E-mail : admin@ruttonsha.com • Website: www.ruttonsha.com • CIN : L31109MH1969PLC014322

FACTORY : 338, International House, Baska, Halol, Dist. Panchmahals, Pin - 389 350. Gujarat (India)
Tel. : +91-2676 247185 / 247094 • Fax : +91-2676 247035 • E-mail : rirbsk@ruttonsha.com



An ISO 9001: 2008 Company

RUTTONSHA

Ref. RIR/SEC/12978/2016

22nd September, 2016

The Bombay Stock Exchange Limited
Corporate Relationship Department,
1st Floor, Rotunda Building,
P. J. Towers, Dalal Street,
Mumbai-400001

Scrip Code : 517035

Subject : Submission of soft copy of Annual Report for the Financial Year ended 31st
March, 2016 pursuant to SEBI Circular No. Cir/CFD/DCR/5/2010 dated May 07,
2010

Dear Sir/Madam,

With reference to the captioned subject we wish to inform you that we are submitting you herewith soft copy of 47th Annual Report for the Financial Year ended 31st March, 2016.

Kindly take the same on record and display the soft copy of Annual Report on the Exchange website under the head Annual Reports.

Thanking you.

Yours faithfully,
For RUTTONSHA INTERNATIONAL RECTIFIER LTD.


BHAVIN P RAMBHIA
COMPANY SECRETARY



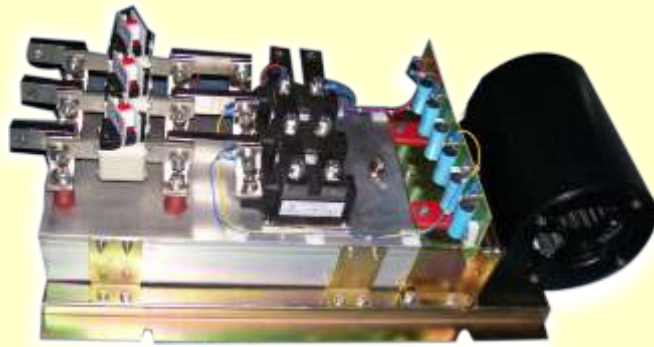


RUTTONSHA

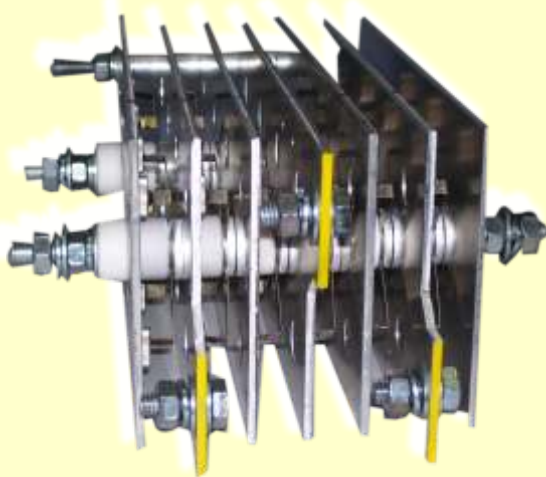
INTERNATIONAL RECTIFIER LIMITED



47th ANNUAL REPORT 2015-16



CONVERTOR STACK



WELDING/AUTO DIODE STACK



DC DRIVE STACK

OUR VALUE ADDED



RUTTONSHA

PRODUCT LINE



MODULE RECTIFIER ASSEMBLY



AC SWITCH/WATER COOLED ASSEMBLY



BLOCKING DIODE ASSEMBLY



ALTERNATOR RECTIFIER ASSEMBLY



CORPORATE INFORMATION

**BOARD OF DIRECTORS**

Mrs. Bhavna H. Mehta
Mr. Hasmukh J. Shah
Mr. Manoj P. Mehta
Mr. Pravin G. Shah
Mr. Kisan R. Choksey
Mr. Venkitaraman Iyer

COMPANY SECRETARY

Mr. Bhavin P Rambhia

STATUTORY AUDITORS

Ajay Shobha & Co.
Chartered Accountants

INTERNAL AUDITORS

Bhandarkar & Kale
Chartered Accountants

REGD./CORPORATE OFFICE

139/141, Solaris - 1, 'B' Wing,
1st Floor, Saki Vihar Road,
Powai, Andheri (East), Mumbai – 400072
Tel. No. : +91-022-28471956
Fax No. : +91-022-28471959
E-mail : secretarial@ruttonsha.com
Website : www.ruttonsha.com

PROMOTERS & TECHNICAL ASSOCIATES

Dr. Harshad Mehta
Mrs. Bhavna H. Mehta

MANAGEMENT TEAM

Mr. R. G. Trasi
Mr. M. P. Doshi
Mr. E. K. Lalkaka

REGISTRAR & TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400059
Tel. No. : +91-022-42270400
Email : info@adroitcorporate.com

BANKERS

State Bank of India

WORKS/FACTORY

International House,
Plot No. 338, Baska,
Taluka : Halol, Dist.: Panchmahals,
Gujarat - 389350

47th ANNUAL GENERAL MEETING

Date : 20th September, 2016
Day : Tuesday
Time : 11.30 a.m.
Venue : Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce Trust,
Oricon House, 6th Floor, 12 K. Dubhash Marg, Fort, Mumbai - 400001.

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NOTICE

NOTICE is hereby given that the **Forty Seventh Annual General Meeting** of the members of **RUTTONSHA INTERNATIONAL RECTIFIER LIMITED** will be held on Tuesday, 20th September, 2016 at 11.30 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce Trust, Oricon House, 6th Floor, 12 K. Dubhash Marg, Fort, Mumbai - 400001, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Hasmukh J. Shah (DIN No. 00322383), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Ajay Shobha & Co., Chartered Accountants, (Firm Registration No. 317031E) be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors."

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself /herself, and proxy so appointed need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, Trusts etc. must be supported by an appropriate resolution/ authority as applicable. A person shall not act as proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday 17th September, 2016 to Tuesday 20th September, 2016 (both days inclusive) for the purpose of 47th Annual General Meeting (AGM).
3. Members holding shares in physical form are requested to notify/send, quoting their Folio No. about any change in their address/mandate/bank details to the Company's Registrar and Transfer Agents :- Adroit Corporate Services Pvt. Ltd. Unit : Ruttonsha International Rectifier Ltd., 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059.
4. Members holding shares in the electronic/dematerialized form are advised to inform changes in their address/bank mandate directly to their respective Depository Participants.
5. Members desirous of receiving notice of various Meetings/Annual Reports and other documents/updates from the Company through e-mail may intimate their e-mail id and any changes therein from time to time to their Depository Participants (in case of shareholding in demat mode) and to the Registrar and Transfer Agents (in case of shareholding in physical share certificates) with a view to pledge their support towards Green Initiative to **Save Paper, Save Environment** campaign.
6. Members are requested to bring their Attendance slip and copy of the Annual Report at the meeting, as copies of the same will not be distributed at the meeting. Attendance slip should be submitted at the entrance of the AGM hall. For the convenience of members, a copy of attendance slip and proxy form are enclosed with this report.
7. Members desirous of asking any questions at the Annual General Meeting are requested to send their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied, to the satisfaction of shareholder.
8. All documents referred to in the accompanying Notice will be open for inspection at the Registered Office of the Company during 10.00 am to 12.00 noon on all working days up to and including the date of the AGM.
9. Members holding shares in multiple folios in identical order of names are requested to send to the Company or its Registrar and Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings into a single folio.
10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
11. Members holding shares in physical form may obtain Nomination Forms from the Company's Registrar and Transfer Agents. Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants.



NOTICE (Cont'd...)

12. Voting through electronic means

In compliance with the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 47th AGM. The business may be transacted through e-voting services provided by **Central Depository Services Limited (CDSL)**.

