
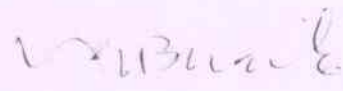
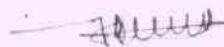
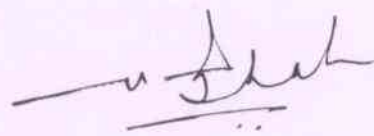


9001-2008

REGD. & H.O. LAKE ROAD, BHANDUP (W), MUMBAI - 400 078. TEL.: +91 22 2569 6789 FAX: +91 22 2596 4114  
 www.hirect.com corporate@hirect.com/marketing@hirect.com CIN: L28900MH1958PLC011077

**FORM A**

1.	Name of the company	<b>HIND RECTIFIERS LIMITED</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March, 2015</b>
3.	Type of Audit observation	<b>Unqualified</b>
4.	Frequency of observation	<b>Not applicable</b>
5.	Signed by-  S. K. Nevatia Chairman & Managing Director  V. K. Bhartia Audit Committee Chairman  A. K. Nemani CFO  Uday J. Shah Auditor of the company	      

## HIND RECTIFIERS LIMITED

Lake Road, Bhandup (W), Mumbai - 400 078

Tel.: +91 22 2569 6789 Fax: +91 22 2596 2461 Website: www.hirect.com E-mail: corporate@hirect.com

CIN : L28900MH1958PLC011077

### NOTICE TO THE MEMBERS

NOTICE is hereby given that the 57th Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Thursday the 13th August, 2015 at 3.30 P.M. at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai- 400 021 to transact, with or without modification(s) the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bharat Swaroop (DIN: 00361280), who retires from office by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. Khandwala & Shah, Chartered Accountants (Firm Registration No.:105069W) as statutory Auditors of the Company and to fix their remuneration.
4. To appoint Branch Auditors for Nashik and Dehradun Plants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the shareholders at the Annual General Meeting of the company held on 14.08.2014 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules, if any, made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, the Company be and is hereby authorised to borrow any sum or sums of money, in Indian Rupees and / or in any foreign currency from time to time, at its discretion, from Financial Institutions / Banks / Institutional Investors / Body Corporate etc. on such terms and conditions, with or without security as the Board of Directors may think fit for the purpose of the business of the Company or for such other approved purpose and that the money borrowed together with the money already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) shall not, at any time exceed ₹ 150 crore (Rupees One hundred and fifty crore);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle & execute such documents / deeds / writings / agreements as may be required, to file necessary e-form(s) with the Registrar of Companies and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Company Secretary of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the shareholders in the Annual General Meeting of the company held on 14.08.2014 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, the Company be and is hereby authorized to create such charges,

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mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Company in certain events in favour of the Financial Institutions / Banks / any other investing agencies / trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by all or any other person(s) / bodies corporate by way of private placement or otherwise, to secure rupee / foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 150 crore (Rupees one hundred and fifty crore);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle & execute such documents / deeds / writings / agreements as may be required, to file necessary e-form(s) with the Registrar of Companies and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Company Secretary of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 & 198 and other applicable provisions, if any, of the Companies Act, 2013, reads with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof), the consent of the members be and is hereby granted to the re-appointment of Smt. Uma S. Nevatia (DIN: 00341393) as Executive Vice Chairperson of the Company for a period of three years w.e.f. 1st April, 2015 upon the terms and conditions as set out in the explanatory statement with liberty to the Board of Directors to alter or to vary the same so as not to exceed the limits set out in Section 196, 197 & 198 read with Schedule V of the Companies Act, 2013 or any amendment thereto as may be agreed to between the Board of Directors of the Company and Smt. Uma S. Nevatia."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification or re-enactment thereof), the consent of the Company be and is hereby accorded to Smt. Akshada Nevatia relative of a Director of the Company to hold and to continue to hold an office or place of profit as an Executive of the Company in the Management cadre at a Salary of ₹ 39,570/- p.m. with liberty to the Board of Directors to alter or to vary the same so as not to exceed ₹ 2,50,000/- p.m. w.e.f. 1st June, 2015 together with usual allowances, benefits, perquisites, etc as applicable to other employees of the Company."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules, if any, made there under including any statutory modification(s) or re-enactments thereof for the time being in force, the new Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company;

"RESOLVED FURTHER that any Director or the Company Secretary be and is hereby severally authorized to file necessary e-form(s) with the Registrar of Companies, execute all acts, things, deeds, documents and to take all steps, actions, as it may be necessary to give effect to the above resolution."

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HEREWITH.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. Members / Proxies holding their shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
5. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
6. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
7. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
8. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
9. The Ministry of Corporate Affairs ('MCA') under "Green Initiative in the Corporate Governance" allowed paperless compliances by the companies. MCA had issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the form and hand over the same along with Attendance Form at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice / documents including Annual Report.
10. Brief resume of all Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold Directorships, Memberships / Chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from 11th August, 2015 to 13th August, 2015 (both days inclusive).
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.
13. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 years has to be transferred by the Company to the Investors Education & Protection Fund, constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.

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Members should note that no claim can be made by the shareholders for the unclaimed dividends which have been transferred to the credit of the Investors Education & Protection Fund of the Central Government under the amended provisions of section 205(B) of the Companies Act, 1956.

The details of dividend paid by the Company and the corresponding due dates for transfer of unencashed dividend to the aforementioned fund constituted by the Central Government are furnished hereunder:

<b>Dividend for the year</b>	<b>Date of Declaration of Dividend</b>	<b>Due Date of transfer to the Investor Education and Protection Fund</b>
2007 – 2008	25.08.2008	24.08.2015
2008 – 2009	10.09.2009	09.09.2016
2009 – 2010	12.08.2010	11.08.2017
2010 – 2011	05.08.2011	04.08.2018
2011 – 2012	07.08.2012	06.08.2019
2012 – 2013	12.08.2013	11.08.2020
2013 – 2014	14.08.2014	13.08.2021

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, requested to make their claims to the Registrar of the Company or the Company at the Registered Office with full details.

14. Electronic copy of the Annual Report for the year 2014-15 is being sent to all the members whose email IDs are registered with the Company / Depository Participants. For members other than above, a physical copy of the Annual Report is being sent in the permitted mode.
15. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/s. ADROIT CORPORATE SERVICES PVT.LTD.**

[ Unit : Hind Rectifiers Limited ]

19, Jafarbhoj Industrial Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri (East), Mumbai - 400 059.

Tel No.: +91 22 2859 4060/ 2859 6060 Fax: +91 22 2850 3748 ● E-mail: adroits@vsnl.net

16. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole / First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the dividend warrants.  
(b) Members desirous of availing the facility of Electronic Credit of dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.  
(c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.

17. The Company has listed its shares on The Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE).
18. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is attached herewith.
19. All documents referred to in the notice are open for inspection at the Registered Office of the Company during office hours on all working days (except public holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
20. Voting through electronic means

Instructions for shareholders voting electronically are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 57th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 10th August, 2015 (9:00 am) and ends on 12th August, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "Hind Rectifiers remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Hind Rectifiers Limited".

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- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to maheshsoni@gmj.co.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

<b>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
<b>XXX</b>	<b>XXX</b>	<b>XXX</b>

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th August, 2015.
- X. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7th August, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer / RTA.
- XI. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Shri Mahesh Soni, Partner, M/s. GMJ & Associates, Company Secretaries, Mumbai (Certificate of Practice No. 2324) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- XV. At the AGM, the Chairman shall, at the end of the discussion on the resolutions on which voting is to be held, may allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVI. The Scrutinizer shall first after the conclusion of voting at the annual general meeting, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company "www.hirect.com" and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and NSE Limited.

Registered Office:  
Lake Road, Bhandup (W),  
Mumbai – 400 078.

Place: Mumbai  
Dated: 27th May, 2015.

For and on behalf of the Board of Directors  
For **Hind Rectifiers Limited**

**Alen Ferns**  
Company Secretary & Compliance Officer



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## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.**

### **Item No. 5 & 6**

The shareholders of the Company had by a Special Resolution at the 56th AGM of the Company held on 14.08.2014, authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹ 50 crores for the business of the Company.

At the same AGM of the Company, the shareholders had also accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings not exceeding ₹ 50 crores for the business of the Company.

As per the provision of Section 180(1)(c) of the Companies Act, 2013, consent of the shareholders is required to borrow money in excess of the aggregate of its paid-up share capital and free reserves of the Company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

The Company currently needs financial assistance to meet its working capital and also for further expansion. In order to meet the fund requirement, the Company is in talks with various banks for new and additional borrowings. The Company thus proposes to increase the Borrowing limits and Charge / Mortgage limits from ₹ 50 crore to ₹ 150 crore to meet the aforesaid requirements. If the proposal is accepted then the limits mentioned in the aforesaid section are likely to be exceeded and would require the approval of the shareholders.

Considering the above, it is proposed to obtain the approval from the members for the borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013 and also a approval under section 180 (1)(a) of the Companies Act, 2013. Hence, the Special Resolutions at Item No.5 and 6 are intended for this purpose.

It may be noted that Directors and Key Managerial Persons of the Company and their relatives who are members of the Company, may be deemed to be concerned or interested in this resolution only to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

### **Item No. 7**

The present term of Smt. Uma S. Nevatia as Executive Vice Chairperson had expired on March 31, 2015. The Board of Directors of the Company at their meeting held on March 19, 2015 have re-appointed Smt. Uma S. Nevatia as Executive Vice Chairperson of the Company for a further period of 3 [Three] years with effect from 1st April ,2015 subject to the approval of members of the Company at General Body Meeting on the following terms:-

- 1) Salary: ₹ 1,50,000/- p.m. (Rupees One Lakh Fifty Thousand only) w.e.f. from 1st April, 2015.
- 2) Benefits, Perquisites, Allowances:
  - a) Company's contribution to Provident Fund.
  - b) Mediclaim Policy and / or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad.
  - c) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
  - d) Gratuity payable at a rate of half month's salary for each completed year of service.
  - e) Chauffeur driven Company's Car.

The draft agreement entered into between the Company and the Executive Vice Chairperson is open for inspection at the Registered Office of the Company on any day during the business hours prior to the date of the meeting.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders. Smt. Uma S. Nevatia is interested in the resolution as the same is for her own appointment. Shri S.K.Nevatia, Shri Bharat Swaroop & Shri Pawan Kumar Golyan may be deemed to be interested in the resolution being relatives of Smt. Uma S. Nevatia.

None of the other Directors and Key Managerial Persons of the Company are concerned or interested in the special resolution set out at Item No. 7 of the Notice.

## **Item No. 8**

Mrs. Akshada Nevatia has done her graduation in psychology from S.P. College, Pune and masters in psychology from Fergusson College, Pune. She has also done her Diploma in Family Managed Business from S.P. Jain Institute, Mumbai. She has approximately four years of experience in the construction industry.

The Company has appointed her as an Executive of the Company in the Management cadre with effect from 1st June, 2015 at a remuneration finalized by the Board within the overall ceiling as approved by the shareholders as mentioned in the resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Shri. S. K. Nevatia and Smt. Uma S. Nevatia, Directors of the Company may be deemed to be concerned or interested in this resolution being relatives of Mrs. Akshada Nevatia.

None of the other Directors and Key Managerial Persons of the Company are concerned or interested in the special resolution set out at Item No. 8 of the Notice.

## **Item No. 9**

In view of the new Companies Act, 2013 and rules there under in place of the Companies Act, 1956, it is necessary to adopt new set of Articles of Association giving effect to the provisions and rules framed therein.

As per the provisions of Section 14 of the Companies Act, 2013, alteration in Articles of Association of the Company is required to be approved by the shareholders of the Company by way of Special Resolution and hence it has been placed for the approval of the shareholders. Copy of the existing and amended Articles of Association of the Company will be available for inspection by members at the Registered Office of the Company during the working hours of the Company till the date of Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

None of the Directors / their relatives and Key Managerial Persons are, in any way, concerned or interested, in the Special Resolution set out at Item No. 9 of the Notice.

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## INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

1. Name : Shri Bharat Swaroop (DIN : 00361280)  
Age : 62 years  
No. of shares held in the Company : 15000  
Brief Resume & Functional expertise : Shri Bharat Swaroop, is a Commerce Graduate from Mumbai University and serves as a Promoter Executive Director of M/s. L. H. Sugar Factories Ltd having total experience of more than 38 years.  
Outside Directorships : L. H. Sugar Factories Ltd.  
Sushev Agricultural Pvt. Ltd.  
Chairmanship / Membership of Board Committees : Nil.
2. Name : Smt. Uma S. Nevatia (DIN : 00341393)  
Age : 78 years  
No. of shares held in the Company : 1423959  
Brief Resume & Functional expertise : Smt. Uma S. Nevatia, is a B.A. Graduate from Mumbai University and is the Promoter Executive Director of the Company having total experience of more than 40 years.  
Outside Directorships : Nil.  
Chairmanship / Membership of Board Committees : Nil.

Registered Office:  
Lake Road, Bhandup (W),  
Mumbai – 400 078.

For and on behalf of the Board of Directors  
For **Hind Rectifiers Limited**

Place: Mumbai  
Dated: 27th May, 2015.

**Alen Ferns**  
Company Secretary & Compliance Officer

**HIND RECTIFIERS LIMITED**

Registered Office : Lake Road, Bhandup (W), Mumbai 400 078

CIN: L28900MH1958PLC011077

**ATTENDANCE SLIP**

D.P. ID*	Client ID*
L. F. No.	No. of Shares held

I /We hereby record my / our presence at the FIFTY SEVENTH ANNUAL GENERAL MEETING held at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai - 400 021 (India) on Thursday, 13th August, 2015 at 3.30 p.m.

Signature of Shareholder(s) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Name of the Proxy holder \_\_\_\_\_ Signature of the Proxy holder \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.

**Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.**

**HIND RECTIFIERS LIMITED**

Registered Office: Lake Road, Bhandup (W), Mumbai - 400 078

CIN :L28900MH1958PLC011077

**PROXY FORM**

**(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

<b>Member's Name</b>	
<b>Folio No. / Client ID</b>	
<b>DP ID</b>	
<b>Address</b>	
<b>E-Mail ID</b>	

I / We, being member(s) of Hind Rectifiers Limited having \_\_\_\_\_ shares, hereby appoint :

- a) Name ..... Address .....  
E-Mail ID ..... Signature ..... or failing him;
- b) Name ..... Address .....  
E-Mail ID ..... Signature ..... or failing him;
- c) Name ..... Address .....  
E-Mail ID ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the FIFTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held at 3.30 p.m. on Thursday, 13th August, 2015 and at any adjournment thereof in respect of such resolutions as are mentioned below:

Resolu- tion No.	Resolutions	optional*	
		For	Against
1.	Consider and adopt the financial statement, Report of the Board of Directors and Auditors.		
2.	Re-appointment of Shri Bharat Swaroop, who retires by rotation.		
3.	Appointment of M/s. Khandwala & Shah, Chartered Accountants as Auditors and fixing their remuneration.		
4.	Authorization to Board of Directors for appointment of Branch Auditors for Nashik Plant and Dehradun Plants and fixing their remuneration.		
5.	Special resolution under Section 180 (1)(c) of the Companies Act, 2013 for borrowing monies upto ₹ 150 crore.		
6.	Special resolution under Section 180 (1)(a) of the Companies Act, 2013 for creation of security.		
7.	Appointment of Smt. Uma S. Nevatia as Executive Vice Chairperson.		
8.	Appointment of Smt. Akshada Nevatia as Executive of the Company in Management cadre.		
9.	Adoption of new Articles of Association.		

Signed this ..... day of ..... 2015

Signature of the shareholder(s) .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

**Note:** 1) This form must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.

\* 2) It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

3) A proxy need not be a member.

4) Please fill all details including details of members in above box before submission.

# HIND RECTIFIERS LIMITED



Switch Mode Power Supply Rectifier Unit (New)

57<sup>th</sup>  
ANNUAL REPORT  
2014 - 2015

REGISTERED OFFICE	:	Lake Road, Bhandup (W), Mumbai - 400 078 (India) CIN: L28900MH1958PLC011077 Email: corporate@hirect.com Website: hirect.com
WORKS	:	<ul style="list-style-type: none"> <li>i) Lake Road, Bhandup (W), Mumbai - 400 078. Maharashtra (India)</li> <li>ii) Plot No.110/111, M.I.D.C. Satpur, Nashik - 422 007. Maharashtra (India)</li> <li>iii) New Khasra.No.64-67 &amp; 74, Village Charba, Vikas Nagar, Dehradun - 248 197. Uttarakhand (India)</li> <li>iv) New Khasra.No.295, 296 &amp; 301, Village Charba, Vikas Nagar, Dehradun - 248 197. Uttarakhand (India)</li> </ul>
REGIONAL OFFICES		
Eastern Region	:	Chatterjee International Centre 20th Floor, Flat No. A-11 & A-12, 33-A, J.N. Road, Kolkota - 700 071.
Western Region	:	Marketing Division Lake Road, Bhandup (W), Mumbai - 400 078.
Northern Region	:	7B/5024, 2nd Floor, N. S. Marg, New Delhi - 110 002.
Southern Region	:	403, 4th Floor, C Block Shivalaya Building, Ethiraj Salai, Egmore, Chennai - 600 008.

