

**BOARD OF DIRECTORS** : S. K. Nevatia, Chairman & Managing Director  
Uma S. Nevatia, Executive Vice Chairperson  
D. R. Mehta  
Niraj Ramkrishna Bajaj  
Bharat Swaroop  
Pawan Kumar Golyan  
V. K. Bhartia  
Binod Patodia  
Pradeep V. Goyal  
Akhil Marfatia, Additional Director (w.e.f. 11th April, 2011)

**MANAGEMENT TEAM** : S. K. Nevatia - Chairman & Managing Director  
Uma S. Nevatia - Executive Vice Chairperson  
R. C. Chandan - Chief Executive  
Saurabh Nevatia - Chief Executive (Nashik)  
A. K. Nemani - Chief Financial Officer

**BANKERS** : ICICI Bank Limited  
Union Bank of India

**AUDITORS** : M/s Khandwala & Shah  
Chartered Accountants

**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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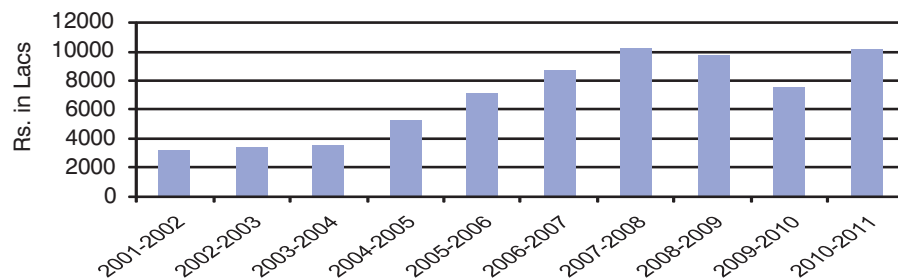
## 53RD ANNUAL GENERAL MEETING

**Date** : 5th August, 2011  
**Time** : 3.30 p.m.  
**Venue** : M.C. Ghia Hall,  
4th Floor, Bhogilal Hargovindas Building,  
18/20, K. Dubhash Marg, Kala Ghoda,  
Mumbai - 400 001.

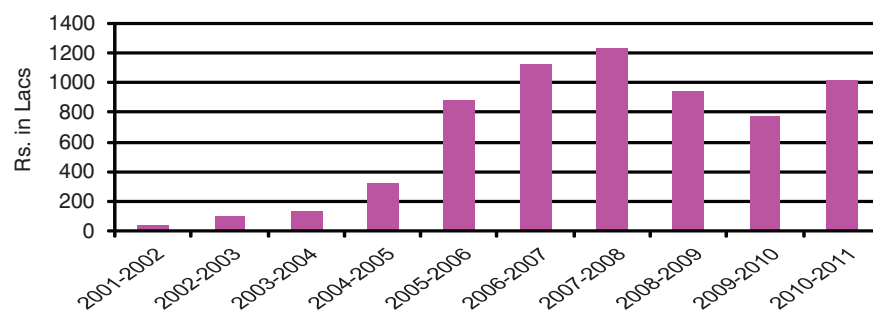
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Cover Page : 12-Pulse WF Cooled Thyristor Rectifier Cubicle 90V/12kA DC.  
Back Cover Page : 12-Pulse ONAN Cooled Rectifier Transformer for 90V/10kA Thyristor Rectifier Cubicle (shown on Cover Page) for Defence Application supplied to Vikram Sarabhai Space Centre.  
Inner Back Cover Page : 11kV/8.2 MVA, ONAN Cooled Auto Transformer with On Load Tap Changer (OLTC) to achieve 100 step AC Voltage developed and erected for Graphite Production.