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the 47th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mrs. Neetu Agrawal, Practising Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions for members for voting electronically are as under :-

- (i) The remote e-voting period begins on Saturday, 17th September, 2016 (10.00 a.m.) and ends on Monday, 19th September, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 13th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab to cast your votes.
- (iv) Now enter your User ID
 - a. For CDSL : 16 digits beneficiary ID
 - b. For NSDL : 8 character DP ID followed by 8 digits client ID
 - c. Members holding shares in physical form should enter folio number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both Demat Shareholders as well as physical Shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to contact Registrar and Transfer Agent and obtain sequence number. Enter sequence number in the PAN field.
DOB or DIVIDEND BANK DETAILS	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
- (xi) Click on EVSN of < RUTTONSHA INTERNATIONAL RECTIFIER LTD. > on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

**NOTICE (Cont'd...)**

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians :
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/folio numbers for which they wish to vote.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- (xxi) The voting rights of the members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of 13th September, 2016.
- (xxii) The scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will not later than three days of conclusion of the meeting, prepare a consolidated scrutinizer's report and submit the same to the Chairman. The results declared alongwith the consolidated scrutinizer's report shall be placed on the website of the Company www.ruttonsha.com and on the website of CDSL. The results shall simultaneously be communicated to the Bombay Stock Exchange (BSE).
- (xxiii) As the voting of the members is through electronic means, the members who do not have access to remote e-voting may request a Physical Ballot form from the Registered Office of the Company. You are required to fill in the Ballot Form and enclose it in sealed envelope and send it to scrutinizer M/s. Neetu Agrawal & Co., 104, B-Wing, Adarsh Park Society, Behind Ajay Nagar, Shivaji Chowk, Bhiwandi, Thane - 421302 so as to reach the scrutinizer not later than 19th September, 2016 at 5.00 p.m. Ballot forms received after this date will be treated as invalid. The scrutinizer's decision on the validity of the forms will be final. A member can opt for voting either by way of remote e-voting or through Ballot voting. If a member casts votes by both the modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

By Order of the Board of Directors

Place : Mumbai
Date : 12th August, 2016

Bhavin P Rambhia
Company Secretary

Registered Office :
139/141, Solaris 1, B Wing, 1st Floor, Saki Vihar Road,
Powai, Andheri (East), Mumbai - 400072, Maharashtra
CIN : L31109MH1969PLC014322
Tel No. : +91-022-28471956 Fax : +91-022-28471959
E-mail : secretarial@ruttonsha.com
Website : www.ruttonsha.com



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors have pleasure in presenting the Forty Seventh Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2016.

FINANCIAL RESULTS AND OPERATIONS

(Amt. in ₹)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operations (Net)	283,875,784	270,561,312
EBITDA	37,033,667	27,901,517
Less - (i) Finance Costs	13,692,746	14,076,932
(ii) Depreciation and Amortisation Expenses	11,346,392	11,268,558
Profit before Tax	11,994,529	25,56,027
Less - (i) Provision for Taxation	3,970,000	488,000
(ii) Deferred Tax Asset	(1,509,466)	(1,073,519)
Profit for the year	9,533,995	3,141,546
Add - Balance brought forward from previous year	57,310,483	54,168,937
Balance carried to Balance Sheet	66,844,478	57,310,483

FINANCIAL PERFORMANCE

During the financial year 2015-16, your Company reported a marginal topline growth of 5% over the previous year. The revenue from operations for the financial year were ₹ 283,875,784/- as against ₹ 270,561,312/- last year. Our Export business was the key contributor to the Company's revenues during the year. Export sales during the year grew by 74% to ₹ 78,756,883/- as against ₹ 45,293,370/-. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the year increased by 33% to ₹ 37,033,667/- as compared to ₹ 27,901,517/- last year. Net Profit for the year tripled to ₹ 9,533,995/- as against ₹ 3,141,546/- last year.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of the report.

DIVIDEND AND RESERVES

In order to plough back the accruals, your Directors do not recommend any dividend for the Financial Year ended 31st March, 2016.

During the year under review, no amount from profits was transferred to General Reserve.

EQUITY SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 69,572,400/-. During the year under review, the Company has not issued any shares with differential voting rights nor has granted any stock options or sweat equity and does not have any scheme to fund its employees to purchase the shares of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Hasmukh J. Shah, Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

During the year under review, there is no change in the Board of Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act read with the Schedules and Rules issued thereunder as well as Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DIRECTORS' REPORT TO THE SHARE HOLDERS (Cont'd...)**

Mr. R. G. Trasi – C.E.O. and Mr. Bhavin P. Rambhia – Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of Independent and Non Independent Directors. The board expressed their satisfaction with the evaluation process.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not made any investments, nor have given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

AUDITORS**(a) Statutory Auditors :**

M/s. Ajay Shobha & Co., Chartered Accountants (Registration No. 317031E), the Statutory Auditors of the Company, holds office until the conclusion of the 48th Annual General Meeting of the Company. Their appointment is subject to ratification at the 47th Annual General Meeting. The Company has received a certificate from the retiring auditors, confirming that their reappointment, if made, will be in accordance with Section 139 read with Section 141 of the Act.

(b) Secretarial Auditors :

Pursuant to the provisions of Section 204 of the Act and the rules made thereunder, the Board of Directors of the Company has appointed M/s. Neetu Agrawal & Co., a firm of Company Secretaries in Practice (C.P. No. 9272) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure B to the Directors Report.

The Auditors' Report and the Secretarial Audit Report for the financial year ended 31st March, 2016 do not contain any qualification, reservation, adverse remark or disclaimer.

DEBONDING OF COMPANY'S EXPORT ORIENTED UNIT INTO DTA UNIT

The Export Oriented Division of the Company which was operating as 100% Export Oriented Unit (EOU) has exited out of EOU Scheme and hence forth would operate as a normal Domestic Tariff Area (DTA) Unit.

During the year, the Company has debonded its 100% EOU division on completion of the terms stated in Letter of Permission (LOP). The final exit order from office of the Development Commissioner, Kandla Special Economic Zone dated 29th January, 2016 has been received by the Company. The conversion into a normal Domestic Tariff Area (DTA) will result in rationalizing the costs and resources, reduce cumbersome compliances and remove operational hurdles.

CREDIT RATING

ICRA Limited have reaffirmed their long term Credit rating of **[ICRA]BB+** (pronounced ICRA double B plus) rating to the Company's Fund based limits and a short term rating of **[ICRA]A4+** (pronounced ICRA A four plus) rating to the Company's Non fund based limits. The outlook on the long term rating has been maintained as Stable.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under the Act, is annexed as Annexure – A and forms an integral part of this report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of the business and the provisions of Section 188 of the Act and the Rules made thereunder are not attracted. Thus, disclosure in Form AOC – 2 in terms of Section 134 of the Act is not required. Further, there are no material related party

**DIRECTORS' REPORT TO THE SHARE HOLDERS (Cont'd...)**

transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

Details of the transactions with related parties are provided in the accompanying notes forming part of the financial statements.

RISK MANAGEMENT

The Company has in place adequate risk management system which takes care of risk identification, assessment and mitigation. Your Company has adopted a Risk Management Policy which establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks.

There are no risks which in the opinion of the Board threatens the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report which forms part of this report.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. Bhandarkar & Kale, Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisals of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board, Statutory Auditors and the Business Heads are periodically appraised of the internal audit findings and corrective action taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board.

REMUNERATION AND NOMINATION POLICY

A Committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of Section 178 of the Companies Act, 2013 and to recommend a policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, payment of remuneration to them and evaluation of their performance and to recommend the same to the Board from time to time.

BOARD AND COMMITTEE MEETINGS

Four meetings of the board were convened and held during the year.

The Board has constituted an Audit Committee with Mr. Kisan R Choksey as Chairman and Mr. Venkitaraman Iyer and Mr. Manoj P Mehta as members. There has not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Act, the directors of your Company confirm that :

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the financial year ended 31st March, 2016;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis;



DIRECTORS' REPORT TO THE SHARE HOLDERS (Cont'd...)

- (v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. The Policy aims to provide protection to female employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommend appropriate action.

During the year under review, no complaints were reported to the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information under Section 134 (3)(m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2016 is given below and forms part of the Director's Report.

(a) Conservation of Energy :

(i) Steps taken or impact on conservation of energy :

1. Adequate steps for energy conservation, power factor improvement have been taken wherever feasible.
2. For effective treatment of effluents the Company has constructed an effluent treatment plant. Waste water generated from manufacturing process is treated/recycled at Effluent Treatment Plant and used for internal consumption and plantation.
3. There is adequate provision for the treatment of fumes resulting from the use of Sulphuric, Nitric, Hydrofluoric and other acids required for production.
4. Replacement of the conventional light fittings with LED lighting resulting in lower power consumption for lighting.

(ii) Steps taken by the Company for utilizing alternative source of energy :

The Company has installed 10Kva three phase Roof Top Solar Panels at Baska Factory alongwith with online Inverter based system as an alternate means of power and to encourage energy conservation. This solar power plant is based on SPV (Solar Photovoltaic Cells) connected to grid.

(iii) Capital Investment on energy conservation equipments :

The Company continuously makes investments in its facility for better maintenance and safety of the operations. The Company has undertaken efforts to rectify the shortfalls in the existing facilities in order to reduce the energy consumption by setting up efficient facilities.