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## **BOARD OF DIRECTORS**

S. K. Nevatia, Chairman & Managing Director

Uma S. Nevatia, Executive Vice Chairperson

Bharat Swaroop

Pawan Kumar Golyan

V. K. Bhartia

Binod Patodia

Pradeep V. Goyal

Parimal Merchant

## **CHIEF FINANCIAL OFFICER**

A.K. Nemani

## **COMPANY SECRETARY & COMPLIANCE OFFICER**

Alen Ferns

## **BANKERS**

ICICI Bank Limited

Union Bank of India

## **AUDITORS**

M/s. Khandwala & Shah

Chartered Accountants

## **SECRETARIAL AUDITOR**

M/s. GMJ & Associates

Company Secretaries

## **LEGAL ADVISORS**

M/s. Kanga & Co.

## **REGISTRAR AND TRANSFER AGENT**

M/s. Adroit Corporate Services Private Limited

19, Jafarbhoy Industrial Estate,

1st Floor, Makwana Road, Marol Naka,

Andheri (East), Mumbai – 400 059

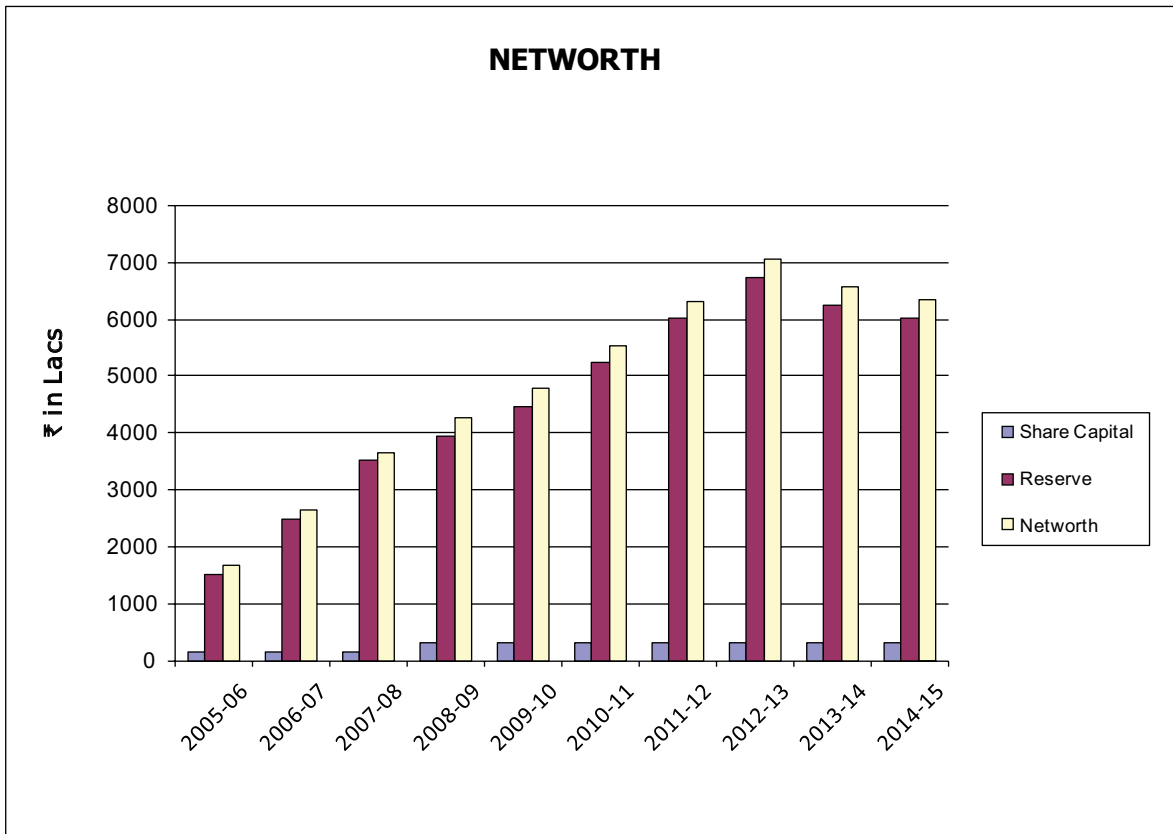
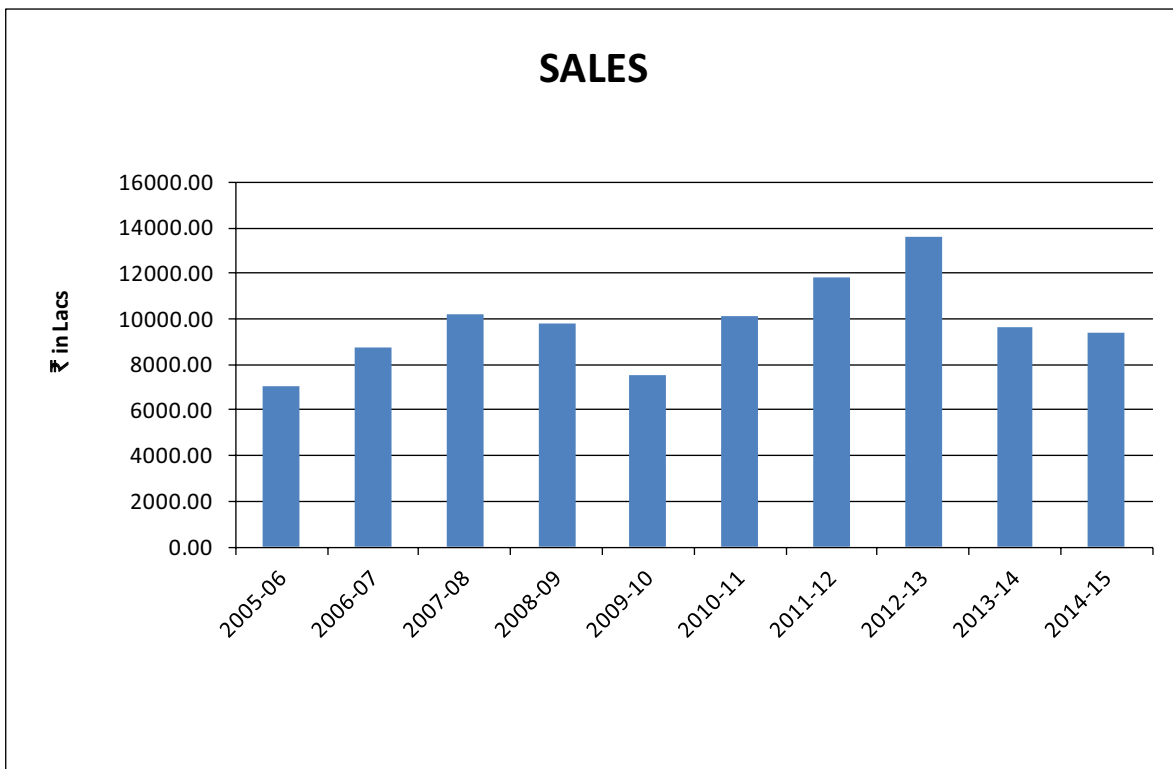
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## **57th ANNUAL GENERAL MEETING**

Date : 13th August, 2015  
Time : 3.30 p.m.  
Venue : Kamalnayan Bajaj Hall & Art Gallery  
Bajaj Bhavan, Ground Floor,  
Nariman Point, Mumbai – 400 021



# Hirect



**HIGHLIGHTS**

		<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	
<b>INCOME :</b>							
1	Gross Operational Income	(₹ in lacs)	9,895.73	10,187.09	14,539.64	12,653.29	10,853.67
2	Net Operational Income	(₹ in lacs)	9,396.82	9,671.66	13,621.65	11,793.96	10,163.88
3	Profit before Finance Cost, Depreciation & Tax	(₹ in lacs)	(209.97)	(306.72)	1,440.74	1,606.08	1,483.76
4	Finance Cost	(₹ in lacs)	234.91	170.78	95.38	158.30	82.10
5	Depreciation	(₹ in lacs)	146.98	228.67	234.67	239.83	239.68
6	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lacs)	(591.86)	(706.17)	1,110.69	1,207.95	1,161.98
7	Profit after Tax	(₹ in lacs)	(357.26)	(492.54)	1,012.77	1,068.18	1,014.41
8	Dividends	(₹ in lacs)	–	30.11	240.93	240.93	225.87
<b>EQUITY SHARE DATA :</b>							
9	Sales & other Income per equity Share	(₹)	63	65	91	78	68
10	Earnings per equity share	(₹)	(2.37)	(3.27)	6.73	7.09	6.74
11	Book value of equity share	(₹)	42.07	43.54	46.81	41.96	36.72
12	Networth	(₹ in lacs)	6,334.77	6,555.95	7,048.90	6,318.00	5,529.83
13	Market Price :						
	a) High	(₹)	104.80	61.95	70.50	56.70	78.95
	b) Low	(₹)	33.65	28.30	36.00	36.00	39.05
14	Dividend	(%)	–	10	80	80	75
<b>RATIO :</b>							
15	PBT / Net Operational Income	(%)	(6.30)	(7.30)	8.15	10.24	11.43
16	Profit after Tax / Networth	(%)	(5.64)	(7.51)	14.37	16.91	18.34
17	Total Liabilities / Total Assets	Times	0.45	0.42	0.38	0.39	0.32
18	Total Debt / Equity	Times	0.41	0.35	0.27	0.24	0.13
19	Total Outside Liability / Total Networth	Times	0.81	0.71	0.61	0.63	0.47
20	Current Ratio	Times	1.69	1.95	2.21	2.18	2.52
21	PBDIT / Finance Costs	Times	(0.89)	(1.80)	15.11	10.15	18.07

# **Hirect**

## **CHAIRMAN'S STATEMENT**



Dear Members,

This is the 58th year of Hind Rectifiers and I am pleased to bring to your attention a lot of new developments that have taken place during the past year.

We have set up a R&D department that is dedicated to creating high performance products using the latest technology. We have expanded the range of our rectifiers, as you can see on the front cover page and the back cover page.

We have also increased our range for the ESP application having introduced a state of the art controller that is at par, if not better, than our competitors,

Hind Rectifiers is one of the oldest and most reliable source of supply for the Indian Railways, and this legacy will only keep growing. With the new front runners, it seems that Indian Railways is headed towards great growth, and we are geared up to match their demand, both in terms of manufacturing and technology.

The past 2 years have been stagnant, however, we are looking to turn things around now. We are reducing our dependency on just one industry and diversifying the Product portfolio.

Ladies & Gentlemen, some of you have been associated with Hind Rectifiers for a very long time, for that we are grateful, this is just an unfortunate phase that we are determined to overcome by the end of this year.

Thanks & Best Wishes,

**S. K. Nevatia**

Chairman & Managing Director

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the 57th Annual Report together with the Audited accounts for the year ended March 31, 2015.

(₹ in Lacs)

<b>FINANCIAL RESULTS:</b>	<b>Year ended 31.03.2015</b>	<b>Year ended 31.03.2014</b>
<b>Gross Operational Income</b>	<b>9,895.73</b>	10,187.09
<b>Less: Excise Duty / Service Tax</b>	<b>498.91</b>	515.43
<b>Net Operational Income</b>	<b>9,396.82</b>	9,671.66
<b>Gross Profit / (Loss)</b>	<b>(444.88)</b>	(477.50)
<b>Less : Depreciation</b>	<b>146.98</b>	228.67
<b>Profit / (Loss) before tax</b>	<b>(591.86)</b>	(706.17)
<b>Less : Provision for Taxation - Deferred</b>	<b>(178.87)</b>	(213.30)
<b>- For Earlier Years</b>	<b>(55.73)</b>	(0.33)
	<b>(234.60)</b>	(213.63)
<b>Profit / (Loss) after taxes</b>	<b>(357.26)</b>	(492.54)
<b>Add: Surplus of previous year</b>	<b>22.40</b>	125.17
<b>Add: Transferred from General Reserve</b>	<b>-</b>	425.00
<b>Surplus / Deficit available for appropriation</b>	<b>(334.86)</b>	57.63
<b>Appropriations :</b>		
<b>Proposed Dividend</b>	<b>-</b>	30.11
<b>Tax on Dividend</b>	<b>-</b>	5.12
<b>Surplus Carried to Balance Sheet</b>	<b>(334.86)</b>	22.40

**OPERATIONS**

Turnover of the company during the year 2014-15 was ₹ 9,396.82 lacs compared to ₹ 9,671.66 lacs in the year 2013-14. The Company's performance was adversely affected due to low demand from the infrastructure and capital goods sector, non allotment of funds to Zonal Railways, reduction of the overall tender size of the rolling stock as well as more emphasis by Railways for manufacture of 3 Phase Locomotives for which as on today Company is having limited products to supply.

To overcome the situation, Company is concentrating on upgradation of existing products as well as development of new products for Railways and also for other applications. During the year 2014-15, Company has commissioned 3 Phase Transformers and 3 x 130 KVA Converter at Chittaranjan Locomotive Works (CLW) for which Company expects improved business in the current year. Company has also signed an agreement for manufacture of IGBT based Converter required by Indian Railway for 3 Phase Locomotives. Company has upgraded controllers required for Electrostatic Precipitator (ESP). Company has also developed various products required for Industrial applications as mentioned in the Annexure to the Director's Report under the heading **TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.**

The Company is focusing on the export market and has achieved a major breakthrough. During the year Company has received export orders worth ₹ 650 lacs against average export turnover of ₹ 100 lacs achieved in last 5 years.

As part of the strategy, Company has decided to acquire 50% stake in M/s.Gauranga Soft-Tech Private Limited and M/s. Gauranga Systems Private Limited respectively. Both of these will help in developing various software as well as hardware required by the Company. The cost of the existing products as well as under development products will be lower because of the tie up with Gauranga.

# ***Hi*rect**

There are some positive signs of improvement in the general economy and Company expects the turnaround in the infrastructure and capital goods sector. It expects the Railways to allot a fair amount for the rolling stock.

With the various steps being taken, the Company expects higher turnover and performance at the end of this current financial year.

## **DIVIDEND**

In view of the current performance, the Board of Directors of the Company do not recommended any Dividend.

## **INVESTMENT IN GAURANGA GROUP**

Your Company has decided to acquire 50% stake in each of the following companies i.e. M/s. Gauranga Soft-Tech Private Limited, a company with skill sets in embedded systems development, software development & latest mobile based developments and M/s. Gauranga Systems Private Limited, a company specializing in manufacturing & related coordination, OEM support, field implementation etc at a total consideration of ₹ 1 crore (Rupees One crore). Both these companies will help in developing various software and hardware needed by the Company for its business purpose. The cost of the products to be manufactured by the Company will be reduced and eventually it will reinforce, enhance and strengthen the bottom line of the Company.

## **SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2015 was ₹ 3,01,15,860. During the year under review, the Company has not issued any shares with or without differential voting rights nor has granted any stock options or sweat equity.

## **DEPOSITS**

During the year under consideration, the Company has not accepted any deposits. There were no unpaid or unclaimed deposits as on 31st March, 2015 neither there are any defaults in repayment of deposits or payment of interest thereon.

## **BOARD OF DIRECTORS**

As per the Provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Shri Bharat Swaroop, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Shri Niraj Bajaj resigned as Director of the Company with effect from January 23, 2015. He has resigned in order to meet the requirements under the Act relating to the number of Directorships that an individual can hold. The Board of Directors placed on record their sincere appreciation for the efforts & contribution of Shri Niraj Bajaj during his tenure as a Director of the Company.

Shri D.R. Mehta was an Independent Director of the Company from 29th May 1992 till 11th January 2015 and was also a member of various committees of the Company. Unfortunately he expired on 11th January 2015. The Board has placed on record a deep sense of appreciation for the efforts and contribution rendered by him to the Company. The Board also placed on record its sincere condolence to the family members of Shri D.R. Mehta.

The term of office of Smt. Uma S. Nevatia as Executive Vice Chairperson, of the Company, has expired on 31st March, 2015. The Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee have re-appointed Smt. Uma S. Nevatia as Executive Vice Chairperson on the existing terms & conditions for a period of three years w.e.f. 1st April, 2015. Appropriate resolution for the approval of the members has been proposed in the notice for the ensuing Annual General Meeting.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## **KEY MANAGERIAL PERSONNEL**

Shri S. K. Nevatia, Chairman & Managing Director of the Company was appointed as the Key Managerial Personnel with effect from 1st April, 2014.

Shri A.K. Nemani, Chief Financial Officer of the Company was appointed as the Key Managerial Personnel with effect from 28th May, 2014.

Shri Alen Ferns, Company Secretary & Compliance Officer of the Company was appointed as the Key Managerial Personnel with effect from 2nd February, 2015.

## **BOARD MEETINGS**

During the year under review the Board of Directors met 5 times i.e. on 28.05.2014, 14.08.2014, 07.11.2014, 12.02.2015 and 19.03.2015. The details of the Board Meetings are given in the Corporate Governance Report which forms a part of this Annual Report.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(C) of the Companies Act, 2013, the Directors confirm that:

- a) In the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made 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, 2015 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees.

The performance evaluation of the Chairman & Managing Director and the Non-Independent Directors was carried out by the Independent Directors in their separately held meeting on 19.03.2015. The Directors have expressed their satisfaction with the evaluation process.

## **SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Companies.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2014-2015, the Company has not given any loans, guarantees or made any investments as per the provisions of section 186 of the Companies Act, 2013.