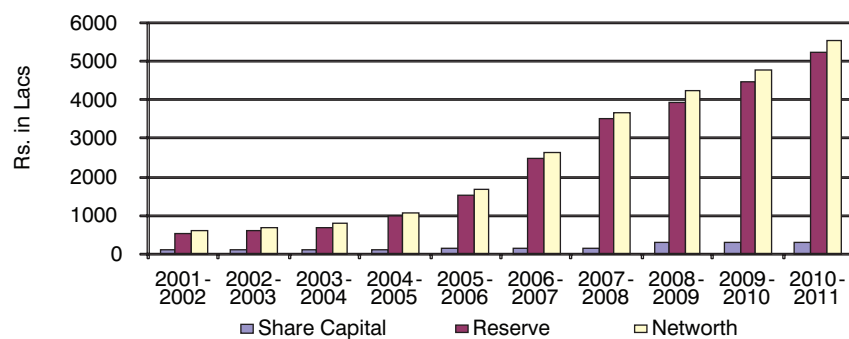
## SALES



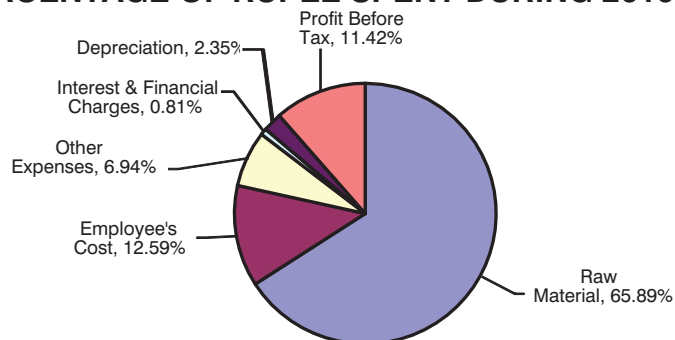
## NET PROFIT



## NETWORTH



## PERCENTAGE OF RUPEE SPENT DURING 2010-2011



## HIGHLIGHTS

		2010-11	2009-10	2008-09	2007-08	2006-07
<b>INCOME:</b>						
1	Gross Operational Income	Rs. 1,08,10,39,015	79,70,91,520	1,08,69,04,831	1,17,58,66,815	1,00,89,21,622
2	Net Operational Income	Rs. 1,01,63,88,090	75,34,46,375	98,14,85,589	1,02,01,06,313	87,31,74,468
3	Profit before Interest, Depreciation & Tax	Rs. 14,84,56,693	12,15,27,582	16,60,20,526	21,14,45,187	19,36,20,090
4	Interest	Rs. 82,10,057	54,56,868	81,95,458	83,86,625	83,52,854
5	Depreciation	Rs. 2,39,68,464	1,56,39,694	1,72,35,086	1,40,40,950	1,40,05,451
6	Gross Profit after Interest & Depreciation but before Tax	Rs. 11,62,78,172	10,04,31,020	14,05,89,982	18,90,17,612	17,12,61,785
7	Profit after Tax	Rs. 10,12,06,172	7,77,41,020	9,44,76,407	12,29,07,387	11,23,09,785
8	Dividends	Rs. 2,25,86,895	2,10,81,102	3,01,15,860	1,50,57,930	1,50,57,930

## EQUITY SHARE DATA:

9	Sales & other Income per equity Share	Rs. 68	50	65	136	117
10	Earnings per equity share	Rs. 6.72	5.16	6.27	16.32	14.92
11	Book value of equity share	Rs. 36.72	31.73	28.25	48.57	35.18
12	Networth	Rs. 55,29,82,451	47,77,92,467	42,53,50,024	36,56,57,370	26,48,96,907
13	Market Price :					
	a) High	Rs. 78.95	91.80	188.00	298.25	226.00
	b) Low	Rs. 39.05	33.90	25.60	110.25	109.80
14	Dividend	(%) 75	70	100	100	100
15	Allotment of Bonus Shares	(Ratio) –	–	1:1	–	–

## RATIO:

16	PBT/ Net Operational Income	(%) 11.44	13.33	14.32	18.53	19.61
17	Profit after Tax/Networth	(%) 18.30	16.27	22.21	33.61	42.40
18	Total Liabilities/Total Assets	Times 0.32	0.27	0.35	0.45	0.49
19	Total Debt/ Equity	Times 0.13	0.08	0.18	0.33	0.35
20	Total Outside Liability/Total net worth	Times 0.47	0.37	0.54	0.80	0.96
21	Current Ratio	Times 2.55	3.20	2.58	1.99	1.72
22	PBDIT/ Finance Costs	Times 18.08	22.27	20.26	25.21	23.18

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 53rd Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Friday the 5th August, 2011 at 3.30 P. M. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001 to transact, with or without modification(s) the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as on that date together with the Report of the Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2011.
3. To appoint a Director in place of Shri Bharat Swaroop, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Pawan Kumar Golyan, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint M/s. Khandwala & Shah, Chartered Accountants having firm Registration No.: 105069W as Statutory Auditor 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.
6. To appoint Branch Auditors for Nashik and Dehradun Plants to hold the 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:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

#### 7. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** Shri Akhil Marfatia who was appointed as an Additional Director of the Company with effect from 11th April, 2011 pursuant to section 260 of the Companies Act, 1956 and who holds office up to the date of the Annual General Meeting and being eligible offers himself for appointment and in respect of whom Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company.