**DIRECTORS' REPORT TO THE SHARE HOLDERS (Cont'd...)****(b) Technology Absorption**

- (i) Efforts made towards technology absorption and benefits derived like product improvement, cost reduction, product development or import substitution :

The Company has received complete technical know how for Silicon Rectifiers and Silicon Controlled Rectifiers upto 30 mm devices from M/s. International Rectifier Corporation, California, U.S.A. The erstwhile Orient Semiconductors Pvt. Ltd., now amalgamated with the Company, received technical know how from Silicon Power Corporation, U.S.A. (an ex. General Electric facility) for manufacturing semiconductor devices upto 125 mm.

Efforts towards technology absorption include continued efforts for process improvements and improved product types/ designs in order to improve the efficiency, productivity and profitability of the Company.

- (ii) Information regarding technology imported, during last 3 years : Nil

- (iii) Expenditure incurred on Research and Development : Nil

(c) Foreign Exchange Earnings and Outgo

- (i) Foreign Exchange earned during the year - ₹ 78,756,883/-

- (ii) Outgo of Foreign Exchange during the year - ₹ 86,414,026/-

PARTICULARS OF EMPLOYEES

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of ₹ 60 Lacs or more, or employees who are employed for part of the year and in receipt of ₹ 5 Lacs or more per month.

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the Company up to the date of forthcoming Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's businesses and other material developments during the financial year 2015-16.

CORPORATE GOVERNANCE REPORT

Since the paid up equity capital of the Company is less than ₹ 10 Crores and the networth of the Company is less than ₹ 25 Crores, the provisions of Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance are not applicable to the Company.

ACKNOWLEDGEMENTS

The Board wishes to place on record its sincere appreciation for assistance and co-operation received from customers, bankers, regulatory and government authorities during the year. The Directors express their gratitude to the shareholders for reposing their faith and confidence in the Company. The directors also acknowledge the contribution made by the Company's employees at all levels. Our consistent growth was made possible by their hard work, solidarity and support.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th May, 2016

Hasmukh J. Shah
Chairman



ANNEXURE [A] TO THE DIRECTORS' REPORT

FORM No. MGT - 9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March, 2016)

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS :

1.	CIN	L31109MH1969PLC014322
2.	Registration Date	05/07/1969
3.	Name of the Company	Ruttonsha International Rectifier Limited
4.	Category/Sub-category of the Company	Public Company / Limited by Shares
5.	Address of the Registered office & Contact details	139/141, Solaris 1, B-Wing, 1 st Floor, Saki Vihar Road, Powai, Andheri (East), Mumbai - 400072. Tel No. : +91-022-28471956 Fax No. : +91-022-28471959
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, 1 st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059. Tel No. : +91-022-42270400 Fax No. : +91-022-28503748

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :

Sr. No.	Name and Description of main products/services	NIC Code of the products/services	% to total turnover of the company
1.	Semiconductor Devices	2610	76.83
2.	Power Rectifier Assemblies	2790	19.82

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Nil

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding :

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2015]				No. of Shares held at the end of the year [As on 31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	15000	-	15000	0.21	15000	-	15000	0.21	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1) :	15000	-	15000	0.21	15000	-	15000	0.21	-
(2) Foreign									
a) NRI Individuals	5072958	-	5072958	72.92	5072958	-	5072958	72.92	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Subtotal (A)(2) :	5072958	-	5072958	72.92	5072958	-	5072958	72.92	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	5087958	-	5087958	73.13	5087958	-	5087958	73.13	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	1400	1400	0.02	-	1400	1400	0.02	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2015]				No. of Shares held at the end of the year[As on 31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1) :	-	1400	1400	0.02	-	1400	1400	0.02	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	4922	6620	11542	0.17	8253	5220	13473	0.19	0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	754517	724935	1479452	21.26	751710	702115	1453825	20.90	(0.37)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	160004	-	160004	2.30	180990	-	180990	2.60	0.30
c) Others (specify)									
i) Non Resident Indians	1000	1700	2700	0.04	3610	1700	5310	0.08	0.04
ii) Trusts	214184	-	214184	3.08	214184	-	214184	3.08	-
Sub-total (B)(2) :	1134627	733255	1867882	26.85	1158847	709035	1867882	26.85	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1134627	734655	1869282	26.87	1158847	710435	1869282	26.87	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6222585	734655	6957240	100.00	6246805	710435	6957240	100.00	-

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

ii) Shareholding of Promoters :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01.04.2015]			Shareholding at the end of the year [As on 31.03.2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Smt. Bhavna H. Mehta	4724583	67.91	-	4724583	67.91	-	-
2.	Shri. Jitendra Mehta	127875	1.84	-	127875	1.84	-	-
3.	Smt. Ila J. Mehta	127875	1.84	-	127875	1.84	-	-
4.	Shri. Utpal K. Mehta	46375	0.67	-	46375	0.67	-	-
5.	Smt. Vaishali U. Mehta	46250	0.66	-	46250	0.66	-	-
6.	Shri. Hasmukh J. Shah	8750	0.13	-	8750	0.13	-	-
7.	Shri. Bakulesh J. Shah	6250	0.08	-	6250	0.08	-	-
TOTAL		5087958	73.13	-	5087958	73.13	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	5087958	73.13	5087958	73.13
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	5087958	73.13	5087958	73.13

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ruttonsha International Rectifier Ltd. – Equity Trust (through its Trustees Hasmukh J. Shah and Manoj P. Mehta)					
	At the beginning of the year		210,584	3.03	-	-
	Changes during the year		No change during the year			
	At the end of the year		-	-	210,584	3.03
2.	Sandeep Rao					
	At the beginning of the year		4778	0.07	-	-
	Changes during the year					
	Date	Reason				
	10.04.2015	Purchase	975	0.01	5753	0.08
	17.04.2015	Purchase	100	0.00	5853	0.08
	08.05.2015	Purchase	400	0.01	6253	0.09
	05.06.2015	Purchase	1314	0.02	7567	0.11
	12.06.2015	Purchase	250	0.00	7817	0.11
	19.06.2015	Purchase	120	0.00	7937	0.11
	26.06.2015	Purchase	100	0.00	8037	0.12
	10.07.2015	Purchase	599	0.01	8636	0.12
	17.07.2015	Purchase	400	0.01	9036	0.13
	31.07.2015	Purchase	1300	0.02	10336	0.15
	07.08.2015	Purchase	265	0.00	10601	0.15
	14.08.2015	Purchase	99	0.00	10700	0.15
	04.09.2015	Purchase	700	0.01	11400	0.16
	11.09.2015	Purchase	465	0.01	11865	0.17
	18.09.2015	Purchase	150	0.00	12015	0.17
	25.12.2015	Purchase	250	0.00	12265	0.18
	31.12.2015	Purchase	900	0.01	13165	0.19
	01.01.2016	Purchase	100	0.00	13265	0.19
	08.01.2016	Purchase	1814	0.03	15079	0.22
	15.01.2016	Purchase	1713	0.02	16792	0.24
	22.01.2016	Purchase	950	0.01	17742	0.26
	At the end of the year		-	-	17742	0.26

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

Sr. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Mahendra Girdharilal					
	At the beginning of the year		15362	0.22	-	-
	Changes during the year		No change during the year			
	At the end of the year		-	-	15362	0.22
4.	Manoj J. Bagadia					
	At the beginning of the year		12623	0.18	-	-
	Changes during the year					
	Date	Reason				
	04.09.2015	Purchase	665	0.01	13288	0.19
	11.09.2015	Purchase	625	0.01	13913	0.20
	09.10.2015	Purchase	645	0.01	14558	0.21
	23.10.2015	Purchase	70	0.00	14628	0.21
	20.11.2015	Purchase	750	0.01	15378	0.22
	04.12.2015	Purchase	200	0.00	15578	0.22
	11.12.2015	Purchase	100	0.00	15678	0.23
	08.01.2016	Sale	1011	0.01	14667	0.21
	At the end of the year		-	-	14667	0.21
5.	Amita Ashvin Shah					
	At the beginning of the year		10930	0.16	-	-
	Changes during the year					
	Date	Reason				
	06.11.2015	Purchase	200	0.00	11130	0.16
	12.02.2016	Purchase	300	0.00	11430	0.16
	19.02.2016	Purchase	700	0.01	12130	0.17
	At the end of the year		-	-	12130	0.17
6.	Thakker Bhupendra					
	At the beginning of the year		10710	0.15	-	-
	Changes during the year		No change during the year			
	At the end of the year		-	-	10710	0.15