## **RELATED PARTY TRANSACTIONS**

There were no Material Related Party Transactions as per the provisions of Listing Agreement and Section 188 of the Companies Act, 2013. All the related party transactions are approved by the Board as well as by the Audit Committee. The necessary disclosures regarding the transactions entered into with the related parties are given in the Notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

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## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a 'Vigil Mechanism / Whistle Blower Policy' as per the relevant provisions of the Listing Agreement and Section 177 of the Companies Act, 2013. The details are given in the Corporate Governance Report which forms a part of this Annual Report. The 'Vigil Mechanism / Whistle Blower Policy' is uploaded on the website of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company does not have a networth of ₹ 500 crore or turnover of ₹ 1000 crore or net profit of ₹ 5 crore and accordingly the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **AUDIT COMMITTEE**

An Audit Committee of the Board has been constituted in terms of the relevant provisions of the Listing Agreement and Section 177 of the Companies Act, 2013. Constitution and other details of the Audit Committee are given in the Corporate Governance Report which is a part of this Annual Report.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors have renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee" in order to align it with the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement. Constitution and other details of the "Nomination and Remuneration Committee" are given in the Corporate Governance Report which forms part of this Annual Report.

## **NOMINATION AND REMUNERATION POLICY**

The Company has formulated a "Nomination and Remuneration policy" which is in compliance with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. This policy lays down a framework in respect to appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of Directors etc. This policy is applicable to Directors, Key Managerial Personnel and Senior Management.

## **RISK MANAGEMENT**

The Company has formed a Risk Management Committee as per revised clause 49 of the listing agreement. The details of the committee and its terms of reference are set out in the Corporate Governance Report forming part of this Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As required under clause 49 of the Listing Agreement, Management Discussion and Analysis Report forms part of this Annual Report.

## **AUDITORS**

In the last Annual General Meeting, M/s. Khandwala & Shah, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 56th Annual General Meeting till the conclusion of the 59th Annual General Meeting, subject to ratification of the appointment by the members at every Annual General Meeting.

M/s. Khandwala & Shah are eligible for re-appointment and have expressed their willingness to act as Auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 139 of the Companies Act, 2013 for appointment as auditors of the Company. The Board of Directors hence recommend for ratification of their appointment.

The members are requested to consider, approve and ratify their re-appointment.

M/s. Daga & Chaturmutha, Chartered Accountants, Branch Auditors of the Company for Nashik Plant and M/s. Yogesh N. Shah & Co., Chartered Accountants, Branch Auditors of the Company for Dehradun Plants are retiring at the ensuing Annual General Meeting and being eligible for re-appointment have expressed their willingness to act as Branch Auditors of the Company.

The Members are requested to authorise the Board of Directors to appoint Branch Auditors of the Company and fix their remuneration.

## **AUDITORS' OBSERVATIONS**

The observations of the auditors contained in their Report are self explanatory and therefore, do not call for any further comments. The Audit Report does not contain any qualifications and adverse remark.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate internal control system corresponding to its size and operations. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year under consideration, no reportable material weakness in the design or operation was observed.

## **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best Corporate Governance practices as prevalent globally. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

## **CODE OF CONDUCT**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

## **LISTING**

The Company has listed its shares on The Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd. The Company is regular in payment of Listing Fees.

## **DEPOSITORY SERVICES**

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). The Company has been allotted ISIN No. INE835D01023.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

## **PARTICULARS OF EMPLOYEES**

There were no employees who were in receipt of remuneration exceeding the limits specified in Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



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The information required pursuant to Section 197 (12) under Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. These documents will be made available to any member upon request and will be open for inspection at the registered office of the Company.

## **DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

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

## **INFORMATION ON MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2015 and 27th May, 2015, being the date of this report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

## **EXTRACT OF ANNUAL RETURN**

As required under section 134 (3) of the Companies Act, 2013, the extract of the Annual Return prescribed in form MGT 9 is annexed herewith as Annexure "I" to this report.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure "II".

The Secretarial Audit Report does not contain any qualifications and adverse remark.

## **PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information pursuant to section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Annexure "III" to this report.

## **SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION**

The Company has taken all the necessary steps for safety, environmental control and protection at the plant.

## **ACKNOWLEDGMENT**

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers, distributors and all the technology partners for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

**Registered Office:**  
Lake Road, Bhandup (W),  
Mumbai – 400 078.

Place: Mumbai  
Dated: 27th May, 2015

For and on behalf of the Board of Directors  
For **Hind Rectifiers Limited**

**S. K. Nevatia**  
Chairman & Managing Director

**ANNEXURE "I" TO THE DIRECTORS' REPORT****Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS**

i)	CIN	L28900MH1958PLC011077
ii)	Registration Date	25.04.1958
iii)	Name of the Company	HIND RECTIFIERS LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	Lake Road, Bhandup (W), Mumbai-400078, Tel:- +91 22 2569 6789
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. ADROIT CORPORATE SERVICES PVT.LTD.19, Jafarbhoj Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059. Tel No.: +91 22 2859 4060/ 2859 6060

**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 product / service	% to total turnover of the company
1	High Voltage & High Current Rectifiers, Inverters, Converters, etc.	279-Manufacture of other electrical equipment	84.40%

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

## IV. SHARE HOLDING PATTERN (Equity Share capital breakup as % of Total Equity)

### (i) Category-wise Share Holding

Sr. no.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>(A)</b>	<b>Promoter</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others(Specify)									
i	Directors Relatives	3329330	0	3329330	22.11	3343080	0	3343080	22.20	0.09
ii	Directors	3376327	0	3376327	22.42	3356327	0	3356327	22.29	-0.13
	<b>Sub Total (A)(1)</b>	<b>6705657</b>	<b>0</b>	<b>6705657</b>	<b>44.53</b>	<b>6699407</b>	<b>0</b>	<b>6699407</b>	<b>44.49</b>	<b>-0.04</b>
<b>2</b>	<b>Foreign</b>									
(a)	Individuals (NRI / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Total shareholding of Promoter &amp; Promoter group (A)=(A)(1)+(A)(2)</b>	<b>6705657</b>	<b>0</b>	<b>6705657</b>	<b>44.53</b>	<b>6699407</b>	<b>0</b>	<b>6699407</b>	<b>44.49</b>	<b>-0.04</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	750	750	1500	0.01	750	750	1500	0.01	0.00
(b)	Banks/ Financial Institutions	750	9750	10500	0.07	750	8250	9000	0.06	-0.01
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00

Sr. no.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2014)				No. of Shares held at the end of the year (As on 31st March, 2015)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>1500</b>	<b>10500</b>	<b>12000</b>	<b>0.08</b>	<b>1500</b>	<b>9000</b>	<b>10500</b>	<b>0.07</b>	<b>-0.01</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
i	Indian	381268	14000	395268	2.63	369055	14000	383055	2.54	-0.09
ii	Overseas	0	2400000	2400000	15.94	0	2400000	2400000	15.94	0.00
(b)	Individuals									
i	Individuals-Hold nominal share capital upto ₹ 1L	3410955	594180	4005135	26.60	3351848	589795	3941643	26.18	-0.42
ii	Individuals-Hold nominal share capital in excess of ₹ 1L	1228100	150000	1378100	9.15	1335751	150000	1485751	9.87	0.71
(c)	Any Other (specify)									
i	Others	0	0	0	0.00	0	0	0	0.00	0.00
ii	Clearing member	21347	0	21347	0.14	11511	0	11511	0.08	-0.07
iii	Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
iv	Non Resident Indian (REPAT)	131243	6750	137993	0.92	116883	6750	123633	0.82	-0.10
v	Non Resident Indian (NON REPAT)	0	0	0	0.00	0	0	0	0.00	0.00
vi	Trusts	2000	0	2000	0.01	2000	0	2000	0.01	0.00
vii	Directors	430	0	430	0.00	430	0	430	0.00	0.00
	<b>Sub Total(B)(2)</b>	<b>5175343</b>	<b>3164930</b>	<b>8340273</b>	<b>55.39</b>	<b>5187478</b>	<b>3160545</b>	<b>8348023</b>	<b>55.44</b>	<b>0.05</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5176843</b>	<b>3175430</b>	<b>8352273</b>	<b>55.47</b>	<b>5188978</b>	<b>3169545</b>	<b>8358523</b>	<b>55.51</b>	<b>0.04</b>
	<b>TOTAL (A)+(B)</b>	<b>11882500</b>	<b>3175430</b>	<b>15057930</b>	<b>100.00</b>	<b>11888385</b>	<b>3169545</b>	<b>15057930</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>11882500</b>	<b>3175430</b>	<b>15057930</b>	<b>100.00</b>	<b>11888385</b>	<b>3169545</b>	<b>15057930</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Nimai Swaroop	7500	0.05	0.00	7500	0.05	0.00	0.00
2	Shekhar Bajaj	306000	2.03	0.00	306000	2.03	0.00	0.00
3	Priyanka Chhabria	7500	0.05	0.00	7500	0.05	0.00	0.00
4	Veena Sitaram Shah	44250	0.29	0.00	44250	0.29	0.00	0.00
5	Sushil Kumar Nevatia	35000	0.23	0.00	35000	0.23	0.00	0.00
6	Bharti Nevatia	240900	1.60	0.00	240900	1.60	0.00	0.00
7	Bharat Swaroop	15000	0.10	0.00	15000	0.10	0.00	0.00
8	Suramya Saurabh Nevatia	292250	1.94	0.00	292250	1.94	0.00	0.00
9	Surabhi Golyan	223000	1.48	0.00	223000	1.48	0.00	0.00
10	Mridula Bawari	10000	0.07	0.00	8750	0.06	0.00	-0.01
11	Saurabh Nevatia	10200	0.07	0.00	10200	0.07	0.00	0.00
12	Madhur Bajaj	28920	0.19	0.00	61230	0.41	0.00	0.21
13	Shri Niraj Bajaj	61230	0.41	0.00	61230	0.41	0.00	0.00
14	Kiran Bajaj	153000	1.02	0.00	153000	1.02	0.00	0.00
15	Suryansh Saurabh Nevatia	314500	2.09	0.00	314500	2.09	0.00	0.00
16	Shreeya Nevatia	315700	2.10	0.00	315700	2.10	0.00	0.00
17	Saurabh Nevatia	1343300	8.92	0.00	1343300	8.92	0.00	0.00
18	Uma Nevatia	1443959	9.59	0.00	1423959	9.46	0.00	-0.13
19	Sushil Kumar Nevatia	1821138	12.09	0.00	1821138	12.09	0.00	0.00
20	Madhur Bajaj	32310	0.21	0.00	0	0.00	0.00	-0.21
21	Jaya Darpan Sanghvi	0	0.00	0.00	15000	0.10	0.00	0.10
	<b>Total</b>	<b>6705657</b>	<b>44.53</b>	<b>0.00</b>	<b>6699407</b>	<b>44.49</b>	<b>0.00</b>	<b>-0.04</b>

**(iii) Change in promoters' shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Name of Promoter	As On Date	No. of Shares held 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
<b>1</b>	<b>At the beginning of the year</b>	<b>Sushil Kumar Nevatia</b>	01.04.2014	1821138	12.09	1821138	12.09
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	1821138	12.09	1821138	12.09
<b>2</b>	<b>At the beginning of the year</b>	<b>Saurabh Nevatia</b>	01.04.2014	1343300	8.92	1343300	8.92
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	1343300	8.92	1343300	8.92
<b>3</b>	<b>At the beginning of the year</b>	<b>Madhur Bajaj</b>	01.04.2014	32310	0.21	32310	0.21
	Date wise Increase / Decrease in Promoters Share holding during the year		20.03.2015	-32310	0.21	0	0.00
	<b>At the End of the year</b>		31.03.2015	0	0.00	0	0.00
<b>4</b>	<b>At the beginning of the year</b>	<b>Shekhar Bajaj</b>	01.04.2014	306000	2.03	306000	2.03
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	306000	2.03	306000	2.03
<b>5</b>	<b>At the beginning of the year</b>	<b>Uma Nevatia</b>	01.04.2014	1443959	9.59	1443959	9.59
	Date wise Increase / Decrease in Promoters Share holding during the year		16.05.2014	-20000	0.13	1423959	9.46
	<b>At the End of the year</b>		31.03.2015	1423959	9.46	1423959	9.46
<b>6</b>	<b>At the beginning of the year</b>	<b>Saurabh Nevatia</b>	01.04.2014	10200	0.07	10200	0.07
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	10200	0.07	10200	0.07
<b>7</b>	<b>At the beginning of the year</b>	<b>Sushilkumar Nevatia</b>	01.04.2014	35000	0.23	35000	0.23
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	35000	0.23	35000	0.23

Sr. No.	Particulars	Name of Promoter	As On Date	No. of Shares held 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
<b>8</b>	<b>At the beginning of the year</b>	<b>Veena Sitaram Shah</b>	01.04.2014	44250	0.29	44250	0.29
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	44250	0.29	44250	0.29
<b>9</b>	<b>At the beginning of the year</b>	<b>Madhur Bajaj</b>	01.04.2014	28920	0.19	28920	0.19
	Date wise Increase / Decrease in Promoters Share holding during the year		20.03.2015	32310	0.21	61230	0.41
	<b>At the End of the year</b>		31.03.2015	61230	0.41	61230	0.41
<b>10</b>	<b>At the beginning of the year</b>	<b>Shri Niraj Bajaj</b>	01.04.2014	61230	0.41	61230	0.41
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	61230	0.41	61230	0.41
<b>11</b>	<b>At the beginning of the year</b>	<b>Kiran Bajaj</b>	01.04.2014	153000	1.02	153000	1.02
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	153000	1.02	153000	1.02
<b>12</b>	<b>At the beginning of the year</b>	<b>Priyanka Chhabria</b>	01.04.2014	7500	0.05	7500	0.05
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	7500	0.05	7500	0.05
<b>13</b>	<b>At the beginning of the year</b>	<b>Bharti Nevatia</b>	01.04.2014	240900	1.60	240900	1.60
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	240900	1.60	240900	1.60
<b>14</b>	<b>At the beginning of the year</b>	<b>Mridula Bawari</b>	01.04.2014	10000	0.07	10000	0.07
	Date wise Increase / Decrease in Promoters Share holding during the year		02.01.2015	-1000	0.01	9000	0.06
			16.01.2015	-500	0.00	8500	0.06
			20.02.2015	250	0.00	8750	0.06
	<b>At the End of the year</b>		31.03.2015	8750	0.06	8750	0.06

Sr. No.	Particulars	Name of Promoter	As On Date	No. of Shares held 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
<b>15</b>	<b>At the beginning of the year</b>	<b>Suryansh Saurabh Nevatia</b>	01.04.2014	314500	2.09	314500	2.09
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	314500	2.09	314500	2.09
<b>16</b>	<b>At the beginning of the year</b>	<b>Shreeya Nevatia</b>	01.04.2014	315700	2.10	315700	2.10
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	315700	2.10	315700	2.10
<b>17</b>	<b>At the beginning of the year</b>	<b>Suramya Saurabh Nevatia</b>	01.04.2014	292250	1.94	292250	1.94
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	292250	1.94	292250	1.94
<b>18</b>	<b>At the beginning of the year</b>	<b>Bharat Swaroop</b>	01.04.2014	15000	0.10	15000	0.10
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	15000	0.10	15000	0.10
<b>19</b>	<b>At the beginning of the year</b>	<b>Nimai Swaroop</b>	01.04.2014	7500	0.05	7500	0.05
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	7500	0.05	7500	0.05
<b>20</b>	<b>At the beginning of the year</b>	<b>Surabhi Golyan</b>	01.04.2014	223000	1.48	223000	1.48
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	<b>At the End of the year</b>		31.03.2015	223000	1.48	223000	1.48
<b>21</b>	<b>At the beginning of the year</b>	<b>Jaya Darpan Sanghvi</b>	01.04.2014	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year		16.05.2014	15000	0.10	15000	0.10
	<b>At the End of the year</b>		31.03.2015	15000	0.10	15000	0.10



## iv. Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Name of the Shareholder	As On Date	No. of Shares held 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	At the beginning of the year	<b>BTR Industries Ltd</b>	01.04.2014	2400000	15.94	2400000	15.94
	At the End of the year		31.03.2015	2400000	15.94	2400000	15.94
2	At the beginning of the year	<b>Rahul Kumar Bajaj</b>	01.04.2014	357000	2.37	357000	2.37
	At the End of the year		31.03.2015	357000	2.37	357000	2.37
3	At the beginning of the year	<b>Dhirajlal Shantilal Mehta</b>	01.04.2014	300000	1.99	300000	1.99
	At the End of the year		31.03.2015	300000	1.99	300000	1.99
4	At the beginning of the year	<b>Veena K Jagwani</b>	01.04.2014	17680	0.12	17680	0.12
	Date wise Increase/Decrease in Shareholding during the financial year			29.08.2014	1000	0.01	18680
			31.10.2014	1471	0.01	20151	0.13
			07.11.2014	5303	0.04	25454	0.17
			14.11.2014	54546	0.36	80000	0.53
			21.11.2014	9990	0.07	89990	0.60
			28.11.2014	10210	0.07	100200	0.67
			12.12.2014	31600	0.21	131800	0.88
			19.12.2014	11735	0.08	143535	0.95
			02.01.2015	3370	0.02	146905	0.98
			09.01.2015	2000	0.01	148905	0.99
			16.01.2015	1702	0.01	150607	1.00
			27.03.2015	1000	0.01	151607	1.01
	At the End of the year		31.03.2015	151607	1.01	151607	1.01
5	At the beginning of the year	<b>Roshan F. Hinger</b>	01.04.2014	150000	1.00	150000	1.00
	At the End of the year		31.03.2015	150000	1.00	150000	1.00
6	At the beginning of the year	<b>Contemporary Industries Limited</b>	01.04.2014	140810	0.94	140810	0.94
	At the End of the year		31.03.2015	140810	0.94	140810	0.94
7	At the beginning of the year	<b>Bhavna Govindbhai Desai</b>	01.04.2014	0	0.00	0	0.00
	Date wise Increase/Decrease in Shareholding during the financial year			27.02.2015	135000	0.90	135000
	At the End of the year		31.03.2015	135000	0.90	135000	0.90