#### 8. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** in supersession of all earlier resolutions in this regard, consent of the Company be and is hereby accorded in terms of Section 293[1](a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct to or in favour of all or any 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 of an equivalent aggregate value not exceeding Rs. 50 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under Agreement/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

## 9. AS A SPECIAL RESOLUTION:

**RESOLVED THAT** the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to hold and continuing to hold an office or place of profit as an Executive of the Company by Shri Suramya Nevatia relative of a Director of the Company in the Management Cadre of the Company at a Salary not exceeding Rs. 2,50,000/- p.m. w.e.f. 1st July, 2011 together with usual allowances, benefits, perquisites as applicable to other employees of the Company and further as may be amended from time to time by the Government.

### 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.

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. 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.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 02/08/2011 to 05/08/2011 (both days inclusive).
6. The dividend on Equity Shares as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company will be paid on or after 5th August, 2011.
7. 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.

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:

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to The Investor Protection and Education Fund
2003 – 2004	17.08.2004	16.08.2011
2004 – 2005	29.07.2005	28.07.2012
2005 – 2006	30.08.2006	29.08.2013
2006 – 2007	28.07.2007	27.07.2014
2007 – 2008	25.08.2008	24.08.2015
2008 – 2009	10.09.2009	09.09.2016
2009 – 2010	12.08.2010	11.08.2017

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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.

8. 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.
9. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
10. The Company has listed its shares on The Bombay Stock Exchange Limited & National Stock Exchange of India Limited.
11. 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, Jafarbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059.

Tel No. : 2859 4060 / 2859 6060 Fax: 2850 3748 • E-mail: adroits@vsnl.net

12. (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.
13. 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.
14. 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.
15. 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.
16. 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.
17. An Explanatory Statement u/s. 173 of the Companies Act, 1956 is attached herewith in respect of special business.

**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: 30th May, 2011

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

## 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 as given below:

1. Name : Shri Pawan Kumar Golyan  
Age : 55 years  
No. of shares held in the Company : Nil  
Brief Resume & Functional expertise : Shri Pawan Kumar Golyan, Commerce graduate (B.Com) from Kathmandu University and working with Golyan Group as a Director and having total experience of more than 28 years.  
Outside Directorships : Nepal Merchant Banking & Finance Ltd.  
Reliance Spinning Mills Ltd.  
Air Nepal International.  
Chairmanship / Membership of Board Committees : Dhanalaxmi Synthetics Ltd.  
Nepal Ind. & Commercial Bank Ltd.  
Nepal Life Insurance Co. Ltd.
2. Name : Shri Bharat Swaroop  
Age : 58 Years  
No. of shares held in the Company : 15500  
Brief Resume & Functional expertise : Shri Bharat Swaroop is a Commerce Graduate from Mumbai University and working with M/s. L. H. Sugar Factories Ltd., as a Promoter Executive Director and having total experience of more than 34 years.  
Outside Directorships : L. H. Sugar Factories Ltd.  
Sushev Agricultural P. Ltd.  
Chairmanship / Membership of Board Committees : Nil
3. Name : Shri Akhil Marfatia  
Age : 72 Years  
No. of shares held in the Company : Nil  
Brief Resume & Functional expertise : Shri Akhil Marfatia is a Commerce Graduate and B.Sc. (Economics) from London School of Economics and has 50 years rich & varied professional experience in the field of Marketing Management. He was associated with Eureka Forbes Ltd. for 12 years as President & M.D. and with Johnson & Johnson India Ltd. for about 10 years as a General Manager – Consumer Products.  
Outside Directorships : Ion Exchange India Ltd.  
Advanced Cleaning Technics India P. Ltd.  
Chairmanship / Membership of Board Committees : Nil

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

### ITEM NO. 7:

Shri Akhil Marfatia was appointed as an Additional Director of the Company with effect from 11th April, 2011 under section 260 of the Companies Act, 1956 and Articles 116 of the Articles of Association of the Company. Shri Akhil Marfatia holds office till the conclusion of 53rd Annual General Meeting. The Company has received a notice in writing from a member together with requisite deposit under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Akhil Marfatia as a candidate for the Office of the Director. Shri Akhil Marfatia, is a Commerce Graduate and B.Sc. (Economics) from London School of Economics and has 50 years rich & varied professional experience in the field of Marketing Management. He was associated with Eureka Forbes Ltd. for 12 years as President & M.D. and with Johnson & Johnson India Ltd. for about 10 years as a General Manager – Consumer Products. It will be in the interest of the Company to draw on the valuable expertise and counsel of Shri Akhil Marfatia by appointing him as a Director of the Company.

The Board recommends the resolution for approval of the members.

None of the Directors other than Shri Akhil Marfatia is interested in the resolution.