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Ashvin S. Shah				
	At the beginning of the year	10379	0.15	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	10379	0.15
8.	Ramesh Gopal Trasi				
	At the beginning of the year	10000	0.14	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	10000	0.14
9.	Nanji Jivraj Karani				
	At the beginning of the year	9700	0.14	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	9700	0.14
10.	Rekha Chandravadan Shah				
	At the beginning of the year	8100	0.12	-	-
	Changes during the year	No change during the year			
	At the end of the year	-	-	8100	0.12

v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of the Directors/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Smt. Bhavna H. Mehta	4724583	67.91	4724583	67.91
2.	Shri. Manoj P. Mehta	100000	1.43	100000	1.43
3.	Shri. Hasmukh J. Shah	8750	0.13	8750	0.13
4.	Shri. Kisan R. Choksey	4100	0.06	4100	0.06
5.	Shri. Pravin G. Shah	2500	0.04	2500	0.04
6.	Shri. Venkitaraman Iyer	10000	0.14	10000	0.14
7.	Shri. R. G. Trasi	10000	0.14	10000	0.14
8.	Shri. Bhavin P Rambhia	-	-	-	-

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

V. **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(Amt. in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2015)				
i) Principal Amount	4,96,406	18,401,997	-	18,898,403
ii) Interest due but not paid	-	1,294,905	-	1,294,905
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,96,406	19,696,902	-	20,193,308
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	277,237	458,182	-	735,419
Net Change	277,237	458,182	-	735,419
Indebtedness at the end of the financial year (31/03/2016)				
i) Principal Amount	219,169	18,401,997	-	18,621,166
ii) Interest due but not paid	-	836,723	-	836,723
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	219,169	19,238,720	-	19,457,889

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A) Remuneration to Non-Executive Directors :

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Shri. Kisan R. Choksey	Shri. Pravin G. Shah	Shri. Venkitaraman Iyer	
	Fee for attending board/ committee meetings	15000	20000	15000	50000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	15000	20000	15000	50000

ANNEXURE [A] TO THE DIRECTORS' REPORT (Cont'd...)

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
2.	Other Non-Executive Directors	Smt. Bhavna H. Mehta	Shri. Hasmukh J. Shah	Shri. Manoj P. Mehta	
	Fee for attending board committee meetings	-	20000	20000	40000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	20000	20000	40000
	Total Managerial Remuneration = (1+2)				90000

B) Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD :

(Amt. in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		C.E.O. R. G. Trasi	Company Secretary Bhavin P Rambhia	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	6,60,000	13,80,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
5.	Others, please specify	-	-	-
	Total	7,20,000	6,60,000	13,80,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

There were no penalties, punishment or compounding of offences levied under the Companies Act, 2013.

**ANNEXURE [B] TO THE DIRECTORS' REPORT****FORM No. MR - 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of
Ruttonsha International Rectifier Ltd.,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ruttonsha International Rectifier Ltd.** (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the Company during the Audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period);

I have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited.
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (with effect from 1st December, 2015).

**ANNEXURE [B] TO THE DIRECTORS' REPORT (Cont'd...)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above. As informed by the management, there are no laws that are specifically applicable to the Company based on their sector/industry.

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc. having a major bearing on the Company's affairs.

For **Neetu Agrawal & Co.**
Practising Company Secretary

Place : Mumbai
Date : 30th May, 2016

Neetu Vikas Agrawal
Proprietor
ACS No. 25791; C.P. No. 9272

This report is to be read with my letter of even date which is annexed as Annexure I and forms an integral part of this report.

Annexure I

To
The Members of
Ruttonsha International Rectifier Ltd.,

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, i had followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Neetu Agrawal & Co.**
Practising Company Secretary

Place : Mumbai
Date : 30th May, 2016

Neetu Vikas Agrawal
Proprietor
ACS No. 25791; C.P. No. 9272



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY OVERVIEW

Electronic Industry is broadly categorized under consumer, medical, communication, automotive, strategic electronics and industrial segments. Continuous improvement in design technologies have led to smaller, complex and more reliable products at a lower cost, driven by increased demand for sophisticated electronic systems. It had led to extensive usage of semiconductors in diverse end use applications in the electronic industry. Your Company is the only company in private sector to process chips ranging from 28mm to 125mm diameter in high power segment. Your Company operates in high power semi conductor segment, where it continues to be a leader in niche semi conductor processing and manufacturing in India in line with "Make in India" initiative. With the renewed focus by Govt. in the area of manufacturing through "Make in India" drive and promoting business friendly environment, we foresee the Indian manufacturing sector to see high growth rates in the coming years. However, the gestation period for the manufacturing sector to show results, is longer compared to other sectors and therefore, it may take few years to see real benefits.

The Government of India has recognised importance of Electronic Industry and announced National Electronic Policy and to further attract investment in the sector announced special Incentive Package Scheme. We hope such initiatives will create many more opportunities.

BUSINESS REVIEW

- (a) **Company Outlook:** Your Company experienced a moderate demand in domestic market during the financial year 2015-16. The Principal end markets which your Company caters to comprise of Railways, Capital Goods, Industrial and Alternate Energy which has shown signs of improvement.

Various development initiative taken by the Government and increase in infrastructure spending is likely to boost positive sentiments, and as a result your Company expects to do much better in the current financial year. Efforts of the Company to establish its presence in export market has started paying rich dividends as the company witnessed steady growth in exports during the year. Our constant endeavor to take challenging assignments bodes well for the outlook of the Company.

- (b) **Operational Performance Review:** The Company's operational performance during the year was guided by stable order inflows from semiconductor devices segments. As a result the Company reported a Turnover of ₹ 28.39 crores for the financial year 2015-16 as compared to ₹ 27.06 crores last year thereby reporting a growth of 5% in the Top Line. The Company also achieved significant growth of 203% in the bottom line by posting net profit of ₹ 95.33 Lacs as against ₹ 31.42 Lacs last year.

The Company's efforts to focus on exports, getting product approvals and registrations has started paying dividends with a stable order book position in the current financial year. Consolidation in production system and processes has also helped in cutting operating costs resulting in improvement in margins.

- (c) **Opportunities and Threats :** Since the Company essentially caters to OEM's, Railways, Steel sector, Pollution control industry opportunities are likely to open up due to impetus on infrastructure development which the present government is putting to revive the economy and business sentiments in the country. International registrations, compliance, quality approvals and strategic tieups will help the company make inroads into highly competitive export market.

Due to tenders based business model, competition from other players may affect the crystallization of orders to the Company.

Fluctuation in currencies rates due to large imports also affects Company's performance, though to some extent shall be offset by exports. Focus on new product range viz. modules and capsules has improved Company's margins and risk averse appetite of losing existing business.

The Company's entry into manufacturing of high current rectifiers, battery chargers, variac controllers, etc has started showing flow of orders.

SEGMENT WISE PERFORMANCE

Segment reporting as per Accounting Standard AS-17 is not applicable as the Company operates only in one segment i.e. Power Electronics.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Cont'd...)****OUTLOOK**

India is emerging as one of the largest electronics market in the world. The government through its policy initiatives, seeks to transform the Indian electronic manufacturing sector to a US \$ 400 billion market by 2020.

The company has established itself as a major player in Power Electronics. As a strategy, the company has focussed to grow the business through innovations, design, technology, quality and deliveries. Thrust on quality adherence to international standards has resulted in breaking into the bastions of select few. The company sees a lot of opportunities in developing modules for strategic Electronic Industry and catering to the requirements of Railways and other industries.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure that the transactions are properly authorised, recorded and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function. The Company continues to obtain the services of M/s. Bhandarkar & Kale, Chartered Accountants to oversee and carry out internal audit of the Company's activities and submit their reports periodically to the Management and the Audit Committee of the Board.

The Audit Committee, Statutory Auditors and the Business heads are periodically apprised of the Internal Audit findings and corrective actions taken.

FINANCIAL PERFORMANCE

- (i) **Profits and Earnings** : During the year, the Company's Revenue from Operations increased by 5% to ₹ 283,875,784/- as compared to ₹ 270,561,312/- in 2014-15. Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the year increased by 33% to ₹ 37,033,667/- as compared to ₹ 27,901,517/- last year. Net Profit for the year increased by 203% to ₹ 9,533,995/- as against ₹ 3,141,546/- last year.
- (ii) **Capital Expenditure** : During the year under review, the Company has not spent any substantial amount on Capital Expenditure.
- (iii) **Finance Costs** : Ploughing back of funds from internal accruals and better financial management has resulted in marginal decline in finance cost by 3% to ₹ 13,692,746/- as against ₹ 14,076,932/- last year.

HUMAN RESOURCES

During the year, there has been no material development in Human Resources / Industrial relations. Your Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business.