Sr. No.	For Each of the Top 10 Shareholders	Name of the Shareholder	As On Date	No. of Shares held 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
<b>8</b>	At the beginning of the year	<b>Ruchira Agarwal</b>	01.04.2014	120000	0.80	120000	0.80
	Date wise Increase/Decrease in Shareholding during the financial year		16.05.2014	-5000	0.03	115000	0.76
			23.05.2014	-8765	0.06	106235	0.71
			30.06.2014	-850	0.01	105385	0.70
			04.07.2014	-3288	0.02	102097	0.68
			11.07.2014	-26053	0.17	76044	0.51
	At the End of the year		31.03.2015	76044	0.51	76044	0.51
<b>9</b>	At the beginning of the year	<b>Sharad Kanayalal Shah</b>	01.04.2014	98000	0.65	98000	0.65
	At the End of the year		31.03.2015	98000	0.65	98000	0.65
<b>10</b>	At the beginning of the year	<b>Hafeez Sorab Contractor</b>	01.04.2014	60000	0.40	60000	0.40
	At the End of the year		31.03.2015	60000	0.40	60000	0.40

## v. Shareholding of Directors and Key Managerial Personnels

Sr. no.	Shareholding of Directors and Key Managerial Personnel	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
<b>1</b>	<b>Shri D.R. Mehta</b>				
	At the beginning of the year	430	0.003	430	0.003
	Purchase	-	-	-	-
	Sale	-	-	-	-
	At the end of the year	430	0.003	430	0.003
<b>2</b>	<b>Shri Niraj Bajaj</b>				
	At the beginning of the year	61230	0.41	61230	0.41
	Purchase	-	-	-	-
	Sale	-	-	-	-
	At the end of the year	61230	0.41	61230	0.41
<b>3</b>	<b>Shri Bharat Swaroop</b>				
	At the beginning of the year	15000	0.10	15000	0.10
	Purchase	-	-	-	-
	Sale	-	-	-	-
	At the end of the year	15000	0.10	15000	0.10

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Sr. no.	Shareholding of Directors and Key Managerial Personnel	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
<b>4</b>	<b>Shri S.K.Nevatia</b>				
	At the beginning of the year	1856138	12.33	1856138	12.33
	Purchase	-	-	-	-
	Sale	-	-	-	-
	At the end of the year	1856138	12.33	1856138	12.33
<b>5</b>	<b>Smt. Uma Nevatia</b>				
	At the beginning of the year	1443959	9.59	1443959	9.59
	Purchase	-	-	-	-
	Sale on 10/05/2014	20000	0.13	1423959	9.46
	At the end of the year	1423959	9.46	1423959	9.46

Note: 1) Share holding of other Directors is Nil.

2) Shri A. K. Nemani, Chief Financial Officer & Shri Alen Ferns, Company Secretary do not hold any shares in the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lacs)

Sr. no.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>1</b>	<b>Indebtedness at the beginning of the financial year</b>				
	i) Principal Amount	2240.41	-	21.14	2261.55
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	2240.41	-	21.14	2261.55
<b>2</b>	<b>Changes in indebtedness during the financial year</b>				
	Addition	278.27	-	-	278.27
	Reduction	-	-	2.41	2.41
	<b>Net Change</b>	278.27	-	-2.41	275.86
<b>3</b>	<b>Indebtedness at the end of the financial year</b>				
	i) Principal Amount	2518.68	-	18.70	2537.38
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	0.03	0.03
	<b>Total (i+ii+iii)</b>	2518.68	-	18.73	2537.41

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to MD / WTD / Manager

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		Shri S.K. Nevatia	Smt. Uma S. Nevatia	Total Amount
		Chairman & Managing Director	Executive Vice Chairperson	
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37.85	19.35	57.20
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.14	0.40	1.54
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	Others, specify	-	-	-
	<b>Total</b>	<b>38.99</b>	<b>19.75</b>	<b>58.74</b>

### B. Remuneration to other directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of director						Total Amount
		1	2	3	4	5	6	
1	<b>Independent Directors</b>	<b>Shri D.R. Mehta</b>	<b>Shri Niraj Bajaj</b>	<b>Shri V.K. Bhartia</b>	<b>Shri Binod Patodia</b>	<b>Shri Pradeep Goyal</b>	<b>Shri Parimal Merchant</b>	
	Fees for attending board / committee meetings	0.53	0.23	0.83	0.45	0.65	0.38	3.07
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.53</b>	<b>0.23</b>	<b>0.83</b>	<b>0.45</b>	<b>0.65</b>	<b>0.38</b>	<b>3.07</b>
2	<b>Other Non-Executive Directors</b>	<b>Shri Bharat Swaroop</b>	<b>Shri Pawan Kumar Golyan</b>					
	Fees for attending board / committee meetings	0.30	0.23	-	-	-	-	0.53
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0.30</b>	<b>0.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.53</b>
	<b>Total Managerial Remuneration (1+2)</b>							<b>3.60</b>

Note: Shri D.R. Mehta, upon his death, ceased to be the Director of the Company w.e.f. January 11, 2015.  
Shri Niraj Bajaj ceased to be the Director of the Company w.e.f. January 23, 2015, upon resignation.

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD/Directors

(₹ In lacs)

Sr. No.	Particulars of Remuneration	KMP		
		Shri Alen Ferns	Shri A.K. Nemani	Total Amount
		CS	CFO	
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.47	25.63	27.10
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.33	0.33
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	Others, specify	-	-	-
	<b>Total</b>	<b>1.47</b>	<b>25.96</b>	<b>27.43</b>

Note: Shri Alen Ferns has been appointed as Company Secretary w.e.f. 2nd February, 2015.

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE "II" TO THE DIRECTORS' REPORT****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

**To,**

**The Members,**

**M/s. Hind Rectifiers Limited**

Lake Road,

Bhandup west,

Mumbai-400078.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Hind Rectifiers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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 :

We 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, 2015 according to the provisions of:

- i. The Companies Act, 2013 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. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
- v. We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations with respect to;
  - a. Factories Act, 1948
  - b. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, compensation etc.;
  - c. Acts prescribed under prevention and control pollution;
  - d. Acts prescribed under Environment protection;
  - e. Acts as prescribed under Direct Tax and Indirect Tax;
  - f. Industrial (Development & Regulation) Act, 1951.
  - g. Other Acts as applicable as specified in the Management Representation Letter received from the Company.

# ***Hirect***

We have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

We 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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

We 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.

We further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
PARTNER

FCS: 3706; COP: 2324

Place: Mumbai

Date: 27th May, 2015

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

**Annexure 'I' to Secretarial Audit Report**

To,  
**The Members,**  
**M/s. Hind Rectifiers Limited**  
Lake Road,  
Bhandup west,  
Mumbai-400078.

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we 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 and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
PARTNER  
FCS: 3706; COP: 2324

Place: Mumbai  
Date: 27th May, 2015



## ANNEXURE "III" TO THE DIRECTORS' REPORT

Information under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2015.

### I. CONSERVATION OF ENERGY

- Regular audit is being conducted to identify areas of energy wastage.
- Power Factor has been maintained at 1.00 to minimize the losses.

### II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Supplied 7475 kVA Transformer for 3 Phase Locomotive.
- Successfully commissioned 3x130 kVA Converter at Chittaranjan Locomotive Works (CLW).
- Developed new ACE controller for Electrostatic Precipitator (ESP) using micro controller with enhanced communication facility and features.
- Successfully commissioned 1050 kVA EMU Transformer.
- Successfully developed IGBT based Switch Mode Power Supply (SMPS) unit with a rating of 12Volts / 500Amps.
- Developed fully controlled, half controlled and uncontrolled PB 20 modules.
- Developed Single Phase and 3 Phase controlled/uncontrolled bridges.
- Developed Rotating assemblies for custom built alternator applications.
- Successfully supplied and commissioned Static Excitor unit for synchronizing the motor.
- Successfully supplied and commissioned Battery formation for battery cell charging application.
- Technology transfer agreement signed for manufacture of IGBT based 6000Amps Traction Converter for AC Electric Locomotives.

### III. FOREIGN EXCHANGE EARNING AND OUTGO

To avoid repetition, Members are kindly requested to refer Note Nos. xxi to xxiv to the Other Notes on Financial Statements where such information is furnished.

**Registered Office:**  
Lake Road, Bhandup (W),  
Mumbai – 400 078.

Place: Mumbai  
Dated: 27th May, 2015

For and on behalf of the Board of Directors  
For **Hind Rectifiers Limited**

**S. K. Nevatia**  
Chairman & Managing Director

## **REPORT ON CORPORATE GOVERNANCE**

### **INTRODUCTION**

Corporate Governance is the combination of voluntary practices, compliance with the laws & regulations and the management of the organization. The basic tenets of Corporate Governance are transparency, accountability and fairness. Corporate Governance involves a set of systems, principles and processes which creates the relationship between the Company's Management, its Board, its Shareholders and other Stakeholders. Good Corporate Governance leads to long-term shareholder value and enhances interests of all the stakeholders. The practice of good Corporate Governance has become a necessary pre-requisite for any corporation to effectively function in the globalised market scenario.

A detailed report on Corporate Governance, pursuant to Clause 49 of the Listing Agreement, is set out below.

### **COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices. The principles of good Corporate Governance imbibed into the business have guided us for more than five & half decades and will continue to set the tone of integrity for the entire Company. The Company adopts high standards of corporate behavior towards everyone they work with and also the community and environment on which they have an impact.

The Company believes in adopting the best practices of Corporate Governance with an aim to maximize the interest of the stakeholders and to achieve long-term sustained value while ensuring accountability in the exercise of Company's financial, legal and contractual obligations. The Company is committed to adopt high standards of efficiency, professionalism, responsibility, honesty and ethical behavior. The Company is committed to do things in the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation.

The Company is also focused towards its Vision of inspiring, nurturing and empowering the next generation of professionals, achieving continuous improvements through innovation and state of the art technology, committing to highest standards in health, safety, security and environment. The management and employees of your Company are committed to uphold the core values of transparency, integrity, accountability, independence, responsibility and fairness to meet the aspirations of all its stakeholders.

The Company continuously endeavors to improve on these aspects. This is our road towards steady, competitive, profitable & responsible growth and also to create long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

### **Corporate Ethics**

The Company endeavours to adhere to the highest possible standards of business ethics, compliance and commitment to transparency in business dealings.

### **Code of Conduct for Board Members and Senior Management**

The Company has in place a detailed Code of Conduct for Board Members and Senior Management. The said Code of Conduct is available on the website of the Company. The Code of Conduct is applicable to all Directors and specified senior management executives. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. A declaration by the Chairman & Managing Director affirming compliance to the Code of Conduct is appended to this Report.

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## BOARD OF DIRECTORS

The Company as on 31st March, 2015 consists of eight Directors. There are two Executive Directors and the remaining six directors are Non Executive Directors. Out of the two Executive Directors one is the Chairman & Managing Director and the other is an Executive Vice Chairperson. There are two Non Independent Non Executive Directors. The remaining four Non Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per Clause 49 of the Listing Agreement, the Board should have an optimum combination of both Executive and Non Executive Directors. The Board of your Company has 3/4th of the Directors as Non Executive Directors. Four out of the six Non Executive Directors are Independent Directors which is equal to one half of the total size of the Board. The Company also has a Woman Director.

Accordingly, the Company has a healthy mix of Executive and Non Executive Directors and ensures the desired level of independence, functioning and decision making.

None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2015, have been made by the Directors.

The details of composition of the Board, category, shareholding of Directors, number of directorships held by the Directors in other Companies, Memberships / Chairmanships of the Committees in other public limited companies are given below

Name of the Director	Category	No. of Other Directorships held as on 31.03.2015*		Outside Committee position held as on 31.03.2015**		Shareholding in the Company as on March 31, 2015
		Public	Private	Member	Chairman	
Shri S. K. Nevatia (Chairman & Managing Director)	Non Independent Executive	-	-	-	-	1856138
Smt. Uma Nevatia (Executive Vice Chairperson)	Non Independent Executive	-	-	-	-	1423959
Shri Bharat Swaroop	Non Independent non Executive	1	1	-	-	15000
Shri Pawan Kumar Golyan	Non Independent non Executive	-	-	-	-	NIL
Shri V. K. Bhartia	Independent non Executive	1	1	-	-	NIL
Shri Binod Patodia	Independent non Executive	4	4	4	-	NIL
Shri Pradeep Goyal	Independent non Executive	3	3	3	3	NIL
Shri Parimal Merchant	Independent non Executive	-	3	-	-	NIL

Name of the Director	Category	No. of Other Directorships held as on 31.03.2015*		Outside Committee position held as on 31.03.2015**		Shareholding in the Company as on March 31, 2015
		Public	Private	Member	Chairman	
<sup>1</sup> Shri D. R. Mehta	Non Independent non Executive	NA	NA	NA	NA	NA
<sup>2</sup> Shri Niraj Ramkrishna Bajaj	Independent non Executive	NA	NA	NA	NA	NA

\* Excluding Directorships in Foreign Companies and Companies registered under Sec 8 of the Companies Act, 2013.

\*\* Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Limited Companies have been considered.

<sup>1</sup> Shri D.R. Mehta, upon his death, ceased to be the Director of the Company w.e.f. January 11, 2015.

<sup>2</sup> Shri Niraj Bajaj ceased to be the Director of the Company w.e.f. January 23, 2015, upon resignation.

## BOARD MEETING

The Board of Directors met 5 times during the financial year 2014 - 2015 i.e. on 28.05.2014, 14.08.2014, 07.11.2014, 12.02.2015 and 19.03.2015.

The Board meets at least once in a quarter to review the performance and the financial results of the Company. The time gap between any two meetings is much less as compared to the requirement of one hundred and twenty days specified in Clause 49. The dates and timings of the meetings are decided well in advance and the notice of every Board Meeting is given in writing to every Director.

The details of attendance of Directors at Board Meetings held during the financial year 2014 - 2015 and at the last Annual General Meeting held on 14.08.2014 are as follows:

NO. OF BOARD MEETINGS HELD - 5

Name of the Director	No. of Board Meetings held during the tenure of the Director in 2014 - 2015	No. of Board Meetings Attended	Whether attended last AGM
Shri S. K. Nevatia	5	4	Yes
Smt. Uma S. Nevatia	5	4	Yes
Shri Bharat Swaroop	5	4	Yes
Shri Pawan Kumar Golyan	5	3	Yes
Shri V. K. Bhartia	5	5	Yes
Shri Binod Patodia	5	4	Yes
Shri Pradeep Goyal	5	4	Yes
Shri Parimal Merchant	5	3	Yes
<sup>1</sup> Shri D. R. Mehta	3	3	Yes
<sup>2</sup> Shri Niraj Ramkrishna Bajaj	3	3	Yes

<sup>1</sup> Shri D.R. Mehta, upon his death, ceased to be the Director of the Company w.e.f. January 11, 2015.

<sup>2</sup> Shri Niraj Bajaj ceased to be the Director of the Company w.e.f. January 23, 2015, upon resignation.

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## **INFORMATION SUPPLIED TO THE BOARD**

The Board has complete access to all the information available with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. The following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Detailed Business Review.
- Annual operating plans and budgets and any updates thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and its operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Details of any joint venture or collaboration agreement.
- Information for development of new products, new technology etc.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition.
- Significant development on Human Resources / Industrial Relations front, like signing of wage agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer etc.
- Details of investment of surplus funds available with the Company.
- Details of commercial dealings by firms / companies in which members of the Board / senior management or their relatives hold shares with the Company.
- Any materially, significant effluent or pollution problem.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Detailed status on the business risks being faced by the Company and their mitigation plan.
- Details of transactions with Related Parties.

The Board is routinely presented with all the information mentioned aforesaid whenever it is applicable and materially significant.

As mandated by the revised Clause 49 of the Listing agreement and Section 149 of the Companies Act, 2013, the Independent Directors on the Board of the Company;

- are persons of integrity and also possess relevant expertise & experience;
- are not the Promoters of the Company or its holding or any of its Associate or Subsidiary Companies;
- are not related to the Promoters or Directors of the Company, its holding, its Subsidiary or Associate Company;
- apart from receiving Director's remuneration, do not have any pecuniary relationship with the Company, its holding, its Subsidiary or Associate Company, their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- or any of their relatives do not have any pecuniary relationship or transaction with the Company, its holding, its Subsidiary or Associate Company or their Promoters or Directors amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- or any of their relatives do not hold the position of a Key Managerial Personnel or have been employees of the Company or its holding or its Subsidiary or Associate Company in any of the three financial years immediately preceding the current financial year;
- are not employees or proprietor's or partners, in any of the three financial years immediately preceding the current financial year in which they are proposed to be appointed, in –
  - a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding or its Subsidiary or Associate Company; or
  - any legal or a consulting firm that has or had any transaction with the Company, its holding its Subsidiary or Associate Company amounting to ten per cent or more of the gross turnover of such firm;
- either singly or together with their relatives, do not hold two per cent or more of the total voting power of the Company;
- are not Chief Executives or Directors, by whatever name called, of any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, Directors or its Subsidiary or Associate Company or that holds two per cent or more of the total voting power of the Company;
- are not material suppliers, service providers or customers or lessors or lessees of the Company;
- are not less than 21 years of age.

## **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review the Independent Directors of the Company have met once on 19th March, 2015 without the attendance of Non-Independent Directors and members of the management. All the Independent Directors of the Company were present at the meeting.