### ITEM NO. 8:

The Company, from time to time, obtains loans and financial assistance from the Financial Institutions/Banks/ other lending agencies/trustees for the holders of debentures/bonds/other instruments which may be issued and the same are required to be secured by creation of mortgage/charge on the assets of the Company.

Section 293[1](a) of the Companies Act, 1956, interalia, provides that the Board of Directors of a Public Limited Company shall not without the consent of the Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Since creation of mortgage/charge by the Company in favour of the above entities may be regarded as disposal of the assets or undertaking of the Company, it is necessary for the members to pass a resolution under section 293[1](a) of the Companies Act, 1956.

Therefore it is necessary for members to pass the resolution under section 293[1](a) of the Companies Act, 1956.

The Board recommends the resolution to be passed.

None of the Directors of the Company is/are concerned or interested in the Resolution.

### ITEM NO. 9:

Shri Suramya Nevatia was appointed as a Management Trainee of the Company for a period of six months w.e.f. January 1, 2011.

Shri Suramya Nevatia looks after Marketing of the Company.

Shri Suramya Nevatia is M.Sc. in Marketing Management from Aston University, Birmingham, U.K. considering his marketing experience of over 2 years, the Board recommends to appoint him as Asst. General Manager of the Company w.e.f. 1st July, 2011 for a remuneration finalized by the Board within the overall ceiling as approved by the Shareholders as mentioned in the Resolution.

Shri S. K. Nevatia and Smt. Uma S. Nevatia, Directors may be deemed to be concerned or interested in this resolution being related to Shri Suramya Nevatia. None of the other Directors of the Company are concerned or interested in the resolution.

### 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: 30th May, 2011

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



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting 53rd Annual Report together with the Audited accounts for the year ended March 31, 2011.

(Rs. In Lacs)

<b>FINANCIAL RESULTS:</b>	<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>
<b>Gross Operational Income</b>	<b>10,810.39</b>	7,970.91
<b>Less: Excise Duty</b>	<b>646.51</b>	436.45
<b>Net Operational Income</b>	<b>10,163.88</b>	7,534.46
<b>Gross Profit</b>	<b>1,402.46</b>	1,160.71
<b>Less: Depreciation</b>	<b>239.68</b>	156.40
<b>Profit before tax</b>	<b>1,162.78</b>	1,004.31
<b>Less: Provision for Taxation</b>		
- Current	234.00	197.00
- MAT Credit Entitlement (54.00)		—
- Deferred	(29.28)	29.90
	<b>150.72</b>	
<b>Profit after taxes</b>	<b>1,012.06</b>	777.41
<b>Excess/(Short) Provision for taxation of earlier year</b>	<b>3.15</b>	(4.50)
<b>Adjustment in respect of earlier years</b>	<b>(0.80)</b>	(1.85)
<b>Surplus of previous year</b>	<b>54.20</b>	49.78
<b>Profit available for appropriation</b>	<b>1,068.61</b>	820.84
<b>Appropriations:</b>		
<b>Transferred to General Reserve</b>	<b>750.00</b>	520.00
<b>Proposed Dividend</b>	<b>225.87</b>	210.81
<b>Tax on Dividend</b>	<b>36.64</b>	35.83
<b>Surplus Carried to Balance Sheet</b>	<b>56.10</b>	54.20

### OPERATIONS:

As envisioned, the output from Dehradun plant has been continuously improving with sustained efforts combined with aggressive marketing, the Company has been able to book higher orders despite keen competition resulting in increased sales. These two factors have helped the Company to show marked improvements in the top-line and bottom-line.

The Company continues its policy of assertive marketing, vendor development and outsourcing of intermediate products which will reflect in better results at the end of financial year 2011-2012.

The Company's performance further improved due to the following :

- The Company supplied 2 MW Traction sub-station with HIRECT rectifier sets for Mumbai Monorail which is the first monorail in India in the year 2010-2011. The Company is targeting the business of Monorail in India and South East Asia for further growth.
- The Company executed an order with a rating of 6MW for graphite application and the Company expects to do further business in this area in the coming financial year. The market in India of High Current Rectifiers (Water Cooled) is showing positive signs of improvement.
- The Company will continue its sustained efforts in the export market in the current year to create a niche in the global market.

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## **DIVIDEND:**

The Directors are pleased to recommend for consideration of the Shareholders at the Annual General Meeting, payment of dividend @ 75% (Rs. 1.50 per share) amounting to Rs.2,25,86,895/- for the year ended 31st March, 2011 (previous year Rs.2,10,81,102/-).