CAUTIONARY NOTE

The statement in the Management Discussion and Analysis describing the Company's objectives, projections and estimates may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed. Important factors affecting the Company's operation include global and domestic supply and demand conditions, input availability and production costs, currency fluctuations, changes in Government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th May, 2016

Hasmukh J. Shah
Chairman



INDEPENDENT AUDITORS' REPORT

To the Members of Ruttonsha International Rectifier Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Ruttonsha International Rectifier Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements Responsibility for the Financial Statements

2. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including, the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'The Companies (Auditors' Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143(11) of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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.

**INDEPENDENT AUDITORS' REPORT (Cont'd...)**

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on 31st March, 2016, from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company was not required to transfer any amounts to the Investor Education and Protection Fund during the year and accordingly, the question of delay does not arise.

For **AJAY SHOBHA & Co.**
Chartered Accountants
(Registration No. 317031E)

Place : Mumbai
Date : 30th May, 2016

(AJAY GUPTA)
Partner
M. No.053071

**ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 9 under "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical records and the book records were not material and have been appropriately dealt with in the books of accounts.
3. The Company has not granted any loans, secured or unsecured, to the companies, firms, LLPs or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments, given guarantees or provided security to parties covered under provisions of Section 185 and 186 of the Act. Thus paragraph 3(iv) is not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. In our opinion and according to the explanation given to us the maintenance of Cost records under Section 148(1) of the Act as prescribed by the Central Government are not applicable to the Company. Thus paragraph 3(vi) is not applicable to the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty or Value Added Tax which are disputed and not deposited with the concerned authorities.
8. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, banks and government. The Company did not have any outstanding debentures during the year.
9. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration in terms of provisions of Section 197 read with Schedule V to the Act.
12. As the Company is not a Nidhi Company, the provisions relating to Nidhi Rules, 2014 are not applicable to it and the provisions of Clause 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
16. According to information and explanations given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **AJAY SHOBHA & Co.**
Chartered Accountants
(Registration No. 317031E)

Place : Mumbai
Date : 30th May, 2016

(**AJAY GUPTA**)
Partner
M. No.053071



ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 10(f) under "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Ruttonsha International Rectifier Limited ("the Company") as at 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **AJAY SHOBHA & Co.**
Chartered Accountants
(Registration No. 317031E)

Place : Mumbai
Date : 30th May, 2016

(**AJAY GUPTA**)
Partner
M. No.053071



BALANCE SHEET AS AT 31ST MARCH, 2016

	NOTE NO.	(Amt. in ₹)	As at 31st March, 2016 (Amt. in ₹)	(Amt. in ₹)	As at 31st March, 2015 (Amt. in ₹)
I. EQUITY AND LIABILITIES					
1. SHAREHOLDERS' FUNDS					
(a) Share Capital	1	110,072,400		110,072,400	
(b) Reserves and Surplus	2	74,012,910		64,480,923	
			184,085,310		174,553,323
2. NON-CURRENT LIABILITIES					
(a) Long Term Borrowings	3	18,621,166		18,898,403	
(b) Deferred Tax Liability (net)	4	17,049,183		18,558,649	
(c) Other Long Term Liabilities	5	192,500		217,500	
(d) Long Term Provisions	6	8,492,912		6,914,953	
			44,355,761		44,589,505
3. CURRENT LIABILITIES					
(a) Short Term Borrowings	7	67,948,255		65,533,866	
(b) Trade Payable	8	61,550,397		39,544,882	
(c) Other Current Liabilities	9	6,457,971		6,617,593	
(d) Short Term Provisions	10	3,585,427		1,493,650	
			139,542,050		113,189,991
TOTAL			367,983,121		332,332,819
II. ASSETS					
1. NON-CURRENT ASSETS					
(a) Fixed Assets	11				
(i) Tangible Assets		97,154,932		103,888,445	
(ii) Capital Work in Progress		482,778		459,663	
		97,637,710		104,348,108	
(b) Non Current Investment	12	847,665		847,665	
(c) Long term Loans and Advances	13	5,755,794		5,379,769	
(d) Other Non Current Assets	14	1,739,455		639,601	
			105,980,624		111,215,143
2. CURRENT ASSETS					
(a) Inventories	15	126,041,125		113,680,209	
(b) Trade Receivables	16	117,059,044		91,911,053	
(c) Cash and Bank Balances	17	9,546,022		9,739,935	
(d) Short Term Loans and Advances	18	9,356,306		5,786,479	
			262,002,497		221,117,676
TOTAL			367,983,121		332,332,819

Significant Accounting Policies

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Other Disclosure Notes

27 to 40

Accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For AJAY SHOBHA & Co.

Chartered Accountants
(Regn. No.317031E)(Bhavna H. Mehta)
Director(Hasmukh J. Shah)
Director(Manoj P. Mehta)
Director

(AJAY GUPTA)

Partner
M. No. 053071(Pravin G. Shah)
Director(Kisan R. Choksey)
Director(Venkitaraman Iyer)
Director

Place : Mumbai

Date : 30th May, 2016(Bhavin P Rambhia)
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	NOTE NO.	For the year ended 31st March, 2016 (Amt. in ₹)	For the year ended 31st March, 2015 (Amt. in ₹)
I. REVENUE FROM OPERATIONS			
(a) Sale of Products (Gross)			
- Domestic		236,742,647	254,902,771
- Exports		78,756,883	45,293,370
		315,499,530	300,196,141
Less : Excise Duty		(25,101,891)	(21,762,172)
Less : VAT and CST		(6,521,855)	(7,872,657)
Sale of Products (Net)	19	283,875,784	270,561,312
(b) Other Income	20	3,226,431	4,235,351
TOTAL REVENUE		287,102,215	274,796,663
II. EXPENSES			
(a) Cost of Materials Consumed	21	190,695,057	189,529,238
(b) Changes in Inventories of Finished Goods and Work in Progress	22	(7,524,618)	(5,197,924)
(c) Employees Benefit Expenses	23	37,815,941	34,354,772
(d) Finance Costs	24	13,692,746	14,076,932
(e) Depreciation and Amortisation Expenses	11	11,346,392	11,268,558
(f) Other Expenses	25	29,076,958	28,205,597
TOTAL EXPENSES		275,102,476	272,237,173
III. PROFIT BEFORE EXTRAORDINARY ITEMS (I - II)		11,999,739	2,559,490
IV. Extraordinary Items		5,210	3,463
V. PROFIT BEFORE TAX (III - IV)		11,994,529	2,556,027
VI. TAX EXPENSES			
(a) Current Tax		3,970,000	488,000
(b) Deferred Tax Asset		(1,509,466)	(1,073,519)
VII. PROFIT FOR THE YEAR (V - VI)		9,533,995	3,141,546
VIII. EARNINGS PER EQUITY SHARE	39		
(Face Value of ₹ 10/- each)			
Basic and Diluted (in ₹)		1.37	0.45

Significant Accounting Policies

26

Other Disclosure Notes

27 to 40

Accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For AJAY SHOBHA & Co.

Chartered Accountants
(Regn. No.317031E)(Bhavna H. Mehta)
Director(Hasmukh J. Shah)
Director(Manoj P. Mehta)
Director

(AJAY GUPTA)

Partner
M. No. 053071(Pravin G. Shah)
Director(Kisan R. Choksey)
Director(Venkitaraman Iyer)
Director

Place : Mumbai

Date : 30th May, 2016(Bhavin P Rambhia)
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31st March, 2016 (Amt. in ₹)	For the year ended 31st March, 2015 (Amt. in ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	11,999,739	2,559,490
Adjusted for :		
Depreciation	11,346,392	11,268,558
Extra Ordinary Items	(5,210)	(3,463)
Interest Income	(1,439,748)	(2,088,683)
Interest Expense	11,727,582	12,315,709
Revaluation Adjustment	2,008	2,293
	21,631,024	21,494,414
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	33,630,763	24,053,904
Changes in Working Capital		
Trade Receivables	(25,147,991)	575,781
Inventories	(12,360,916)	(14,705,468)
Long Term Provisions	1,577,959	1,306,673
Short Term Loans and Advances	(3,569,827)	(229,845)
Other Current Liabilities	(159,622)	(960,768)
Short Term Provisions	(431,692)	(70,587)
Long Term Loans and Advances	(376,025)	1,903,001
Other Non Current Assets	(1,099,854)	(73,655)
Trade Payables	22,005,515	7,320,882
Other Long Term Liabilities	(25,000)	-
	(19,587,453)	(4,933,986)
Cash Used in Operating Activities	14,043,310	19,119,918
Direct Taxes paid (net)	(1,446,531)	(97,493)
CASH GENERATED FROM OPERATIONS	12,596,779	19,022,425
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,620,302)	(3,356,001)
Sale of Fixed Asset	5,415	-
Capital Work in Progress	(23,115)	(99,692)
Interest Income	1,439,748	2,088,683
Revaluation Adjustment	(2,008)	(2,293)
	(3,200,262)	(1,369,303)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Repayment of Long Term Borrowings	(277,237)	(353,428)
Net increase in Working Capital Borrowings	2,414,389	(5,893,532)
Interest paid	(11,727,582)	(12,315,709)
	(9,590,430)	(18,562,669)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(193,913)	(909,547)
Cash and Cash Equivalents as at 01-04-2015	9,739,935	10,649,482
Cash and Cash Equivalents as at 31-03-2016	9,546,022	9,739,935

Note : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement.