The Independent Directors in their meeting;

- reviewed the performance of the Non-Independent Directors, Chairman and also of the Board in totality.
- assessed the quality, quantity and timeliness of the flow of information between the Company management and the Board.

## **COMMITTEES OF THE BOARD**

For better Corporate Governance, promoting transparency and for enhancing the credibility of the financial disclosures of the Company, the Board has constituted Committees which conform to the requirements of Clause 49 of the Listing Agreement and the provisions of the Companies Act, 2013.

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Details of the Committees of the Board and other related information are as follows:

## AUDIT COMMITTEE

The constitution and the broad terms of reference of the Audit Committee of the Company are in accordance with the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

The powers and role of the Audit Committee are also in consonance with Clause 49 III [C] and [D] of the Listing Agreement and Section 177 of the Companies Act, 2013.

The Audit Committee comprises of three Independent Directors. All the members of the Audit Committee have adequate knowledge of Accounts, Audit and Finance.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, it considers the Quarterly & Annual Financial Results of the Company and submits its observations to the Board of Directors before it is adopted by the Board. The Committee also reviews the internal audit report & internal control system, audit methodology and process, major accounting policies & practices, compliance with accounting standards and the legal compliance reporting system.

Shri S. K. Nevatia, Chairman & Managing Director, Shri Suramya Nevatia, General Manager (Corporate) and Shri A. K. Nemani, Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meeting. In addition to this representative of the statutory & internal auditors and other executives as may be required attend these meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Audit Committee met four times during the year i.e. on 28.05.2014, 14.08.2014, 07.11.2014 and 12.02.2015.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2014 - 2015:

NO. OF MEETINGS HELD – 4

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Shri V. K. Bhartia, Chairman	Independent Non Executive	4	4
Shri Pradeep Goyal	Independent Non Executive	4	3
Shri Parimal Merchant	Independent Non Executive	4	2
<sup>1</sup> Shri D. R. Mehta	Independent Non Executive	3	3

<sup>1</sup> Shri D.R. Mehta, upon his death, ceased to be the member of the Audit Committee w.e.f. January 11, 2015.

## NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company have changed the nomenclature of the existing "Remuneration Committee" as "Nomination and Remuneration Committee" in order to align it with the provisions of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

The Nomination and Remuneration Committee comprises of three Independent Directors.

The Committee meets as and when necessary and reviews & approves the Salaries, Commission, Perks and other employment conditions of the Directors. The terms of reference of the committee are as follows:

- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board, the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board, the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Formulate criteria for evaluation of the Independent Directors and the Board.
- To carry out evaluation of every Director's performance.
- Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and new Senior Management personnel.
- To provide the Key Managerial Personnel and Senior Management personnel with reward based fixed and incentive pay which is directly linked to their efforts, performance, dedication, achievement and operations of the Company.
- To recommend to the Board, the appointment, removal and the remuneration payable to a relative of a Director.
- To assist the Board in fulfilling its responsibilities.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The "Nomination and Remuneration Committee" met two times during the year i.e. on 07.11.2014 and 19.03.2015.

The composition of the "Nomination and Remuneration Committee" and the attendance of its members at the aforesaid meeting held during the year under review are given below.

<b>Name of Committee Members</b>	<b>Position</b>	<b>No. of Meetings held</b>	<b>Meetings attended</b>
Shri V. K. Bhartia, Chairman	Independent Non Executive	2	2
Shri Binod Patodia	Independent Non Executive	2	2
<sup>1</sup> Shri D. R. Mehta	Independent Non Executive	1	1
<sup>2</sup> Shri Pradeep Goyal	Independent Non Executive	1	1

<sup>1</sup> Shri D.R. Mehta, upon his death, ceased to be the member of the Nomination and Remuneration Committee w.e.f. January 11, 2015.

<sup>2</sup> Shri Pradeep Goyal was appointed as the member of the Nomination and Remuneration Committee w.e.f. February 12, 2015.

## **Nomination and Remuneration policy**

The Company has formulated a "Nomination and Remuneration policy" which is in compliance with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. This policy is applicable to Directors, Key Managerial Personnel and Senior Management.

The policy lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management personnel of the Company. The Key objectives would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.



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- b) To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- c) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

## REMUNERATION OF DIRECTORS

The Managing / Executive Directors are paid remuneration as per their respective terms of appointment as approved by the Shareholders.

Non Executive Directors do not draw any remuneration from the Company except the sitting fees for attending the meetings of the Board / Committee. The Non-Executive Directors are paid sitting fees of ₹ 7,500/- for attending each meeting of the Board and ₹ 5,000/- for attending Committee meetings.

The details of remuneration / sitting fees paid to the Directors of the Company during the financial year 2014-2015 are as under:

(₹ in Lacs)

Name of the Director	Salary	Benefits	Bonus / Commission	Sitting Fees	Total
Shri S. K. Nevatia	24.00	19.56	–	–	43.56
Smt. Uma S. Nevatia	18.00	4.81	–	–	22.81
Shri D. R. Mehta	–	–	–	0.53	0.53
Shri Niraj Ramkrishna Bajaj	–	–	–	0.23	0.23
Shri Bharat Swaroop	–	–	–	0.30	0.30
Shri Pawan Kumar Golyan	–	–	–	0.23	0.23
Shri V. K. Bhartia	–	–	–	0.83	0.83
Shri Binod Patodia	–	–	–	0.45	0.45
Shri Pradeep Goyal	–	–	–	0.65	0.65
Shri Parimal Merchant	–	–	–	0.38	0.38

The tenure of office of Shri S. K. Nevatia, Chairman & Managing Director is for a period of three years with effect from 1st April, 2013. Smt. Uma S. Nevatia, Executive Vice Chairperson whose tenure of office ended on 31st March, 2015 was further re-appointed for a period of three years with effect from 1st April, 2015. There is no provision for payment of severance fees.

During the period under review, none of the Directors were paid any performance linked incentive.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees. The performance evaluation of the Chairman & Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors of the Company have renamed the existing 'Shareholders / Investors Grievance Committee' as 'Stakeholders Relationship Committee' in order to align it with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the listing agreement. The Committee has been constituted to strengthen the investor relations and to inter-alia, resolve the grievances of security holders pertaining to transfer of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning de-materialization etc.

The 'Stakeholders Relationship Committee' of the Company comprises of three independent Directors.

Shri Alen Ferns is the Company Secretary & Compliance Officer of the Company. His contact details are given below:

Address : Hind Rectifiers Limited  
Lake Road, Bhandup West,  
Mumbai-400078

Phone : 022- 2569 6789

Email : awferns@hirect.com

The Company has designated the e-mail ID "investors@hirect.com" exclusively for the purpose of registering complaints by investors electronically. This e-mail ID is displayed on the Company's website "www.hirect.com".

The following table shows the nature of complaints received from the shareholders during the year 2014-15.

<b>Nature of complaints</b>	<b>No. of complaints received during the year 2014 – 2015</b>	<b>No of complaints Resolved</b>
Non receipt of Dividend Warrant	–	–
Non receipt of Annual Report	2	2
Non receipt of Share Certificate	–	–

There were no complaints pending as on 31st March, 2015.

The 'Stakeholders Relationship Committee' met two times during the year i.e. on 28.05.2014 and 07.11.2014.

The composition of the 'Stakeholders Relationship Committee' and the attendance of its members at the aforesaid meeting held during the financial year 2014-2015 are given below:

NO. OF MEETINGS HELD – 2

<b>Name of Committee Members</b>	<b>Position</b>	<b>No. of Meetings held</b>	<b>Meetings attended</b>
Shri V. K. Bhartia, Chairman	Independent Non Executive	2	2
Shri Pradeep Goyal	Independent Non Executive	2	2
Shri Parimal Merchant	Independent Non Executive	2	–
<sup>1</sup> Shri D. R. Mehta	Independent Non Executive	2	2

<sup>1</sup> Shri D.R. Mehta, upon his death, ceased to be the member of the 'Stakeholders Relationship Committee' w.e.f. January 11, 2015.

## **RISK MANAGEMENT COMMITTEE**

Business Risk Evaluation and Management is an ongoing process within the organization. The Company has formed a Risk Management Committee as per revised Clause 49 of the listing agreement. The Company has a robust risk management framework to identify, monitor and minimize risks and also identify business opportunities.

The Risk Management Committee of the Company comprises of three members i.e. Shri S. K. Nevatia, Chairman and Managing Director, Smt. Uma S. Nevatia, Executive Vice Chairperson and Shri A.K. Nemani, Chief Financial Officer of the Company. Shri S.K. Nevatia will be the Chairman of the Risk Management Committee.

The roles and responsibility of the Risk Management Committee will be as follows:

- The Committee shall meet at least twice in a year.
- To identify and evaluate the impact of risk reported by various departments.
- To review the effectiveness of the corrective measures submitted by the concerned departments.

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- d) To provide guidance to the concerned departments, in case, a better course of action is there to tackle / reduce / mitigate the risk(s).
- e) To tabulate the high risks, for the consideration of the Board of Directors and to present the same to the Board along with the course of action, if any.
- f) To generally monitor, review and whenever necessary, update the risk management plan / policy and process to ensure that there is timely and effective reporting of risks.
- g) To inform the Board from time to time.
- h) Any other functions as may be necessary or required.

## GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
54th AGM	31.03.2012	07.08.2012	3.30 P.M.	M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001.
55th AGM	31.03.2013	12.08.2013	3.30 P.M.	Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.
56th AGM	31.03.2014	14.08.2014	3.30 P.M.	Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.

All the matters as set out in the respective notices were passed by the shareholders. The summary of the special resolution and other important resolutions passed at the last three Annual General Meeting and status of implementation thereof is reproduced below:

### 54th AGM

**No Special Resolution was passed.**

### 55th AGM

Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
1.	Re-appointment of Shri S.K.Nevatia as a Chairman & Managing Director of the Company	Special	Implemented

### 56th AGM

Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
1.	Resolution passed under Section 180(1) (c) for borrowing money upto ₹ 50 crore.	Special	Implemented
2.	Resolution passed under Section 180(1) (a) for creation of securities upto ₹ 50 crore.	Special	Implemented

### Resolution passed through postal ballot

No resolution was passed through postal ballot in the last year.

## DISCLOSURES

a) There were no material related party transactions as per the provisions of Listing Agreement and Section 188 of the Companies Act, 2013. There were also no transactions of material value with related parties which were in potential conflict with the interest of the Company. All the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis. All the related party transactions are approved by the Board as well as by the Audit Committee. The necessary disclosures regarding the transactions entered into with the related parties are given in the Notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

b) There were no instances of non-compliance on any matter related to the capital market during the last three years. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

c) The Company has a 'Vigil Mechanism / Whistle Blower Policy' in place as required under Clause 49 of the Listing Agreement and as per the provisions of section 177 of the Companies Act, 2013. The Directors and employees of the Company are free to report genuine concerns about unethical behavior, misconduct or unlawful act, factual or suspected fraud or violation of the code of conduct or the ethics policy. The policy provides mechanism for an individual to report violations without fear of victimization. The Policy is available on the website of the Company. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee.

d) The Company does not have any material subsidiary company whose networth exceeds 20% of the consolidated networth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

e) The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreement pertaining to the Corporate Governance.

f) The Company has also fulfilled the following non-mandatory requirements as prescribed in Clause 49 of the Listing Agreement:

### I. Audit Qualification:

It is always the Company's endeavour to present unqualified financial statements. There are no audit qualifications in the Company's financial statement for the year under review.

### II. Reporting of Internal Auditor:

The Internal Auditors are invitees at the Audit Committee meetings of the Company. Internal audit report of the Internal Auditor is placed quarterly before the Audit Committee. The Internal Auditor may, if necessary, report directly to the Audit Committee.

## COMPLIANCES REGARDING INSIDER TRADING

The Company has in place a "Code of conduct for prevention of Insider Trading" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 which has been amended and substituted by SEBI with a new set of Regulations, which has come into effect from 15th May, 2015.

In compliance with the Regulation 8 (1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a "Code of practices and procedures for fair disclosures of unpublished price sensitive information'. The said code is available on the website of the Company.

## MEANS OF COMMUNICATION

(a) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the format prescribed under Clause 41 of the Listing Agreement.

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- (b) The approved financial results are forthwith sent to the Stock Exchanges and are published in prominent daily newspapers in Free Press Journal (in English) and in regional language in Navashakti (in Marathi).
- (c) The Company has its own website "www.hirect.com". All the vital information relating to the Company including the Quarterly & Annual financial results, Annual reports and its products are displayed on the website of the Company.

## GENERAL SHAREHOLDER INFORMATION

- a) AGM: 57th Annual General Meeting** for the financial year 2014-2015 is scheduled to be held on Thursday, 13th August 2015, at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai-400021.
- b) Financial Year:** The Company follows April to March as its financial year. The financial results for every quarter have been declared within the time prescribed in the Listing Agreement. The details for the forthcoming financial year 2015-2016 are as follows:

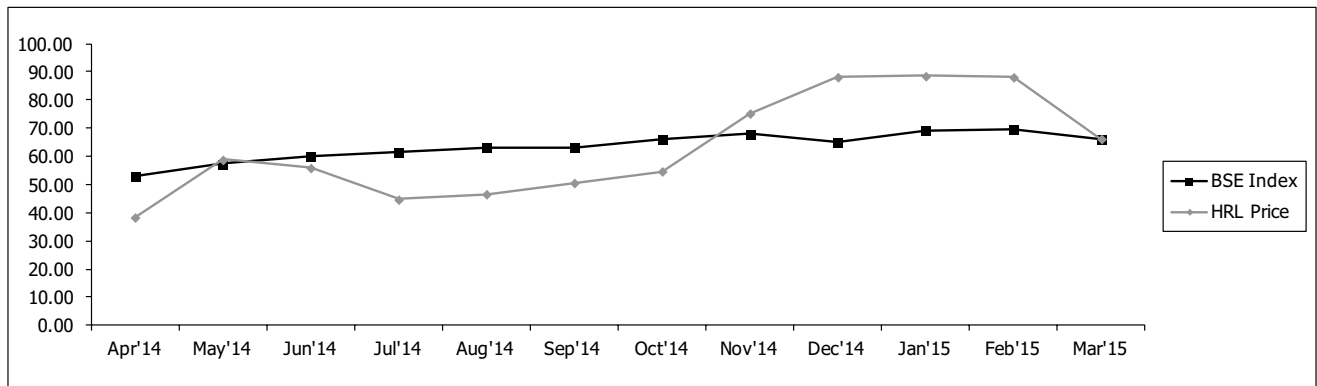
* Financial year 2015 - 2016	April 1, 2015 to March 31, 2016
* Financial reporting for the quarter ended June 30, 2015	Before August 15, 2015
* Financial reporting for the quarter ended Sept.30, 2015	Before November 15, 2015
* Financial reporting for the quarter ended Dec. 31, 2015	Before February 15, 2016
* Financial reporting for the year ended March 31, 2016	Audited Results by end of May, 2016

\* Date Of Book Closure: 11th August 2015 to 13th August 2015 [Both days inclusive].

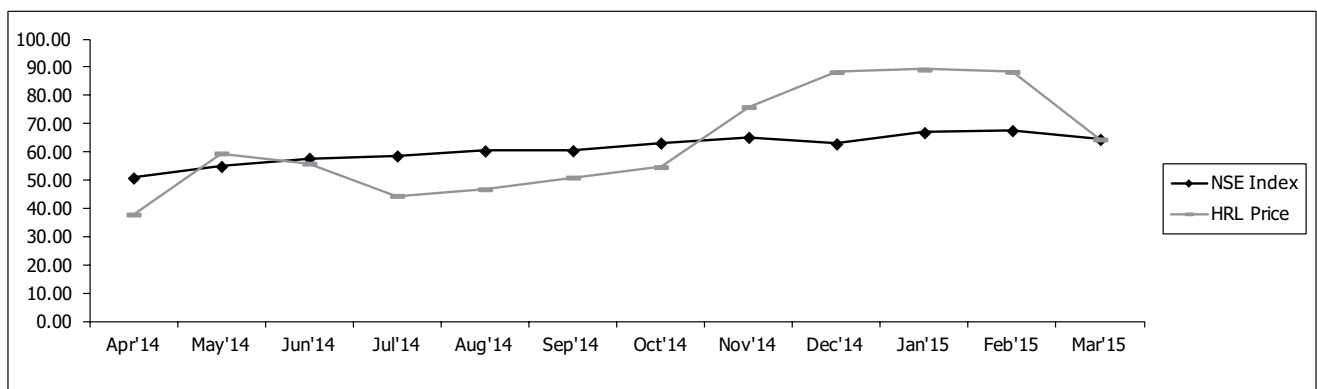
- c) Dividend Payment Date:** Not Applicable
- d) Payment Of Dividend:** Not Applicable
- e) Listing on Stock Exchanges:** The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid listing fees to the Stock Exchanges for the financial year 2015-2016.
- f) Stock Code/Symbol:** Bombay Stock Exchange Limited – 504036. National Stock Exchange of India Limited – HIRECT. Demat ISIN: INE835D01023
- g) Market Price Data:** The Monthly High / Low market price of equity shares of Hind Rectifiers Ltd., during the Financial Year 2014 - 2015:

Month	BSE		NSE	
	High	Low	High	Low
April, 2014	44.35	33.75	44.25	33.65
May, 2014	65.75	36.00	66.75	36.05
June, 2014	63.20	50.25	64.35	49.55
July, 2014	62.05	44.05	62.15	42.60
August, 2014	50.25	42.15	50.75	42.50
September, 2014	54.65	45.35	54.95	45.30
October, 2014	57.00	45.25	56.50	44.60
November, 2014	81.50	55.00	82.00	54.85
December, 2014	95.40	73.70	96.00	73.80
January, 2015	105.00	83.50	104.80	81.40
February, 2015	103.85	77.00	103.30	76.65
March, 2015	90.15	60.50	90.75	60.60

## RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX



## RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX



**h) Registrar & Transfer Agent:** In terms of SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated December 27, 2002 read with Circular No.D&CC/FITTC/CIR-18/2003 dated February 12, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agent (RTA) for both physical and demat segment of Equity Shares of the Company.