## **DEPOSITS:**

Deposits amounting to Rs.4,00,000/- due for payment on or before 31st March,2011 remained unclaimed by the depositors on that date. Letters have been sent to such depositors reminding them to claim their deposits

## **BOARD OF DIRECTORS:**

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Shri Pawan Kumar Golyan & Shri Bharat Swaroop, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The Board has appointed Shri Akhil Marfatia as an Additional Director of the Company with effect from April 11, 2011. His term expires at the forthcoming Annual General Meeting of the Company. Being eligible, he offers himself for re-appointment and the Board recommends that he be re-appointed.

During the year Shri Jayant H. Shah expressed his inability to continue as Director of the Company due to his old age. Your Board places its appreciation for the services rendered by Shri Jayant H. Shah during the tenure of his directorship.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

## **AUDITORS:**

M/s. Khandwala & Shah, Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They 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 224 (1B) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment and fix their remuneration.

M/s. Daga & Chaturmutha, Chartered Accountants, Branch Auditors of the Company for Nashik Plant are retiring and eligible for re-appointment and have expressed their willingness to act as Branch Auditors of the Company.

M/s. R. Gupta & Associates [name of the firm changed from Mullick & Co. to R. Gupta & Associates], Chartered Accountants, Branch Auditors of the Company for Dehradun Plants are retiring and eligible for re-appointment and have expressed their willingness to act as Branch Auditors of the Company.

## **AUDITORS' OBSERVATIONS:**

The observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in Schedule "R" which are self explanatory and therefore, do not call for any further comments.

## **SECRETARIAL COMPLIANCE REPORT:**

As required under the amended provisions of the Companies Act, 1956, the Company is required to obtain Secretarial Compliance Certificate from a Practicing Company Secretary. The same is enclosed and form part of this report.

## **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). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories. 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.

## **CORPORATE GOVERNANCE:**

Your Company continued to practice good governance as set out by the Securities & Exchange Board of India. In addition to the basic governance issues, the Board laid a strong emphasis on transparency, accountability and integrity. The detailed report on compliance of Corporate Governance and Management Discussion Analysis as stipulated in Clause 49 of the Listing Agreement is enclosed and form part of 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 have 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.

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

The information pursuant to section 217 (l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "I" to this report.

## **PARTICULARS OF EMPLOYEES:**

Particulars required under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 are given in the prescribed format as an Annexure "II" to the Directors' Report.

## **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.

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

The Company has taken all the necessary steps for safety and 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.

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

Place: Mumbai  
Dated: 30th May, 2011

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

## ANNEXURE “I” TO THE DIRECTORS’ REPORT

Information under section 217(1)(e) of the Companies Act, 1956 with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors’ Report for the year ended 31st March, 2011.

### I. CONSERVATION OF ENERGY

1. New modified gasket installed for curing oven and vacuum oven to minimize the heat loss.
2. Regular audit is being conducted to identify areas of energy wastage.

### II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. 12-Pulses, 90 V / 10 KA Water Cooled Rectifier designed, manufactured and commissioned for Vikram Sarabhai Space Centre.
2. High Current Water Cooled Rectifier - SMOP (HT-CC) 100 V / 60K with 100 steps PLC controlled OLTC developed and executed for graphite production application.
3. 1500 V.DC BGACEMU designed successfully for Indian Railways.
4. Upated BGMU commissioned successfully.

### III. FOREIGN EXCHANGE EARNING AND OUTGO

To avoid repetition, Members are kindly requested to refer Note Nos. 21, 22, 23 & 24 to the accounts where such information is furnished.

**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: 30th May, 2011

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

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

Corporate Governance is crucial to the very existence of a Company as it builds confidence and trust with all the stakeholders having interest in the Company. The importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for all the stakeholders.

The detailed report on implementation by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange, is set out below:

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on good Corporate Governance envisages a combination of business practices that result in enhancement of the value of all the stakeholders of the Company and society at large. Your Company firmly believes that such practices are founded upon the core values of transparency, professionalism, empowerment, equity and accountability. Your Company makes best endeavors to uphold these core values in all areas of its operations.

Your Company continues to follow procedures and practices in conformity with the Code of Corporate Governance as laid down in Clause 49 of the Listing Agreement of the Stock Exchange.

### BOARD OF DIRECTORS:

The composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets with the requirements of Clause 49 of the Listing Agreement.

As per the Listing Agreement, the Board should have an optimum combination of both Executive and Non-Executive Directors. The Company presently has ten Directors. The Board of your Company has two Executive Directors and eight Non-Executive Directors. The number of independent Directors are five.

Composition of the Board of Directors has a healthy mix of Executive and Non Executive Directors and ensures the desired level of independence and functioning & decision making.