As per our attached Report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For AJAY SHOBHA & Co.

Chartered Accountants
(Regn. No.317031E)

(Bhavna H. Mehta)
Director

(Hasmukh J. Shah)
Director

(Manoj P. Mehta)
Director

(AJAY GUPTA)

Partner
M. No. 053071

(Pravin G. Shah)
Director

(Kisan R. Choksey)
Director

(Venkitaraman Iyer)
Director

Place : Mumbai

Date : 30th May, 2016

(Bhavin P Rambhia)
Company Secretary



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 : SHARE CAPITAL

AUTHORISED

10,000,000 Equity Shares of ₹ 10/- each

4,050,000 2% Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10/- each

ISSUED, SUBSCRIBED AND FULLY PAID UP

6,957,240 Equity Shares of ₹ 10/- each fully paid-up

4,050,000 2% Redeemable Optionally Convertible Cumulative Preference Shares of ₹ 10/- each fully paid-up

As at 31st
March, 2016
(Amt. in ₹)As at 31st
March, 2015
(Amt. in ₹)

100,000,000

100,000,000

40,500,000

40,500,000

140,500,000

140,500,000

69,572,400

69,572,400

40,500,000

40,500,000

110,072,400

110,072,400

TOTAL

1.1) 3,750,000 Equity Shares out of the issued, subscribed and paid up Equity Share Capital and 4,050,000 2% Redeemable Optionally Convertible Cumulative Preference Shares out of the issued, subscribed and paid up Preference Share Capital were issued to the erstwhile shareholders of Orient Semiconductors Pvt. Ltd. pursuant to the scheme of Amalgamation.

1.2) The shareholders of the Company at their meeting held on 22nd September, 2014 extended redemption period of the above Preference Shares by period of 10 years.

1.3) Shareholder's holding more than 5% Equity Shares of the Company :

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	%	No. of shares	%
Mrs. Bhavna H. Mehta	4,724,583	67.91	4,724,583	67.91

NOTE 2 : RESERVES AND SURPLUS

(a) REVALUATION RESERVE

As per Last Balance Sheet

90,548

92,841

Less: Utilised/Transferred during the year

2,008

2,293

Closing Balance

88,540

90,548

(b) CAPITAL RESERVE

Balance at the beginning and end of the year

2,396,456

2,396,456

(c) CASH SUBSIDY RESERVE

Balance at the beginning and end of the year

323,500

323,500

(d) AMALGAMATION RESERVE

Balance at the beginning and end of the year

4,359,936

4,359,936

(e) SURPLUS IN STATEMENT OF PROFIT AND LOSS

As per Last Balance Sheet

57,310,483

54,168,937

Add : Profit for the year

9,533,995

3,141,546

Closing Balance

66,844,478

57,310,483

TOTAL

74,012,910

64,480,923

NOTE 3 : LONG TERM BORROWINGS

SECURED

Vehicle Loan from Bank

219,169

496,406

UN-SECURED

Loan from a Director

18,401,997

18,401,997

TOTAL

18,621,166

18,898,403

Vehicle Loan from State Bank of India is secured by hypothecation of Vehicle.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

	As at 31st March, 2016 (Amt. in ₹)	As at 31st March, 2015 (Amt. in ₹)
NOTE 4 : DEFERRED TAX LIABILITY		
Deferred Tax Liability	17,049,183	18,558,649
TOTAL	17,049,183	18,558,649
NOTE 5 : OTHER LONG TERM LIABILITIES		
OTHER PAYABLES		
Trade/Security Deposit received	192,500	217,500
TOTAL	192,500	217,500
NOTE 6 : LONG TERM PROVISIONS		
PROVISIONS FOR EMPLOYEE BENEFITS		
(a) Provision for Gratuity	7,784,674	6,276,251
(b) Provision for Compensated Absences	708,238	638,702
TOTAL	8,492,912	6,914,953
NOTE 7 : SHORT TERM BORROWINGS		
SECURED		
Cash Credit from a Bank	67,948,255	65,533,866
TOTAL	67,948,255	65,533,866
Cash credit from State Bank of India is secured by hypothecation of stocks and current assets as primary security and by first charge on Land and Building under Survey Nos. 338/P1, 338/P2, 338/P3 and 338/P4 situated at Baska, Taluka Halol, District Panchmahals and hypothecation of entire plant and machinery and other fixed assets both present and future, as collateral security to the bank. The said facility is further secured by lien on STDR of ₹ 55 Lacs kept with the bank.		
NOTE 8 : TRADE PAYABLES		
Others than Micro, Small and Medium Enterprises	61,550,397	39,544,882
TOTAL	61,550,397	39,544,882
NOTE 9 : OTHER CURRENT LIABILITIES		
(a) Un-paid/Unclaimed Dividends	741,483	746,660
(b) Other Payable	3,779,419	3,413,305
(c) Statutory Remittances	1,100,346	1,162,723
(d) Current maturities of Long Term Debt	836,723	1,294,905
TOTAL	6,457,971	6,617,593
9.1) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2016. These amounts shall be credited to the Fund as and when they become due.		
9.2) Statutory Remittances include amount due and payable to various Government and statutory authorities.		
9.3) Current maturities include interest payable on loan taken from Director.		
NOTE 10 : SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits	1,061,958	1,103,143
(b) Provision for Tax (net of Advance Tax)	2,523,469	390,507
TOTAL	3,585,427	1,493,650
Provision for employee benefits include provision for bonus and ex-gratia.		

NOTE 11 : FIXED ASSETS

(Amt in ₹)

Sr. No.	Particulars	GROSS BLOCK (at cost)				DEPRECIATION				NET BLOCK	
		As at 01.04.2015	Additions during the year	Deductions during the year	As at 31.03.2016	As at 01.04.2015	Deductions during the year	For the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
1.	FREEHOLD LAND	3,589,950	-	-	3,589,950	-	-	-	-	3,589,950	3,589,950
2.	BUILDINGS	23,236,924	1,045,149	-	24,282,073	12,472,778	-	470,246	12,943,024	11,339,049	10,764,146
3.	PLANT AND MACHINERY	183,780,145	2,122,480	-	185,902,625	100,085,088	-	9,540,107	109,625,195	76,277,430	83,695,057
4.	DIES AND MOULDS	4,800,863	111,299	-	4,912,162	4,228,454	-	113,065	4,341,519	570,643	572,409
5.	ELECTRICAL INSTALLATION AND FITTINGS	4,373,569	9,853	-	4,383,422	3,445,937	-	115,934	3,561,871	821,551	927,632
6.	AIR CONDITIONERS AND WATER COOLERS	2,427,605	304,538	-	2,732,143	1,822,911	-	194,524	2,017,435	714,708	604,694
7.	VEHICLES	3,195,592	-	(39,765)	3,155,827	1,977,550	(34,350)	354,188	2,297,388	858,439	1,218,042
8.	OFFICE EQUIPMENTS	6,107,422	230,098	-	6,337,520	4,832,003	-	362,327	5,194,330	1,143,190	1,275,419
9.	FURNITURE AND FIXTURES	6,399,050	796,885	-	7,195,935	5,157,954	-	198,009	5,355,963	1,839,972	1,241,096
	TOTAL	237,911,120	4,620,302	(39,765)	242,491,657	134,022,675	(34,350)	11,348,400	145,336,725	97,154,932	103,888,445
	PREVIOUS YEAR	234,555,119	3,356,001	-	237,911,120	122,751,824	-	11,270,851	134,022,675		
	CAPITAL WORK IN PROGRESS									482,778	459,663
	GRAND TOTAL									97,637,710	104,348,108

11.1) Gross Block of Fixed Assets includes Land, Building and Machinery which have been revalued on 30/05/1986 for ₹ 2,029,839/-

11.2) Depreciation on revalued assets has been adjusted against Revaluation reserve.