### **M/S. ADROIT CORPORATE SERVICES PVT. LTD.**

[ Unit : Hind Rectifiers Limited ]

19, Jafarbhoy Industrial Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri (East), Mumbai – 400 059

Tel: +91 22 28594060 / +91 22 28596060 Fax: +91 22 28503748

Email : adroits@vsnl.net

**i) Share Transfer System:** Share Transfer Requests are received at the registered office of the Company as well as directly at RTA's office. RTA does the verification and processing of documents. In order to comply with the requirement of SEBI circular No. CIR/MIRSD/8/2012 dated July 5, 2012 to effect transfer of shares within 15 days, the Share Transfer Committee has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 15 days.

## j) Shareholding Pattern as on 31st March, 2015

Category	No. Of shares held	% of shareholding
Promoters & Associates	6699407	44.49
Mutual Funds & UTI	1500	0.01
Banks / Financial Institutions	9000	0.06
Private Bodies Corporate	383055	2.55
NRI /OCBs	2523633	16.76
Others	5441335	36.13
<b>Total</b>	<b>15057930</b>	<b>100.00</b>

## k) Distribution of Shareholding as on 31st March, 2015

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	4925	732590	4.87
501-1000	644	524851	3.49
1001-2000	453	696905	4.63
2001-3000	205	552500	3.67
3001-4000	59	206593	1.37
4001-5000	49	229367	1.52
5001-10000	86	599902	3.98
10001 & above	78	11515222	76.47
<b>Total</b>	<b>6499</b>	<b>15057930</b>	<b>100.00</b>

- l) Dematerialisation of Shares:** 11888385 equity shares representing 78.95% of total equity share capital were held in dematerialised form with NSDL and CDSL as on 31st March, 2015.

Members can hold shares in electronic form and trade the same in Depository System. However, they may hold the same in physical form also.

### Status of Dematerialisation of equity shares as on 31st March, 2015

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	4128	10761450	71.47
Central Depository Services (India) Limited	2043	1126935	7.48
Total Dematerialised	6171	11888385	78.95
Shares held in Physical form	328	3169545	21.05
<b>Grand Total</b>	<b>6499</b>	<b>15057930</b>	<b>100.00</b>

- m) Nominations:** Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholders. Nomination facility in respect of shares held on electronic form is also available with the Depository Participant (DP) as per the bye-laws and business rules applicable to NSDL & CDSL.

- n) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity shares:** The Company does not have any GDRs / ADRs / Warrants or any Convertible Instruments as on date.

**o) Plant Locations:**

- a. Lake Road, Bhandup (W), Mumbai - 400 078. Maharashtra.
- b. Plot No.110/111, M.I.D.C., Satpur, Nashik - 422 007. Maharashtra.
- c. New Khasra No. 64-67 & 74, Village Charba, Vikas Nagar, Dehradun – 248 197. Uttarakhand.
- d. New Khasra No. 295, 296 & 301, Village Charba, Vikas Nagar, Dehradun – 248 197. Uttarakhand.

**p) Compliance Officer:** Shri Alen Ferns, Company Secretary & Compliance Officer.

**q) Address for Correspondence:**

HIND RECTIFIERS LIMITED  
Lake Road, Bhandup (West),  
Mumbai – 400 078.  
CIN: L28900MH1958PLC011077  
E-mail: corporate@hirect.com  
Telephone No. +91 22 2569 6789.

## RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practising Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The report in regard to the same is submitted to BSE Limited and NSE Limited and is also placed before the Board of Directors.

## MANAGEMENT DISCUSSIONS & ANALYSIS

Management discussion and analysis report is given in a separate section forming part of the Directors' Report in this annual report.

## CEO / CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Shri S. K. Nevatia, Chairman & Managing Director (CMD) & Shri A. K. Nemani, Chief Financial Officer (CFO) has been obtained. The certificate is annexed to this report.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in Clause 49 of the listing agreement with the Stock Exchanges. This certificate is annexed to the report.

## DECLARATION

I, Sushil Kumar Nevatia, Chairman & Managing Director of Hind Rectifiers Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and senior management personnel, that:

The Board of Directors has laid down a code of conduct for all Board members and senior management of the Company.

The code of conduct has been complied with.

**Registered Office:**

Lake Road, Bhandup(W)  
Mumbai – 400 078.

Place: Mumbai

Date : 27th May, 2015

For and on behalf of the Board of Directors  
For **Hind Rectifiers Ltd.**

**S. K. Nevatia**  
Chairman & Managing Director



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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

Auditors' Certificate regarding compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of **Hind Rectifiers Limited**

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Limited ('the Company'), for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the "Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement)", issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**KHANDWALA & SHAH,**  
Chartered Accountants,  
Firm Reg. No.105069W

**(UDAY J. SHAH)**  
Partner

Membership No.033038

Place : Mumbai  
Date : 27th May, 2015

**CEO / CFO CERTIFICATION**

The Board of Directors  
Hind Rectifiers Limited,  
Mumbai

**Re: Financial Statements for the year 2014 - 2015 – Certification by CEO & CFO**

We, Sushil Kumar Nevatia, Chairman & Managing Director and A. K. Nemani, Chief Financial Officer of Hind Rectifiers Ltd., hereby certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2015 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) They are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
  - i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year; and
  - iii. there have been no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: 27th May, 2015

**S. K. Nevatia**  
Chairman & Managing Director

**A. K. Nemani**  
Chief Financial Officer

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **1. INDUSTRY STRUCTURE & DEVELOPMENTS**

The Company continues to be in the niche space of Power Electronics and DC wound products. Although the market size of the industry is not as large as the general industries but still has good mix of small, medium, large and multinational place in the market. The customer of the Company mainly Indian Railways continues to ask for higher technology products. There is more focus on 3 Phase technology which is more cost and energy efficient, however it needs high investment and gestation period.

### **2. OPPORTUNITIES AND THREATS**

The Company has a strong brand and leadership position. Equipments of 3 Phase Locomotives, Pollution controlled equipments has a great potential considering the new policies of the government. Demand of the pollution controlled equipments in the Middle East is also increasing. In view of the technological changes which are having the requirement of high investment as well as high potential there is always a threat for entering the number of multinational players.

### **3. OUTLOOK**

Demand from the Railways is likely to go up, Company has successfully supplied the transformers and 3x130 kVA Converter required by Indian Railways. The Company has also developed various products in-house. The Company continues to focus on niche products and will expand continuously in its field.

### **4. RISKS AND CONCERNS**

Policies of Indian Railways and the Government and allocation of the funds could influence the growth of the Company. Delayed cash flow could, apart from causing the pressure on managing the working capital requirements may also have an impact on profitability of the business. Very high working capital requirements are causing higher interest cost. Indian Railways represents a large percentage of the Company's business hence political, financial and operational difficulties could affect the Company's performance. To overcome the same, Company is adding number of products required by other industries other than Railways.

### **5. SEGMENTWISE AND PRODUCTWISE PERFORMANCE**

The Equipment Division of the Company is having products like Inverters, Converters, Traction Transformers. All these products cater to the Railways and Capital goods sector.

Segmentwise Performance is given as note to Balance Sheet.

Components business consisting of mainly Semi Conductor devices like Diodes, Thyristors, Modules etc are used for manufacturing Rectifier Equipments and also used captively. In view of the low demand as well as increased competition, performance has affected much adversely. To overcome this Company has already added more new products which will help for improving the performance.

### **6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company continues to follow effective system of internal control ensuring the accurate, reliable and timely preparation of accounting information, securing the assets and interest of the Company and following various laws and regulations.

Internal audits and checks are ongoing process within the Company.

## 7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's performance was adversely affected due to low demand from the infrastructure and capital goods sector, non allotment of funds to Zonal Railways, reduction of the overall tender size of the rolling stock as well as more emphasis by Railways for manufacture of 3 Phase Locomotives for which as on today Company is having limited products to supply. In view of the reduction in market which has affected the margin of the Company adversely. Company is putting efforts for reduction of the cost as well as increase in the turnover. Company is also putting all the efforts for increasing the expansion in the Non Railway sectors.

## 8. DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Attracting and retaining talent with requisite competencies, especially for the emerging businesses and focus on training and development to improve productivity are key thrust areas for businesses to strengthen competitive advantage.

The Company recognizes that Human Resources are extremely important and critical long term investment. The Company's Senior Management team has deep experience in the industry. The Company's top management honours the dignity of each individual irrespective of the position and highly values the feelings and emotions of the people.

Industrial relations with the Union are cordial and peaceful.

### Registered Office:

Lake Road, Bhandup(W)  
Mumbai – 400 078.

Place: Mumbai

Date : 27th May, 2015

For and on behalf of the Board of Directors  
For **Hind Rectifiers Ltd.**

**S. K. Nevatia**  
Chairman & Managing Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF HIND RECTIFIERS LIMITED**

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

We have audited the accompanying financial statements of Hind Rectifiers Limited, ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is 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 and financial performance 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the preparation of the financial statements of the Company that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

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, 2015, and its loss for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 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 purposes 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c. The Balance Sheet, the Statement of Profit and Loss and 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 the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
2. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of  
**KHANDWALA & SHAH,**  
Chartered Accountants,  
Firm Regn. No.105069W

**(UDAY J. SHAH)**

Partner

Membership No.033038

Place: Mumbai

Date : 27th May, 2015

# **Hirect**

## **Annexure to the Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.
2. (a) Physical verification of inventory has been conducted by the management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.
3. Based on audit procedures applied by us and according to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are under specific marketing arrangements or goods of technical specification in respect of which comparable alternative quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 26, 73 and 74 of the Companies Act, 2013 and the rules made thereunder.
6. We have broadly reviewed the cost records maintained by the Company in accordance with Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Investor Education & Protection Fund, Employees' State Insurance (ESI), Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other statutory dues with the Appropriate Authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2015 for a period of more than six months from the day they become payable;

- (b) The disputed statutory dues aggregating ₹ 206.08 lacs, that have not been deposited on account of disputed matters pending before Appropriate Authorities are as under:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (in lacs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Excise Act	Excise Duty	79.83 (net of advance of ₹ 5.44 lacs)	2005-2011	Central Excise & Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	14.05	2010-2014	Departmental Authorities
Central Sales Tax and Local Sales Tax Act	Central Sales Tax and Local Sales Tax	112.20 (net advance of ₹ 29.16 lacs)	2006-2012	Departmental Authorities

8. The Company does not have accumulated losses. Howsoever, the Company has incurred cash loss during the current financial year and also in the immediately preceding financial year.
9. According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in repaying loans taken from banks. Accordingly, there have been no defaults in repayment of dues.
10. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
11. No term loans were obtained by the Company during the year.
12. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of  
**KHANDWALA & SHAH,**  
Chartered Accountants,  
Firm Regn. No.105069W

**(UDAY J. SHAH)**

Partner

Membership No.033038

Place: Mumbai

Date : 27th May, 2015



# Hirect

## BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note		As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share Capital	1	<b>301.16</b>		301.16
(b) Reserves and Surplus	2	<b>6,033.61</b>		6,254.79
			<b>6,334.77</b>	6,555.95
<b>(2) Non-current Liabilities</b>				
(a) Long-term Borrowings	3	<b>37.68</b>		7.30
(b) Other Long-term Liabilities	4	<b>16.76</b>		19.26
(c) Long-term Provisions	5	<b>161.88</b>		182.33
			<b>216.32</b>	208.89
<b>(3) Current Liabilities</b>				
(a) Short-term Borrowings	6	<b>2,518.68</b>		2,240.41
(b) Trade Payables	7	<b>1,860.74</b>		1,820.68
(c) Other Current Liabilities	8	<b>587.50</b>		428.45
(d) Short-term Provisions	9	<b>32.88</b>		63.60
			<b>4,999.80</b>	4,553.14
<b>TOTAL</b>			<b>11,550.89</b>	11,317.98
<b>II. ASSETS</b>				
<b>(1) Non-current Assets</b>				
(a) Fixed Assets	10			
(i) Tangible Assets		<b>1,723.19</b>		1,489.80
(ii) Intangible Assets		<b>91.65</b>		104.72
(iii) Capital Work In Progress		<b>132.92</b>		1.19
(b) Deferred Tax Assets (Net)	11	<b>386.32</b>		272.80
(c) Long-term Loans and Advances	12	<b>420.08</b>		263.49
(d) Other Non-current Assets	13	<b>338.05</b>		286.69
			<b>3,092.21</b>	2,418.69
<b>(2) Current Assets</b>				
(a) Inventories	14	<b>2,237.75</b>		3,006.69
(b) Trade Receivables	15	<b>5,692.85</b>		5,290.96
(c) Cash and Cash Equivalents	16	<b>98.28</b>		141.75
(d) Short-term Loans and Advances	17	<b>429.80</b>		459.89
			<b>8,458.68</b>	8,899.29
<b>TOTAL</b>			<b>11,550.89</b>	11,317.98
Other Notes on Financial Statements	25			

The accompanying notes form integral part of the financial statements

As per our report attached  
For **KHANDWALA & SHAH**  
Chartered Accountants  
(Registration No. 105069W)

**Uday J. Shah**  
Partner  
Membership No. 033038  
Place : Mumbai  
Dated : 27th May, 2015

For and on behalf of the Board of Directors  
**S. K. NEVATIA**, Chairman & Managing Director  
**V. K. BHARTIA**, Director  
**A.K. NEMANI**, Chief Financial Officer  
**ALEN FERNS**, Company Secretary & Compliance Officer

Place : Mumbai  
Dated : 27th May, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	Note		As at March 31, 2015	As at March 31, 2014
I. Revenue from Operations	18			
Gross Operational Income		<b>9,895.73</b>		10,187.09
Less: Excise Duty / Service Tax		<b>498.91</b>		515.43
Net Operational Income			<b>9,396.82</b>	9,671.66
II. Other Income	19		<b>37.09</b>	45.93
III. <b>Total Revenue (I + II)</b>			<b>9,433.91</b>	9,717.59
IV. Expenses:				
Cost of Materials Consumed	20	<b>6,677.51</b>		7,172.94
Purchases of Stock-in-Trade		<b>51.76</b>		218.20
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	<b>239.25</b>		65.63
Employee Benefits Expense	22	<b>1,634.19</b>		1,564.00
Finance Costs	23	<b>234.91</b>		170.78
Depreciation and Amortization Expense		<b>146.98</b>		228.67
Other Expenses	24	<b>1,041.17</b>		1,003.54
<b>Total Expenses</b>			<b>10,025.77</b>	10,423.76
V. <b>Profit / (Loss) Before Taxes (III - IV)</b>			<b>(591.86)</b>	(706.17)
VI. Tax Expenses:				
Deferred Tax		<b>(178.87)</b>		(213.30)
(Excess) / Short Provision of Taxation for Earlier Years		<b>(55.73)</b>		(0.33)
			<b>(234.60)</b>	(213.63)
VII. <b>Profit / (Loss) for the year (V - VI)</b>			<b>(357.26)</b>	(492.54)
VIII. Basic & Diluted Earning Per Share of face value of ₹ 2/- each. (Refer Note No. (xii) of Other Notes on Financial Statements)			<b>(2.37)</b>	(3.27)
Other Notes on Financial Statements	25			

The accompanying notes form integral part of the financial statements

As per our report attached  
For **KHANDWALA & SHAH**  
Chartered Accountants  
(Registration No. 105069W)

**Uday J. Shah**  
Partner  
Membership No. 033038  
Place : Mumbai  
Dated : 27th May, 2015

For and on behalf of the Board of Directors  
**S. K. NEVATIA**, Chairman & Managing Director  
**V. K. BHARTIA**, Director  
**A.K. NEMANI**, Chief Financial Officer  
**ALEN FERNS**, Company Secretary & Compliance Officer

Place : Mumbai  
Dated : 27th May, 2015

## CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax & Extra-Ordinary Items	<b>(591.86)</b>	(706.17)
<b>Adjusted for</b>		
Depreciation	<b>146.98</b>	228.67
Investment Income	<b>(15.86)</b>	(30.37)
Interest Charged	<b>234.90</b>	170.78
Operating Profit before Working Capital Changes	<b>(225.84)</b>	(337.09)
<b>Changes in</b>		
Trade & Other Receivables	<b>(514.33)</b>	352.10
Inventories	<b>768.92</b>	(403.64)
Trade & Other Payables	<b>180.70</b>	292.01
	<b>435.29</b>	240.47
Cash Generated from Operations	<b>209.45</b>	(96.62)
Direct Taxes Paid	<b>(14.67)</b>	(62.17)
Cash Flow before Extra-Ordinary Items	<b>194.78</b>	(158.79)
Extra-Ordinary Items (Subsidy received from Govt. of India)	-	34.82
Net Cash from Operating Activities	<b>194.78</b>	(123.97)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	<b>(316.78)</b>	(97.63)
Sale / Disposal of Fixed Assets	<b>19.18</b>	1.69
Purchases of Investments	-	-
Sale of Investments	-	-
Interest Received	<b>20.82</b>	28.94
Dividend Received	-	-
Net Cash used in Investing Activities	<b>(276.78)</b>	(67.00)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from Borrowings	<b>308.66</b>	345.03
Interest Paid	<b>(234.90)</b>	(170.78)
Dividend Paid	<b>(30.11)</b>	(240.93)
Tax on Distributed Profit	<b>(5.12)</b>	(40.95)
Net Cash used in Financing Activities	<b>38.53</b>	(107.63)
Net Changes in Cash & Cash Equivalents (A+B+C)	<b>(43.47)</b>	(298.60)
Cash & Cash Equivalents - Opening Balance	<b>141.75</b>	440.35
Cash & Cash Equivalents - Closing Balance	<b>98.28</b>	141.75