The details of composition of the Board, category, attendance of Directors at Board Meetings during the financial year and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Name of the Director	Category	No. of Other Directorships held (excluding Private & Foreign Companies) as on 31.03.2011	Outside Committee position held as on 31.03.2011	
			Member	Chairman
Shri S. K. Nevatia (Chairman & Managing Director)	Non Independent Executive	–	–	–
Smt. Uma Nevatia (Executive Vice Chairperson)	Non Independent Executive	–	–	–
Shri D. R. Mehta	Independent Non Executive	–	–	–
Shri Niraj Ramkrishna Bajaj	Non Independent Non Executive	11	1	–
Shri Bharat Swaroop	Non Independent Non Executive	1	–	–

Name of the Director	Category	No. of Other Directorships held (excluding Private & Foreign Companies) as on 31.03.2011	Outside Committee position held as on 31.03.2011	
			Member	Chairman
Shri Pawan Kumar Golyan	Non Independent Non Executive	–	–	–
Shri V. K.Bhartia	Independent Non Executive	–	–	–
Shri Binod Patodia	Independent Non Executive	5	–	–
Shri Pradeep Goyal	Independent Non Executive	4	3	3
Shri Akhil Marfatia*	Independent Non Executive	1	–	–

\* Inducted on the Board w.e.f. 11.04.2011

## BOARD MEETING:

The Board of Directors met 5 times during the financial year 2010–2011 i.e. on 19.04.2010, 28.05.2010, 12.08.2010, 15.11.2010 and 09.02.2011.

The maximum time gap between any two meetings is much less compared to the requirement of not more than four months as specified in clause 49. The dates and timings of the meetings were decided well in advance.

The details of attendance of Directors at Board Meetings held during the financial year 2010–2011 and at the last Annual General Meeting held on 12.08.2010 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 2010 – 2011	No. of Board Meetings Attended	Whether attended last AGM
Shri S. K. Nevatia	5	5	Yes
Smt. Uma S. Nevatia	5	4	Yes
Shri Jayant H. Shah*	5	2	Yes
Shri D. R. Mehta	5	4	Yes
Shri Niraj Ramkrishna Bajaj	5	5	Yes
Shri Bharat Swaroop	5	2	No
Shri Pawan Kumar Golyan	5	2	Yes
Shri V. K. Bhartia	5	3	Yes
Shri Binod Patodia	5	4	Yes
Shri Pradeep Goyal	5	3	Yes

\* upto November 14, 2010.

## INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information with the Company and to any of the employee of the Company. The Board is provided with all the relevant information on the important matters affecting the working of the Company as well as the related details required deliberations by the members of the Board.

Among others, this includes:

- Annual operating plans, capital budgets and updates.
- Quarterly results of the Company and its operating divisions.
- Minutes of meeting of audit committee and other committees.
- Information on recruitment and remuneration of senior officers just below the Board level.
- General notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Details of any joint venture or collaboration agreement.
- Information for development of new products, new technologies etc.
- Sale of material, nature of investments, subsidiaries, assets which is not in the normal course of business.
- Foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.
- Any materially, significant effluent or pollution problem.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Significant development in the human resource and industrial relations fronts.
- Legal compliances reporting system.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant.

As mandated by the revised Clause 49, the independent Directors on the Board of the Company:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates that may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners of the firm or executives of the Company or were not partners of the firm or executives of the Company during the preceding three years.
- Statutory audit firm or the internal audit firm that is associated with the Company.
- Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial Shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant.

## **COMMITTEES OF DIRECTORS:**

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 with the Stock Exchange and the Companies Act, 1956.

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

## AUDIT COMMITTEE:

The Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 II [C] and [D] of the Listing Agreement.

The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee comprises of three Independent Directors.

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, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal audit report & internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

Shri S. K. Nevatia, Chairman & Managing Director, Shri R. C. Chandan, C.E.O. 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 are considered necessary attend these meetings.

The Committee met five times during the year on 19.04.2010, 28.04.2010, 12.08.2010, 15.11.2010 and 09.02.2011.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2010 – 2011:

NO. OF MEETINGS HELD - 5

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Shri Jayant H. Shah, Chairman*	Independent Non Executive	5	2
Shri V. K. Bhartia	Independent Non Executive	5	3
Shri D. R. Mehta	Independent Non Executive	5	4
Shri Pradeep Goyal**	Independent Non Executive	5	2

\* upto November 14, 2010.

\*\*w.e.f. November 15, 2010.

## REMUNERATION COMMITTEE:

The Company has constituted Remuneration Committee (being a non-mandatory requirement) on 30th August, 2003 and has been reconstituted from time to time. The Committee reviews and approves the Salaries, Commission, Perks and other employment conditions for the Directors.