11.3) Vehicle worth ₹ 39,765/- was sold during the year.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

	As at 31st March, 2016 (Amt. in ₹)	As at 31st March, 2015 (Amt. in ₹)
NOTE 12 : NON CURRENT INVESTMENT		
2,10,584 Equity Shares of ₹ 10/- each of the Company held in trust pursuant to the scheme of amalgamation of which Company is the sole beneficiary.	847,665	847,665
TOTAL	847,665	847,665
NOTE 13 : LONG TERM LOANS AND ADVANCES		
Security Deposits (Considered Good)		
(i) Secured	3,308,787	3,442,792
(ii) Unsecured	2,447,007	1,936,977
TOTAL	5,755,794	5,379,769
NOTE 14 : OTHER NON CURRENT ASSETS		
(a) Accruals (Unsecured considered good)		
Interest Accrued on deposits	1,489,455	593,292
(b) Others (Unsecured considered good)		
Compensation Receivable	250,000	46,309
TOTAL	1,739,455	639,601
During the year 1999 - 2000 the Government of Gujarat vide notice issued under Land Acquisition Act, 1894 had acquired 15000 Sq. ft. of land belonging to the Company for purpose of widening of Vadodara - Halol road and had awarded compensation of only ₹ 46,309/-. The Company had filed an application with the Deputy Collector, Godhra Region claiming inadequacy of compensation. Based on intimation received from the concerned department and deduction of TDS by the said agency, the Company has booked enhanced compensation of ₹ 203,691/- in its books.		
NOTE 15 : INVENTORIES		
(a) Raw Materials	53,149,782	48,313,484
(b) Work-in-Progress	70,845,978	61,485,912
(c) Finished Goods	2,045,365	3,880,813
TOTAL	126,041,125	113,680,209
NOTE 16 : TRADE RECEIVABLES		
(a) Trade Receivables outstanding for a period exceeding six months from the date they are due for payment (Unsecured, considered good)	11,501,616	13,608,206
Less : Provision for doubtful trade receivables	3,831,278	3,831,278
	7,670,338	9,776,928
(b) Others	109,388,706	82,134,125
TOTAL	117,059,044	91,911,053
The Company has made provision of ₹ 38,31,278/- for recovery of amount due from two State Government undertakings against whom legal proceedings have been initiated and the matter is subject to adjudication.		
NOTE 17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
(i) Cash on hand	54,628	255,552
(ii) Balances with Banks		
- In Current Accounts	1,728,524	1,721,513
- In Deposit Accounts	7,762,870	7,762,870
TOTAL	9,546,022	9,739,935

Balance with banks in current accounts include unclaimed dividend of ₹ 741,483/- (Previous Year ₹ 746,660/-)


NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

	As at 31st March, 2016 (Amt. in ₹)	As at 31st March, 2015 (Amt. in ₹)
NOTE 18 : SHORT TERM LOANS AND ADVANCES		
(unsecured, considered good unless otherwise stated)		
(a) Advance to Suppliers	1,379,410	1,884,194
(b) Advance to Employees	295,568	247,715
(c) Prepaid Expenses	587,946	576,090
(d) Balance with Government Authorities		
- CENVAT Credit receivable	4,454,397	1,909,975
- Service Tax receivable	1,492,812	111,012
- Advance Income Tax (A.Y. 2013-14)	435,083	435,083
- Advance Income Tax (A.Y. 2014-15)	622,410	622,410
- Advance Income Tax (A.Y. 2015-16)	88,680	-
TOTAL	9,356,306	5,786,479
	2015-16 (Amt. in ₹)	2014-15 (Amt. in ₹)
NOTE 19 : SALE OF PRODUCTS		
(a) Semiconductor Devices	218,096,233	178,584,020
(b) Power Rectifier Assemblies	49,375,378	65,344,904
(c) Power Modules	6,876,099	7,007,979
(d) Others	9,528,074	19,624,409
TOTAL	283,875,784	270,561,312
NOTE 20 : OTHER INCOME		
(a) Interest Income	1,439,748	2,088,683
(b) Labour Charges	361,832	181,050
(c) Liabilities/ Provisions (no longer required) written back	71,876	108,876
(d) Net gains on Foreign Currency Transactions	679,193	1,549,439
(e) Miscellaneous Receipts	673,782	307,303
TOTAL	3,226,431	4,235,351
NOTE 21 : COST OF MATERIALS CONSUMED		
Opening Stock	48,313,484	38,805,940
Add : Purchases	195,531,355	199,036,782
	243,844,839	237,842,722
Less : Closing Stock	53,149,782	48,313,484
TOTAL	190,695,057	189,529,238



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

	2015-16 (Amt. in ₹)	2014-15 (Amt. in ₹)
NOTE 22 : CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
OPENING STOCK		
(a) Work in Progress	61,485,912	55,521,415
(b) Finished Goods	3,880,813	4,647,386
	<u>65,366,725</u>	<u>60,168,801</u>
CLOSING STOCK		
(a) Work in Progress	70,845,978	61,485,912
(b) Finished Goods	2,045,365	3,880,813
	<u>72,891,343</u>	<u>65,366,725</u>
	<u>(7,524,618)</u>	<u>(5,197,924)</u>
NOTE 23 : EMPLOYEES BENEFIT EXPENSES		
(a) Salaries, Wages and Bonus	32,270,624	29,220,935
(b) Contribution to Provident and other Funds	4,536,750	3,941,628
(c) Staff Welfare Expenses	1,008,567	1,192,209
TOTAL	<u>37,815,941</u>	<u>34,354,772</u>
NOTE 24 : FINANCE COST		
(a) Interest Expenses	11,727,582	12,315,709
(b) Other Borrowing Costs	1,965,164	1,761,223
TOTAL	<u>13,692,746</u>	<u>14,076,932</u>
NOTE 25 : OTHER EXPENSES		
(I) OPERATING EXPENSES		
(a) Packing Materials	2,239,300	2,327,528
(b) Freight and Forwarding	2,493,913	2,011,996
(c) Power and Fuel	6,349,113	6,723,051
(d) Rent including Lease Rentals	862,068	855,300
(e) Repairs and Maintenance to :		
- Building	788,821	218,230
- Machinery	190,995	185,198
- Others	282,073	267,412
(f) Insurance	457,155	510,402
(g) Rates and Taxes	1,234,350	619,648
	<u>14,897,788</u>	<u>13,718,765</u>
(II) ADMINISTRATIVE AND OTHER EXPENSES		
(a) Telephone Expenses	548,561	622,726
(b) Travelling and Conveyance	3,467,513	3,890,785
(c) Printing and Stationery	641,749	845,557
(d) Discount and Commission	824,809	564,901
(e) Advertisement and Sales Promotional Expenses	653,384	880,265
(f) Donation and Contributions	10,501	5,000
(g) Legal and Professional Charges	4,613,941	4,428,153
(h) Directors' Sitting Fees	90,000	80,000
(i) Auditors' Remuneration	80,000	80,000
(j) Miscellaneous Expenses	3,248,712	3,089,445
	<u>14,179,170</u>	<u>14,486,832</u>
TOTAL	<u>29,076,958</u>	<u>28,205,597</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

NOTE 26 : SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation of Financial Statements :**

The financial statements of the Company have been prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

(b) Use of Estimates :

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

(c) Fixed Assets :

Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment loss, if any (except for Land, Building and Machinery which had been revalued on 30th May, 1986). Cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and any other costs directly attributable for bringing the asset to its working condition and other indirect costs specifically attributable to the acquisition or construction of the respective assets.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

(d) Depreciation :

Depreciation in respect of fixed assets acquired during the year is charged on a straight line method so as to write-off the cost of the assets over the useful lives.

With respect to the existing class of assets acquired prior to 1st April, 2014, the management has estimated useful life which differs from the useful life prescribed under the Act on the basis of internal assessment and as per Chartered Engineer's technical evaluation. The management believes that the useful lives provided for the assets acquired prior to 01/04/2014 best represents the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation method, useful life and residual value are reviewed periodically.

(e) Borrowing Costs :

Interest and other costs incurred in connection with the borrowing of funds are charged to revenue on accrual basis.

(f) Inventories :

Inventories of Raw Materials, Work in Progress and Finished Goods are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including overheads incurred in bringing them to their respective present location and condition. Cost of Inventory is determined on First-in-First-out basis. The excise duty in respect of closing inventory of finished goods is included as part of finished goods.