The accompanying notes form integral part of the financial statements

As per our report attached  
For **KHANDWALA & SHAH**  
Chartered Accountants  
(Registration No. 105069W)

**Uday J. Shah**  
Partner  
Membership No. 033038  
Place : Mumbai  
Dated : 27th May, 2015

For and on behalf of the Board of Directors  
**S. K. NEVATIA**, Chairman & Managing Director  
**V. K. BHARTIA**, Director  
**A.K. NEMANI**, Chief Financial Officer  
**ALEN FERNS**, Company Secretary & Compliance Officer

Place : Mumbai  
Dated : 27th May, 2015

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. SHARE CAPITAL

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Authorised Capital</b>		
5,00,00,000 Equity Shares of ₹ 2/- each	<b>1,000.00</b>	1,000.00
<b>Issued Capital</b>		
1,50,57,930 Equity Shares of ₹ 2/- each	<b>301.16</b>	301.16
<b>Subscribed and Paid up</b>		
1,50,57,930 Equity Shares of ₹ 2/- each	<b>301.16</b>	301.16
<b>TOTAL</b>	<b>301.16</b>	301.16

a. The details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No of shares	% held	No of shares	% held
Shri. Sushil Kumar Nevatia	<b>18,56,138</b>	<b>12.33</b>	18,56,138	12.33
Smt. Uma Nevatia	<b>14,23,959</b>	<b>9.46</b>	14,43,959	9.59
Shri. Saurabh Nevatia	<b>13,53,500</b>	<b>8.99</b>	13,53,500	8.99
BTR Industries Limited	<b>24,00,000</b>	<b>15.94</b>	24,00,000	15.94

b. Reconciliation of number of shares

Particulars	Equity Shares	
	Number	(₹ in lacs)
Equity Shares at the beginning of the year	1,50,57,930	301.16
Add: Shares Issued during the year	-	-
Less: Shares bought back during the year	-	-
Equity Shares at the end of the year	1,50,57,930	301.16

## 2. RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>General Reserve</b>		
Opening Balance	<b>6,197.57</b>	6,222.57
Add: Adjustment of Earlier years Depreciation (Net of Deferred Tax ₹ 65.35 lacs) pursuant to enactment of Schedule II of the Companies Act, 2013	<b>136.08</b>	–
Add: Transferred from Reserve for Capital Expenditure	–	400.00
Less: Transferred to Statement of Profit & Loss	–	425.00
Closing Balance	<b>6,333.65</b>	6,197.57
<b>Reserve for Capital Expenditure</b>		
Opening Balance	–	400.00
Less: Transferred to General Reserve	–	400.00
Closing Balance	–	–
<b>Capital Reserve</b>		
Opening Balance	<b>34.82</b>	–
Add: Subsidy received from Government of India in terms of CCIS/2003	–	34.82
Closing Balance	<b>34.82</b>	34.82
<b>Profit and Loss Account</b>		
Opening balance	<b>22.40</b>	125.17
Add: Profit for the year	<b>(357.26)</b>	(492.54)
Add: Transferred from General Reserve	–	425.00
Less: Appropriations		
Proposed Dividend	–	30.11
[Dividend per Share ₹ Nil (Previous Year ₹ 0.20)]		
Tax on Dividend	–	5.12
	–	35.23
Closing Balance	<b>(334.86)</b>	22.40
<b>GRAND TOTAL</b>	<b>6,033.61</b>	6,254.79

## 3 LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>SECURED</b>		
Vehicle Loan from ICICI Bank Ltd.*	<b>14.58</b>	7.30
Vehicle Loan from HDFC Bank Ltd.*	<b>4.80</b>	–
<b>UNSECURED</b>		
Fixed Deposits	<b>18.30</b>	–
<b>TOTAL</b>	<b>37.68</b>	7.30

\* Secured against hypothecation of Motor Car Nos. MH-03-BH-0341, MH-03-BH-1218, MH-03-BH-1225, MH-03-BH-1217, MH-03-BH-1219, WB-02-AB-4068, WB-02-AB-3840, MH-03-BS-7225, WB-02-AG-0842, UK-07-AT-5290, UK-07-AS-5321

## 4 OTHER LONG-TERM LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Dealership Deposit	16.76	19.26
<b>TOTAL</b>	<b>16.76</b>	<b>19.26</b>

## 5 LONG-TERM PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits		
Gratuity	105.70	100.09
Leave Encashment	56.18	82.24
<b>TOTAL</b>	<b>161.88</b>	<b>182.33</b>

## 6. SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>SECURED</b>		
<b>Loan from Consortium Banks (*)</b>		
i) Cash Credit	2,518.68	2,074.17
ii) Foreign Currency Loans - Buyer's Credit	-	166.24
<b>TOTAL</b>	<b>2,518.68</b>	<b>2,240.41</b>

(\*) Secured by first charge against all movable and immovable assets both present and future situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the Company ranking pari-passu in favour of ICICI Bank Ltd. and Union Bank of India.

## 7. TRADE PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Micro, Small and Medium Enterprises	17.80	21.30
Others	1,842.94	1,799.38
<b>TOTAL</b>	<b>1,860.74</b>	<b>1,820.68</b>

## 8. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long term debt (*)	18.09	38.92
Advance from Customers	183.17	101.97
Unclaimed Dividend	22.78	24.19
Other payables (**)	363.46	263.37
<b>TOTAL</b>	<b>587.50</b>	<b>428.45</b>

(\*) Includes

- i) Loan for vehicles ₹ 17.69 lacs (Previous year ₹ 17.78 lacs)
- ii) Fixed Deposits ₹ 0.40 lacs (Previous year ₹ 21.14 lacs)

(\*\*) Includes statutory dues and outstanding expenses

## 9. SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	<b>22.11</b>		14.99
Provision for Leave encashment	<b>10.14</b>		12.71
		<b>32.25</b>	27.70
<b>Others:</b>			
Provision for Wealth Tax	<b>0.63</b>		0.67
Proposed Dividend	—		30.11
Tax on Proposed Dividend	—		5.12
		<b>0.63</b>	35.90
<b>TOTAL</b>		<b>32.88</b>	<b>63.60</b>

## 10. FIXED ASSETS

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2014	Since Added	Deduction/ Adjusted	As at 31.03.2015	As at 01.04.2014	For the Year	Amount Trans- ferred to / from Reserve (*)	Re- couped, sold or Adjusted	As at 31.03.2015	As at 31.03.2015	As at 31.03.2015
<b>Tangible Assets</b>											
Land - Owned	229.99	-	-	<b>229.99</b>	-	-	-	-	-	<b>229.99</b>	229.99
Land - Leasehold	21.01	-	-	<b>21.01</b>	7.81	0.22	-	-	<b>8.03</b>	<b>12.98</b>	13.20
Roads	54.24	-	3.00	<b>51.24</b>	18.24	4.82	21.00	3.00	<b>41.06</b>	<b>10.18</b>	36.00
Buildings	866.36	-	-	<b>866.36</b>	293.62	20.17	(132.20)	-	<b>181.59</b>	<b>684.77</b>	572.74
Plant & Machinery	1,104.47	55.67	243.06	<b>917.08</b>	692.81	55.77	(127.95)	243.06	<b>377.57</b>	<b>539.51</b>	411.66
Motor Cars & Vehicles	239.43	41.94	46.34	<b>235.03</b>	133.37	28.17	(36.72)	27.17	<b>97.65</b>	<b>137.38</b>	106.06
Furniture & Fixtures	358.75	36.63	121.42	<b>273.96</b>	253.30	12.73	42.68	121.42	<b>187.29</b>	<b>86.67</b>	105.45
Computers	170.16	20.53	129.39	<b>61.30</b>	155.46	7.44	6.08	129.39	<b>39.59</b>	<b>21.71</b>	14.70
<b>Total</b>	<b>3,044.41</b>	<b>154.77</b>	<b>543.21</b>	<b>2,655.97</b>	<b>1,554.61</b>	<b>129.32</b>	<b>(227.11)</b>	<b>524.04</b>	<b>932.78</b>	<b>1,723.19</b>	<b>1,489.80</b>
<b>Previous Year</b>	2,956.91	95.97	8.47	3,044.41	1,374.79	187.79	-	7.97	1,554.61	1,489.80	-
<b>Intangible Assets</b>											
Technical Knowhow & Licence Fees	375.11	25.10	-	<b>400.21</b>	289.05	8.26	29.30	-	<b>326.61</b>	<b>73.60</b>	86.06
Computer software	60.97	5.18	-	<b>66.15</b>	42.31	9.41	(3.62)	-	<b>48.10</b>	<b>18.05</b>	18.66
<b>Total</b>	<b>436.08</b>	<b>30.28</b>	-	<b>466.36</b>	<b>331.36</b>	<b>17.67</b>	<b>25.68</b>	-	<b>374.71</b>	<b>91.65</b>	<b>104.72</b>
<b>Previous Year</b>	435.61	0.47	-	436.08	290.48	40.88	-	-	331.36	104.72	-
<b>Capital Work In Progress</b>	1.19	131.73	-	<b>132.92</b>	-	-	-	-	-	<b>132.92</b>	-

(\*) Amount transferred to / from Reserves as per Schedule II

**11. DEFERRED TAX ASSET (NET)**

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Assets</b>		
Disallowance under the Income Tax Act, 1961	<b>74.98</b>	75.50
Carried forward losses and unabsorbed depreciation	<b>400.00</b>	200.00
	<b>474.98</b>	275.50
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	<b>88.66</b>	2.70
<b>TOTAL</b>	<b>386.32</b>	272.80

**12. LONG-TERM LOANS AND ADVANCES**

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, Considered Good</b>		
Capital Advances	<b>311.40</b>	169.03
Security Deposits	<b>57.52</b>	39.83
Earnest Money Deposits	<b>51.16</b>	53.32
Staff Loans	—	1.31
<b>TOTAL</b>	<b>420.08</b>	263.49

**13. OTHER NON-CURRENT ASSETS**

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
MAT Credit Entitlement	<b>338.05</b>	286.69
<b>TOTAL</b>	<b>338.05</b>	286.69

**14. INVENTORIES**

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Materials and Components	<b>1,505.41</b>	2,022.82
Work-in-Progress	<b>581.44</b>	678.22
Finished Goods	<b>44.10</b>	173.87
Stock-In-Trade	<b>76.11</b>	97.07
Stores and Spares	<b>1.27</b>	1.32
Loose Tools and Instruments	<b>27.10</b>	33.37
Scrap	<b>2.32</b>	0.02
<b>TOTAL</b>	<b>2,237.75</b>	3,006.69

(Refer Note No. (i) (e) of Other Notes on Financial Statements)



## 15. TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Trade receivables outstanding for a period less than six months</b>		
Secured, considered good	3.10	5.86
Unsecured, considered good	4,845.11	4,454.85
Total	4,848.21	4,460.71
<b>Trade receivables outstanding for a period exceeding six months</b>		
Secured, considered good	4.65	3.53
Unsecured, considered good	839.99	826.72
Total	844.64	830.25
<b>TOTAL</b>	<b>5,692.85</b>	<b>5,290.96</b>

## 16. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Balances with banks		
In Current Account *	28.27	51.95
In Margin Account **	62.13	84.73
In Fixed Deposit	3.20	–
Total	93.60	136.68
Cash on hand	4.68	5.07
<b>TOTAL</b>	<b>98.28</b>	<b>141.75</b>

\* Balance with banks in current account includes Unclaimed Dividend of ₹ 22.78 lacs (Previous year ₹ 24.19 lacs)

\*\* Balance in Margin money towards security for Letter of Credit and Letter of Guarantee

## 17. SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Unsecured, considered good</b>		
Advances recoverable in cash or kind or for value to be received	107.90	187.82
Earnest Money Deposits	46.09	57.16
Balance with Excise, Customs and Port Trust	157.96	111.10
Taxes Paid in Advance / Deducted at Source (Net of Provision for Tax)	113.69	94.69
Interest Income accrued but not due	4.16	9.12
<b>TOTAL</b>	<b>429.80</b>	<b>459.89</b>

**18. REVENUE FROM OPERATIONS**

Particulars		Year Ended March 31, 2015	Year Ended March 31, 2014
Gross Sales	<b>8,902.10</b>	<b>8,486.05</b>	9,164.23
Less: Excise Duty	<b>416.05</b>		426.28
Gross Reconditioning, Repairing & Servicing Income	<b>993.63</b>	<b>910.77</b>	8,737.95
Less: Excise Duty and Service Tax	<b>82.86</b>		1,022.86
			89.15
			933.71
TOTAL		<b>9,396.82</b>	9,671.66

**19. OTHER INCOME**

(₹ in lacs)

Particulars		Year Ended March 31, 2015	Year Ended March 31, 2014
Interest Income		<b>15.86</b>	29.18
Credit Balances Written Back		<b>6.29</b>	8.42
Bad Debts Recovered		-	2.94
Profit on Sale of Assets		-	1.19
Exchange Fluctuation		<b>7.08</b>	-
Duty Drawback		<b>7.31</b>	4.20
Misc. Income		<b>0.55</b>	-
TOTAL		<b>37.09</b>	45.93

**20. COST OF MATERIALS CONSUMED**

(₹ in lacs)

Particulars		Year Ended March 31, 2015	Year Ended March 31, 2014
Opening Stock of Raw Materials		<b>2,022.82</b>	1,529.81
Add: Purchases of Raw Materials	<b>5,797.07</b>		7,321.69
Add: Conversion and Processing Charges	<b>363.03</b>		344.26
Total		<b>6,160.10</b>	7,665.95
Less: Closing Stock of Raw Materials		<b>1,505.41</b>	2,022.82
TOTAL		<b>6,677.51</b>	7,172.94

## 21. CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Opening Inventory		
Finished Goods	<b>173.87</b>	145.22
Work-In-Progress	<b>678.22</b>	783.79
Stock-In-Trade	<b>97.07</b>	87.35
	<b>949.16</b>	1,016.36
Closing Inventory		
Finished Goods	<b>44.10</b>	173.87
Work-In-Progress	<b>581.44</b>	678.22
Stock-In-Trade	<b>76.11</b>	97.07
	<b>701.65</b>	949.16
Add / (Less) Excise duty on Finished Goods (INCREASE) / DECREASE	<b>(8.26)</b>	(1.57)
	<b>239.25</b>	65.63

## 22. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Salaries, Wages, Gratuity and Bonus etc.	<b>1,406.12</b>	1,339.94
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	<b>109.41</b>	108.92
Staff Welfare Expenses	<b>118.66</b>	115.14
TOTAL	<b>1,634.19</b>	1,564.00

## 23. FINANCE COSTS

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Interest on Bank Borrowings	<b>212.77</b>	133.88
Interest on Deposits & Loans	<b>2.09</b>	-
Other Interest	<b>6.02</b>	6.96
Exchange Fluctuation (Buyer's Credit)	<b>(12.40)</b>	13.92
Bank Charges	<b>26.43</b>	16.02
TOTAL	<b>234.91</b>	170.78

**24. OTHER EXPENSES**

<b>Particulars</b>	<b>Year Ended March 31, 2015</b>	Year Ended March 31, 2014
Consumable Stores, Tools and Instruments	<b>28.20</b>	23.70
Electricity, Water and Fuel Charges	<b>152.28</b>	154.79
Packing	<b>87.98</b>	82.80
Repairs		
To Machinery	<b>6.90</b>	8.35
To Building	<b>46.80</b>	42.11
To Other Assets	<b>20.62</b>	25.20
Repairing and Servicing Expenses	<b>1.61</b>	1.38
Rent	<b>14.39</b>	11.00
Rates and Taxes	<b>7.26</b>	6.51
Insurance	<b>8.79</b>	9.71
Travelling, Conveyance and Vehicle Expenses	<b>221.99</b>	202.15
Directors' Travelling, Conveyance and Sitting Fees	<b>8.30</b>	5.15
Printing and Stationery	<b>15.46</b>	22.85
Postage, Telegram and Telex	<b>38.43</b>	33.76
Advertisement and Publicity	<b>25.65</b>	35.86
Liquidity Damages	<b>22.30</b>	20.65
Commission	<b>16.40</b>	29.09
Legal and Professional Charges	<b>102.62</b>	91.52
Payment to Auditors	<b>4.69</b>	4.14
Transit Insurance and Freight	<b>102.88</b>	91.21
Bad Debts	<b>8.69</b>	11.16
Exchange Rate Fluctuation	-	5.80
Miscellaneous Expenses	<b>98.93</b>	84.65
<b>TOTAL</b>	<b>1,041.17</b>	1,003.54

## 25 - OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2015

### i) Significant Accounting Policies

#### a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### c) Fixed Assets / Intangible Assets

- i) Fixed assets are carried at cost of acquisition less depreciation. Cost of fixed assets includes interest of directly related loans upto the date of commissioning / installation.
- ii) Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended upto the date of Balance Sheet.
- iii) Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably.