Present composition of the Remuneration Committee is as under:

Name of Committee Members	Position
Shri Jayant H. Shah, Chairman*	Independent Non Executive
Shri Binod Patodia	Independent Non Executive
Shri D. R. Mehta	Independent Non Executive
Shri V. K. Bhartia**	Independent Non Executive

\*upto November 14, 2010.

\*\*w.e.f. November 15, 2010.



During the year ended March 31, 2011, one meeting of the Committee was held on 19.04.2010 and all the members were present.

## SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

The Company has constituted a Shareholders' & Investors' Grievance Committee on April 18, 2007 at Board level to strengthen the investor relations and to inter-alia look into issues relating to Shareholder Grievances pertaining to transfer of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning dematerialisation etc.

Shri A. K. Nemani, Chief Financial Officer, is designated as the Compliance Officer.

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 i.e. www.hirect.com

The following table shows the nature of complaints received from the shareholders during the year 2010-2011.

Nature of complaints	No. of complaints received during the year 2010 – 2011
Non receipt of Dividend Warrant	7
Non receipt of Annual Report	2
Non receipt of Share Certificate	1

There were no complaints pending as on 31st March, 2011.

Attendance record at the meetings of the Shareholders' Grievance Committee of Directors during financial year 2010 - 2011:

NO. OF MEETINGS HELD - 2

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Shri Jayant H. Shah, Chairman*	Independent Non Executive	2	1
Shri V. K. Bhartia	Independent Non Executive	2	–
Shri D. R. Mehta	Independent Non Executive	2	2
Shri Pradeep Goyal**	Independent Non Executive	2	1

\*upto November 14, 2010.

\*\*w.e.f. November 15, 2010.

## REMUNERATION OF DIRECTORS:

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

# Hirect

Non Executive Directors do not draw any remuneration from the company except the Sitting Fees for attending the meetings of the Board / Board Committee.

The details of remuneration / sitting fees paid during the financial year 2010-11 to the Directors of the Company are as under:

<b>Name of the Director</b>	<b>Salary (Rs.)</b>	<b>Benefits (Rs.)</b>	<b>Bonus / Commission (Rs.)</b>	<b>Sitting Fees (Rs.)</b>	<b>Total (Rs.)</b>
Shri S.K. Nevatia	24,00,000	13,81,528	24,42,874	–	62,24,402
Smt. Uma S. Nevatia	12,00,000	5,70,833	–	–	17,70,833
Shri Jayant H. Shah	–	–	–	20,000	20,000
Shri D. R. Mehta	–	–	–	37,500	37,500
Shri Niraj Ramkrishna Bajaj	–	–	–	25,000	25,000
Shri Bharat Swaroop	–	–	–	10,000	10,000
Shri Pawan Kumar Golyan	–	–	–	10,000	10,000
Shri V. K. Bhartia	–	–	–	22,500	22,500
Shri Binod Patodia	–	–	–	22,500	22,500
Shri Pradeep Goyal	–	–	–	22,500	22,500

The tenure of office of Shri S. K. Nevatia, Chairman & Managing Director is for a period of three years and Smt. Uma S. Nevatia, Executive Vice Chairperson is for a period of five years from the date of appointment. There is no provision for payment of severance fees.

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

## SHAREHOLDING OF NON EXECUTIVE DIRECTORS:

The shareholding in the Company by the Non Executive Directors are as under:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of shares held</b>
1.	Shri D. R. Mehta	300
2.	Shri Niraj Ramkrishna Bajaj	61,230
3.	Shri Bharat Swaroop	15,500
4.	Shri Pawan Kumar Golyan	–
5.	Shri V. K. Bhartia	–
6.	Shri Binod Patodia	–
7.	Shri Pradeep V. Goyal	–

## **CODE OF CONDUCT:**

The Company has adopted a Code of Conduct for the Directors and senior management of the Company. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Chairman and Managing Director to that effect forms part of this Report.

## **MANAGEMENT DISCUSSION & ANALYSIS:**

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

## **STEPS FOR PREVENTION OF INSIDER TRADING:**

In compliance of the SEBI (Prevention of insider Trading) Regulations as amended in 2002, the Company has issued comprehensive guidelines advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of Hind Rectifiers Ltd. and disclosure requirements in this regard. Company believes that "The Code of Internal Procedure and Conduct" and 'The Code of Corporate Disclosures Policies' framed by it in this regard will help in ensuring compliance of the amended SEBI regulations.