(g) Revenue Recognition :

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized :

(i) Sale of Goods :

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the Government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) Interest :

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) Employee Benefits :

(i) Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

- (ii) Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.
- (i) **Foreign Currency Transactions :**
- (i) Initial Recognition :
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Conversion :
Foreign currency monetary items are reported at the rate prevailing on the balance sheet date.
- (iii) Exchange Differences :
Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or expense in the period in which they arise.
- (j) **Taxation :**
Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).
The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.
Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realization.
- (k) **Provisions, Contingent Liabilities and Contingent Assets :**
Provisions are recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and there is a reliable estimate of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of amount cannot be made.
Contingent assets are neither recognised nor disclosed in the financial statements.
- (l) **Segment Accounting :**
The Company is considered to be a single segment Company engaged in manufacture of Power Electronics Products. Consequently, the Company has in its primary segment only one reportable business segment as prescribed in Accounting Standard 17 (AS-17) "Segment Reporting" issued by ICAI.
- (m) **Impairment of Assets :**
The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of assets exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.
- (n) **Investments :**
Non current investments are stated at cost. Provision for diminution in the value of Non Current Investments is made only if such a decline is other than temporary.
- (o) **Cash and Cash Equivalents :**
Cash and cash equivalents include cash and cheques in hand, bank balances and term/demand deposits with banks.
- (p) **Earnings Per Share :**
The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

	As at 31 st March, 2016 (Amt. in ₹)	As at 31 st March, 2015 (Amt. in ₹)
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OTHER DISCLOSURE NOTES : 27 to 40

NOTE 27 : CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of :

(a) Guarantee issued to the Development Commissioner in respect of E.O.U. unit	-	15,000,000
(b) Performance Guarantee issued by Banks	1,260,914	1,422,438

NOTE 28 : EMPLOYEE BENEFITS

Disclosure as required by Accounting Standard 15

(a) The amount recognised in the Statement of Profit and Loss are as follows :

DEFINED BENEFIT PLAN

Gratuity	2015-16 (Amt. in ₹)	2014-15 (Amt. in ₹)
Current service cost	2,209,142	1,747,993

Leave Encashment	2015-16 (Amt. in ₹)	2014-15 (Amt. in ₹)
Current service cost	170,028	160,711

Provident Fund	2015-16 (Amt. in ₹)	2014-15 (Amt. in ₹)
Current service cost	1,324,894	1,261,336

(b) The amount recognised in the Balance Sheet are as follows :

Particulars	Gratuity (Amt. in ₹)	
	As at 31 st March, 2016	As at 31 st March, 2015
Opening defined benefits	6,276,251	5,069,348
Current service cost	2,209,142	1,747,995
Benefits paid during the year	700,719	541,092
Closing defined benefit obligation (as per actuarial valuation)	7,784,674	6,276,251

Particulars	Leave Encashment (Amt. in ₹)	
	As at 31 st March, 2016	As at 31 st March, 2015
Opening defined benefits	638,702	538,932
Current service cost	170,028	160,711
Benefits paid during the year	100,492	60,941
Closing defined benefit obligation (as per actuarial valuation)	708,238	638,702

During the year, the Company was not required to make any contribution under the Scheme of Group Gratuity with Life Insurance Corporation of India (LIC) as per the deferred plan of contribution sanctioned by LIC. The total fund requirements is worked out by LIC at ₹ 18,63,260/- to administer the total Gratuity Liability of the Company.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

NOTE 29 : RELATED PARTY TRANSACTIONS

Information on related party transactions as required by Accounting Standard 18.

I. LIST OF RELATED PARTIES :

Key Managerial Personnel : Mrs. Bhavna H. Mehta

(Related party relationship is as identified by the Company and relied upon by the Auditors.)

II. TRANSACTIONS WITH RELATED PARTIES :

	2015-16 (Amt. in ₹)	2014-15 (Amt. in ₹)
Expenses :		
Interest	2300,256	2300,256
Rent	720,000	720,000
Outstandings :		
Unsecured Loans (Payable)	18,401,997	18,401,997
Security Deposit (Receivable)	500,000	500,000

NOTE 30 : AUDITORS' REMUNERATION

Statutory Audit Fees	57,000	57,000
Tax Audit Fees	23,000	23,000
	<u>80,000</u>	<u>80,000</u>

NOTE 31 : MATERIALS CONSUMED

(i) Copper, Bases, Wires and Sheets, etc.	43,410,526	41,850,727
(ii) Diodes, SCR parts and components, Ceramic Housings, Moly Discs, Tungsten and Silicon Diffused Chips, etc.	91,680,373	66,658,967
(iii) Power Equipments, Sub-assemblies, Transformers, Switches, etc.	24,224,321	29,634,808
(iv) Hardware Components, Bakelite and Fibre Sheet Rods and Boxes, etc.	16,955,350	18,946,334
(v) Others	14,424,487	32,438,402
	<u>190,695,057</u>	<u>189,529,238</u>

NOTE 32 : STOCK OF GOODS PRODUCED

OPENING STOCK

(i) Semiconductor Diodes/ Rectifiers	3,880,813	1,025,875
(ii) Power Rectifier Assemblies	Nil	3,621,511
	<u>3,880,813</u>	<u>4,647,386</u>

CLOSING STOCK

(i) Semiconductor Diodes/ Rectifiers	2,045,365	3,880,813
(ii) Power Rectifier Assemblies	Nil	Nil
	<u>2,045,365</u>	<u>3,880,813</u>

NOTE 33 : C.I.F. VALUE OF IMPORTS

Raw Materials, Components and Spares	<u>86,414,026</u>	<u>85,004,503</u>
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NOTE 34 : EXPENDITURE IN FOREIGN CURRENCY

Foreign Bank and Other Charges	<u>1,362,060</u>	<u>1,185,515</u>
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NOTE 35 : EARNINGS IN FOREIGN CURRENCY

F.O.B. value of Exports	<u>78,756,883</u>	<u>47,535,610</u>
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Cont'd...)

NOTE 36 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available with the Company and further clarification sought from all the suppliers, none of the suppliers are registered/covered under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 37 : INCOME TAX AND SALES TAX ASSESSMENTS

Income Tax assessments have been completed upto the Assessment Year 2013-14 and adjustments in the accounts have been made upto the said Assessment year.

Sales tax assessments have been completed upto 31st March, 2012.

NOTE 38 : UNPAID AND UNCLAIMED DIVIDENDS

Unclaimed dividends of ₹ 7,41,483/- are lying in Unpaid Dividend Account of the Company awaiting Dividend claims from the shareholders for the Financial Year 2009-10; 2010-11; 2011-12 and 2012-13. In terms of Section 124 of the Companies Act, 2013 read with the Companies (Declaration & Payment of Dividend) Rules, 2014, any dividend remaining unpaid/unclaimed for a period of seven years, needs to be transferred to the Investor Education and Protection Fund (IEPF). Shareholders who have not received Dividend for Financial Year 2009-10; 2010-11; 2011-12 and 2012-13 are hereby requested to ensure that they claim the dividend(s) from our Registrar and Transfer Agents – M/s Adroit Corporate Services Pvt. Ltd. before the said amount is transferred to the Investor Education and Protection Fund.

FINANCIAL YEAR	TYPE OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND
2009-10	FINAL DIVIDEND	22/08/2017
2010-11	FINAL DIVIDEND	26/09/2018
2011-12	FINAL DIVIDEND	24/09/2019
2012-13	FINAL DIVIDEND	12/08/2020

Currently, there is no amount due to be transferred to Investor Education and Protection Fund in terms of Section 124 (5) of the Companies Act, 2013.

NOTE 39 : EARNINGS PER SHARE

PARTICULARS	2015-16	2014-15
Net Profit attributable to equity shareholders (Amt. in ₹)	95,33,995	31,41,546
Weighted average number of equity shares outstanding	6,957,240	6,957,240
Basic and diluted earnings per share (Amt. in ₹)	1.37	0.45
Face value per equity share (Amt. in ₹)	10	10

NOTE 40 : The financial statements are prepared under Schedule III of the Companies Act, 2013. Accordingly, the previous year's figures have been re-grouped/re-classified to conform to the current year's classification.

As per our attached Report of even date

SIGNATURE TO NOTES '1' TO '40'

For **AJAY SHOBHA & Co.**

Chartered Accountants

(Regn. No.317031E)

(AJAY GUPTA)

Partner

M. No. 053071

Place : Mumbai

Date : 30th May, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(Bhavna H. Mehta)
Director

(Hasmukh J. Shah)
Director

(Manoj P. Mehta)
Director

(Pravin G. Shah)
Director

(Kisan R. Choksey)
Director

(Venkitaraman Iyer)
Director

(Bhavin P Rambhia)
Company Secretary



**110 V, 3800 AMPS. THYRISTOR CONTROLLED RECTIFIER
FOR ELECTRO CHEMICAL PROCESS**



RUTTONSHA

RUTTONSHA INTERNATIONAL RECTIFIER LIMITED

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