#### d) Depreciation

- i) Depreciation on fixed assets is provided on the basis of useful life of assets as per Schedule II of the Companies Act, 2013.
- ii) Depreciation on Technical know-how is provided on the basis of its useful life as per Schedule II of the Companies Act, 2013.
- iii) Leasehold Land is amortized over the period of lease.

#### e) Valuation of Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.

- i) Raw material is valued at cost or net realisable value whichever is lower. Cost is calculated by applying the weighted average method.
- ii) Work in progress, Finished Goods and Stock-in-Trade are valued at cost or net realisable value whichever is lower.
- iii) Scrap is valued at estimated selling price.
- iv) Stores and Spares are valued at cost. Tools and Instruments are valued at book value.

#### f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### Sales

Net operational income comprises of sale of goods and reconditioning, repairing and servicing income. Sale of goods is recognized on despatch to customers. Sales are stated net of Sales Tax. Sales excludes captive consumption of materials.

## Other Income

Interest income is accounted on accrual basis.

### **g) Foreign Currency Transactions**

- i) Transactions denominated in foreign currency are recorded at the rate of exchange prevailing at the time of transaction.
- ii) Current Liabilities / Assets not covered by forward contract are stated at the rates ruling at the year end and any exchange difference arising on such transaction is dealt with in the Statement of Profit and Loss.
- iii) Transactions completed during the year are adjusted at the prevailing rates.

### **h) Research and Development**

Research and Development expenditure of revenue nature is charged to revenue and capital expenditure is treated as fixed assets.

### **i) Retirement and Other Employee Benefits**

- i) Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to the Statement of Profit & Loss in the year when the contributions to the funds are due.
- ii) Superannuation Fund is a defined contribution scheme and contribution to the scheme are charged to the Statement of Profit & Loss in the year when contributions are made in respect of employees covered under the scheme. The scheme is funded with Life Insurance Corporation of India.
- iii) The Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The liability in respect of employees is provided and contributed to Life Insurance Corporation of India under Group Gratuity (Cash Accumulation) Scheme except;
  - a) In case of Chairman cum Managing Director and Executive Vice Chairperson, in whose cases the additional Gratuity liability in accordance with their terms of appointment, is provided in the books.
  - b) In case of Nashik and Dehradun Division it is provided on the basis of actuarial valuation.
- iv) The Company has other long term employee benefits in the form of Leave Encashment. The liability in respect of Leave Encashment is provided for on the basis of actuarial valuation made at the end of the Financial Year. The aforesaid Leave Encashment is not funded.
- v) The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders the services.
- vi) Terminal Benefits:

Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme and termination of services of the employees by the Company is charged to the Statement of Profit & Loss in the year on actual basis.
- vii) Actuarial gains / losses are recognized immediately to the Statement of Profit & Loss.

### **j) Provision for Current and Deferred Tax**

- i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognised as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.
- ii) Deferred tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. However, in case of

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deferred tax assets (representing unabsorbed depreciation or carry forward losses) are recognised, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised, or to the extent of deferred tax liabilities.

## k) Impairment of Assets

The carrying amount 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 the asset 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 recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

## l) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

ii) Estimated amount of contract remaining to be executed on account of Technical Know-how not provided for ₹ 217.43 lacs (Previous Year ₹ 130.07 lacs).

## iii) Contingent Liabilities in respect of the following:

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Letters of credit opened by the bankers of the Company in favour of the third parties	47.76	-
Guarantee given by the banks to the third parties on behalf of the company	766.66	734.67
Letter of Credit discounted with bank	54.00	101.07
Claims of Excise disputed by the Company	99.32	90.29
Claims of Sales Tax disputed by the Company	141.36	43.90

## iv) Payment to Auditors (Excluding Service Tax):

(₹ in lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
As Auditor	2.25	2.25
For Tax Audit	0.60	0.60
For Certification etc.	0.94	0.92
For out of pocket expenses	0.38	0.37
TOTAL	4.17	4.14

## v) Employee Benefits:

Consequent upon adoption of Accounting Standard on "Employee Benefits" (AS 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standard, the following disclosures are made.

### Defined Contribution Plan:

Contribution for Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in lacs)

Particulars	2014-2015	2013-2014
Employer's Contribution to Provident Fund	47.00	53.25
Employer's Contribution to Superannuation Fund	25.12	21.25
Employer's Contribution to Pension Fund	29.34	19.83

## Defined Benefit Plan:

(₹ in lacs)

		Gratuity		Leave Encashment	
		2014-2015	2013-2014	2014-2015	2013-2014
i)	<u>Reconciliation of opening and closing balances of Defined Benefit obligation</u>				
	Defined Benefit obligation at beginning of the year				
	Funded	<b>401.67</b>	393.33	-	-
	Non-Funded	<b>100.93</b>	92.66	<b>94.94</b>	94.28
		<b>502.60</b>	485.99	<b>94.94</b>	94.28
	Current Service Cost				
	Funded	<b>22.24</b>	20.37	-	-
	Non-Funded	<b>4.63</b>	5.79	<b>22.68</b>	24.17
		<b>26.87</b>	26.16	<b>22.68</b>	24.17
	Interest Cost				
	Funded	<b>36.55</b>	29.81	-	-
	Non-Funded	<b>3.44</b>	2.64	<b>7.81</b>	6.26
		<b>39.99</b>	32.45	<b>7.81</b>	6.26
	Actuarial (gain) / loss				
	Funded	<b>(0.83)</b>	(0.35)	-	-
	Non-Funded	<b>(5.10)</b>	(0.16)	<b>(14.44)</b>	6.02
		<b>(5.93)</b>	(0.51)	<b>(14.44)</b>	6.02
	Benefits paid				
	Funded	<b>83.72</b>	41.49	-	-
	Non-Funded	<b>1.95</b>	-	<b>44.66</b>	35.78
		<b>85.67</b>	41.49	<b>44.66</b>	35.78
	Defined Benefit obligation at year end				
	Funded	<b>375.91</b>	401.67	-	-
	Non-Funded	<b>101.95</b>	100.93	<b>66.32</b>	94.95
		<b>477.86</b>	502.60	<b>66.32</b>	94.95
ii)	<u>Reconciliation of opening and closing balances of fair value of plan assets (Funded)</u>				
	Fair value of plan assets at beginning of the year	<b>387.52</b>	367.34	-	-
	Expected return on plan assets	<b>36.70</b>	33.56	-	-
	Actuarial (gain) / loss	<b>(5.39)</b>	0.48	-	-
	Employer contribution	<b>14.94</b>	28.59	-	-
	Benefits paid	<b>83.72</b>	41.49	-	-
	Fair value of plan assets at year end	<b>350.05</b>	387.52	-	-
	Actual return on plan assets	<b>31.31</b>	33.08	-	-



(₹ in lacs)

iii) Expense recognised during the year

Current Service Cost

Funded

Non-Funded

Interest Cost

Funded

Non-Funded

Expected return on plan assets

Funded

Non-Funded

Actuarial (gain) / loss

Funded

Non-Funded

Net Cost

Funded

Non-Funded

		Gratuity		Leave Encashment	
		2014-2015	2013-2014	2014-2015	2013-2014
		<b>22.24</b>	20.37	-	-
		<b>4.63</b>	5.79	<b>22.68</b>	24.96
		<b>26.87</b>	26.16	<b>22.68</b>	24.96
		<b>36.55</b>	29.81	-	-
		<b>3.44</b>	2.64	<b>7.80</b>	6.25
		<b>39.99</b>	32.45	<b>7.80</b>	6.25
		<b>36.70</b>	33.56	-	-
		-	-	-	-
		<b>36.70</b>	33.56	-	-
		<b>4.56</b>	0.13	-	-
		<b>(5.10)</b>	(0.16)	<b>(14.44)</b>	6.02
		<b>(0.54)</b>	(0.03)	<b>(14.44)</b>	6.02
		<b>26.65</b>	16.75	-	-
		<b>2.97</b>	8.27	<b>16.04</b>	37.23
		<b>29.62</b>	25.02	<b>16.04</b>	37.23

(₹ in lacs)

iv) Reconciliation of fair value of assets and obligations

Fair value of plan assets

Funded

Non-Funded

Present value of obligation

Funded

Non-Funded

Amount recognised in Balance Sheet

Funded

Non-Funded

		Gratuity		Leave Encashment	
		As at 31st March		As at 31st March	
		2015	2014	2015	2014
		<b>350.05</b>	387.52	-	-
		-	-	-	-
		<b>350.05</b>	387.52	-	-
		<b>375.91</b>	401.67	-	-
		<b>101.95</b>	100.93	<b>66.32</b>	94.95
		<b>477.86</b>	502.60	<b>66.32</b>	94.95
		<b>25.86</b>	14.15	-	-
		<b>101.95</b>	100.93	<b>66.32</b>	94.95
		<b>127.81</b>	115.08	<b>66.32</b>	94.95

(₹ in lacs)

	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>As at 31st March</b>		<b>As at 31st March</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
v) Investment Details	Insurer Managed Funds		N.A.	
vi) Actuarial assumptions	1994-96 (Ultimate)		1994-96 (Ultimate)	
Mortality Table (LIC)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (per annum)	<b>8.00%</b>	9.10%	<b>8.00%</b>	9.10%
Expected rate of return on plan assets (per annum)	<b>9.30%</b>	9.30%	-	-
Rate of escalation in salary (per annum)	<b>4.00%</b>	8.50%	<b>4.00%</b>	8.50%

- vi)** Trade Receivables over six months comprises of ₹ 629.26 lacs (Previous year ₹ 614.35 lacs) due from Government concerns and ₹ 215.38 lacs (Previous year ₹ 215.90 lacs) due from commercial parties.
- vii)** In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and all provisions for liabilities are adequate and not in excess of the amount considered necessary.
- viii)** In the opinion of the Management, no provision is required against contingent liabilities referred hereinabove.
- ix)** Advance and deposits from customers reflected under 'Other Long Term Liabilities' and 'Other Current Liabilities' represent advance / dealership deposit received by the Company for supply of capital goods
- x)** Balance of Trade Receivables and Trade Payables are subject to confirmation.
- xi)** Pursuant to Companies Act, 2013 ('The Act') being effective from 1st April 2014, Company has revised its depreciation rates on fixed assets as per their useful lives specified in Part 'C' of Schedule II of the Act. As a result depreciation expenses for the current year is lower by ₹ 62.26 lacs and accordingly loss for the current year is lower by the same amount. Further due to change of depreciation from the date of purchase, a sum of ₹ 136.08 lacs (Net of Deferred Tax), being difference in depreciation upto 31st March, 2014 has been credited to General Reserve.
- xii)** The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

(₹ in lacs)

<b>Particulars</b>	<b>As at March 31, 2015</b>	As at March 31, 2014
Principal amount due and remaining unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

- xiii)** The recurring expenditure of ₹ 71.54 lacs (Previous year ₹ 49.11 lacs) and Capital Expenditure of ₹ Nil (Previous Year ₹ 0.65 lacs) spent in respect of Research and Development during the year have been debited to respective account.

**xiv) Earnings per Share :**

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Profit after taxation as per Statement of Profit & Loss	<b>(357.26)</b>	(492.54)
Weighted average number of equity shares outstanding	<b>15057930</b>	15057930
Basic and diluted earnings per share (₹)	<b>(2.37)</b>	(3.27)

**xv) Segment Information :**

The Company has identified its Business Segments as its Primary Segments comprising of Electronic Components and Equipments.

Primary Segment Information :

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>A. Segment Revenue</b>		
Electronic Components	<b>1,216.37</b>	1,538.46
Equipments	<b>8,647.00</b>	8,612.24
Total	<b>9,863.37</b>	10,150.70
Less : Inter-Segment Revenue	<b>466.55</b>	479.04
Net Sales / Income from Operations	<b>9,396.82</b>	9,671.66
<b>B. Segment Results - Profit / (Loss)</b>		
Electronic Components	<b>(137.74)</b>	(52.24)
Equipments	<b>113.82</b>	(125.61)
Total	<b>(23.92)</b>	(177.85)
Less : Interest & Financial Charges	<b>234.90</b>	170.78
Other Unallocable Expenditure (Net of unallocable Income)	<b>333.04</b>	357.54
Profit / (Loss) Before Tax	<b>(591.86)</b>	(706.17)
<b>C. Capital Employed</b>		
Electronic Components	<b>281.84</b>	343.92
Equipments	<b>3,750.12</b>	4,543.37

**xvi) Related Party disclosures under Accounting Standard-18:**

a) List of related parties

Name of Related Party	Relationship
Shri. S.K.Nevatia	Key Management Personnel
Smt.Uma Nevatia	Key Management Personnel
Shri. Saurabh Nevatia	Relative of Key Management Personnel
Smt. Surabhi Golyan	Relative of Key Management Personnel
Shri. Bharat Swaroop	Relative of Key Management Personnel

b) Transactions during the year

(₹ in lacs)

S.No.	Nature of transaction	Key Management Personnel	Relative of Key Management Personnel	Total
Expenditure				
i.	Remuneration	<b>66.37</b> (67.28)	<b>20.82</b> (27.87)	<b>87.19</b> (95.15)
ii.	Directors Sitting Fees	- -	<b>0.30</b> (0.15)	<b>0.30</b> (0.15)
iii.	Rent	- -	<b>3.90</b> (3.90)	<b>3.90</b> (3.90)

(\*) Figures in bracket represent previous year's amount.

xvii) Particulars of Sales:

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>a) Manufactured Goods</b>		
Convertor & Invertor Equipments	<b>4,579.17</b>	4,524.74
Diodes, Thyristors, Modules, Bridges	<b>566.76</b>	644.80
High Voltage Rectifiers	<b>1,822.09</b>	915.00
High Current Rectifiers	<b>764.73</b>	719.81
Transformers	<b>188.80</b>	1,080.60
Others	<b>475.72</b>	642.10
Total	<b>8,397.27</b>	8,527.05
<b>b) Traded Goods</b>		
Capacitors	<b>81.24</b>	198.15
Others	<b>7.54</b>	12.75
Total	<b>88.78</b>	210.90
<b>TOTAL</b>	<b>8,486.05</b>	8,737.95

xviii) Particulars of Purchase of Stock-In-Trade: (\*)

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Capacitors	<b>67.34</b>	251.11
Others	<b>6.86</b>	10.59
<b>TOTAL</b>	<b>74.20</b>	261.70

(\*) Includes purchases for manufacturing ₹ 22.44 lacs (Previous year ₹ 43.50 lacs)

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## xix) Particulars of Consumption of Raw Materials: (\*)

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Non-ferrous metals	822.18	1,064.06
CRGO lamination	134.97	185.45
Electrical accessories and semi conductor components	3,812.71	4,115.45
Others	1,907.65	1,807.98
<b>TOTAL</b>	<b>6,677.51</b>	<b>7,172.94</b>

(\*) Raw materials consumed:

- i) Includes material used for service activities.
- ii) Excludes sale and stock of scrap.
- iii) Includes Conversion and Processing charges ₹ 363.03 lacs (Previous Year ₹ 344.26 lacs)

## xx) Consumption of Imported Raw Materials, Components and Spare Parts:

(₹ in lacs)

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Amount	Percentage	Amount	Percentage
Imported	1,454.93	21.79	1,823.79	25.43
Indigenous	5,222.58	78.21	5,349.15	74.57
<b>TOTAL</b>	<b>6,677.51</b>	<b>100.00</b>	<b>7,172.94</b>	<b>100.00</b>

## xxi) Value of Imports on C.I.F Basis:

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Raw Materials & Components	1,082.13	1,705.82
Capital goods	-	-
<b>TOTAL</b>	<b>1,082.13</b>	<b>1,705.82</b>

## xxii) Expenditure in foreign currency (on payment basis):

(₹ in lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Travelling Expenses	14.65	8.36
Technical Know How, Licence Fee (shown under Capital advance)	19.43	46.76
Royalty	-	-
Others	21.68	35.10
<b>TOTAL</b>	<b>55.76</b>	<b>90.22</b>

**xxiii)** Earnings in foreign currency:

(₹ in lacs)

<b>Particulars</b>	<b>Year Ended March 31, 2015</b>	Year Ended March 31, 2014
Export on F.O.B. basis	<b>155.26</b>	99.04
Others	-	-
<b>TOTAL</b>	<b>155.26</b>	99.04

**xxiv)** Dividend paid abroad:

<b>Particulars</b>	<b>Year Ended March 31, 2015</b>	Year Ended March 31, 2014
Remittance of foreign exchange on account of dividend (₹ in lacs)	<b>4.80</b>	38.40
Number of non-resident shareholders	<b>1</b>	1
Number of shares on which remittance was made	<b>2400000</b>	2400000
Year for which the dividend was remitted	<b>2013-2014</b>	2012-2013

**xxv)** Due to absence of profits during the year, the management personnel have been paid the remuneration as approved by shareholders and remuneration committee as minimum remuneration.

**xxvi)** Previous year's figures have been re-classified and re-grouped wherever necessary.

As per our report attached  
For **KHANDWALA & SHAH**  
Chartered Accountants  
(Registration No. 105069W)

**Uday J. Shah**

Partner

Membership No. 033038

Place : Mumbai

Dated : 27th May, 2015

For and on behalf of the Board of Directors

**S. K. NEVATIA**, Chairman & Managing Director

**V. K. BHARTIA**, Director

**A.K. NEMANI**, Chief Financial Officer

**ALEN FERNS**, Company Secretary & Compliance Officer

Place : Mumbai

Dated : 27th May, 2015





**Three Phase Transformer (New) for Electrostatic Precipitator**



**Ace IV Controller (New) for Electrostatic Precipitator**





**Cathodic Protection Transformer Rectifier (New)**