## **DISCLOSURES:**

The necessary disclosures regarding the transactions entered into with the related parties are given in notes to the accounts. There were no transactions of the material value with related parties viz., Promoters, Directors or the Management or Relatives having any potential conflict with the interest of the Company.

## **NON-COMPLIANCES:**

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 last three years.

## **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT AND ADOPTION OF NON MANDATORY REQUIREMENT:**

The Company has complied with all mandatory requirement of Clause 49 of the Listing Agreement with the Stock Exchange and has implemented the following non mandatory requirements:

### **1. Remuneration Committee:**

The Company has a Remuneration Committee to review and approve the salary, commission, perks and other employment conditions for the Directors.

### **2. 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.

### **3. Training of Board Members:**

Directors are fully briefed about all business related matters, risks assessment, market conditions of the product manufactured by the Company, competition and new initiative proposed by the Company.

## **MEANS OF COMMUNICATION:**

1. Quarterly results are published in prominent daily newspapers viz., Free Press Journal & Nav Shakti.
2. The Company has its own website i.e. [www.hirect.com](http://www.hirect.com). All the vital information relating to the Company including the Quarterly & Annual financial results and its products are displayed on the web site.

## **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 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.

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

Place: Mumbai  
Dated: 30th May, 2011

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

**SHAREHOLDER INFORMATION:****53rd ANNUAL GENERAL MEETING**

DAY & DATE : Friday, 5th August, 2011

TIME : 3.30 P. M.

VENUE : M. C. Ghia Hall, 4th Floor,  
Bhogilal Hargovindas Building,  
18/20, K. Dubhash Marg,  
Kala Ghoda, Mumbai - 400 001

**GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
50th AGM	31.03.2008	25.08.2008	3.30 P.M.	Kamalnayan Bajaj Hall & Art Gallery, Gr. Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.
51st AGM	31.03.2009	10.09.2009	3.30 P.M.	– As above –
52nd AGM	31.03.2010	12.08.2010	3.30 P.M.	– As above –

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. No special resolution was required to be put through postal ballot last year.

**50th AGM**

Sr. No.	Subject matter of the resolutions	Type of Resolution	Status of Implementation
1.	Allotment of Bonus	Ordinary	Implemented

**51st AGM**

**No Special Resolution was passed**

**52nd AGM**

Sr. No.	Subject matter of the resolutions	Type of Resolution	Status of Implementation
1.	Re-appointment of Shri S.K. Nevatia as Chairman & Managing Director of the Company	Special	Implemented
2.	Re-appointment of Smt. Uma S. Nevatia as Executive Vice Chairperson of the Company	Special	Implemented

**FINANCIAL CALENDAR:**

- \* Financial year 2011 - 2012 : April 1, 2011 to March 31, 2012
- \* Financial reporting for the quarter ended June 30, 2011 : Before August 15, 2011
- \* Financial reporting for the quarter ended Sept.30, 2011 : Before November 15, 2011
- \* Financial reporting for the quarter ended Dec. 31, 2011 : Before February 15, 2012
- \* Financial reporting for the year ended March 31, 2012 : Audited Results by end of May

**DATE OF BOOK CLOSURE:** 02/08/2011 to 05/08/2011 [Both days inclusive].

**DIVIDEND PAYMENT DATE:** On or after 5th August, 2011

**PAYMENT OF DIVIDEND:**

Dividend will be paid by "Account Payee" / Non negotiable instrument or through Electronic Clearing Service (ECS) as notified by the SEBI through Stock Exchanges. The Company had already written to all the shareholders setting out in details the procedure to be followed for availing this facility. In view of the advantage of receiving dividend through ECS, shareholders are requested to opt for this mode. The declared dividend is usually paid by the Company within 3 working days.

**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. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within one month, 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 30 days.

**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 : 28594060 / 28596060 Fax : 28503748  
Email : adroits@vsnl.net

**COMPLIANCE OFFICER:**

Shri A. K. Nemani, Chief Financial Officer

**ADDRESS FOR CORRESPONDENCE:**

HIND RECTIFIERS LIMITED  
Lake Road, Bhandup [ West ],  
Mumbai – 400 078.  
E-mail: corporate@hirect.com  
Telephone No. 25968027 / 25968028

## LISTING ON STOCK EXCHANGES:

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited.

Listing fees has been paid to above Stock Exchanges for the year 2010 – 2011.

## STOCK CODE:

Bombay Stock Exchange Limited, Mumbai : 504036  
National Stock Exchange of India Ltd. : HIRECT  
Demat ISIN : INE835D01023

## DEMATERIALISATION OF SHARES:

As on March 31, 2011, 7646950 shares representing 50.78% of total Equity Shares were held in dematerialised form with NSDL and CDSL.

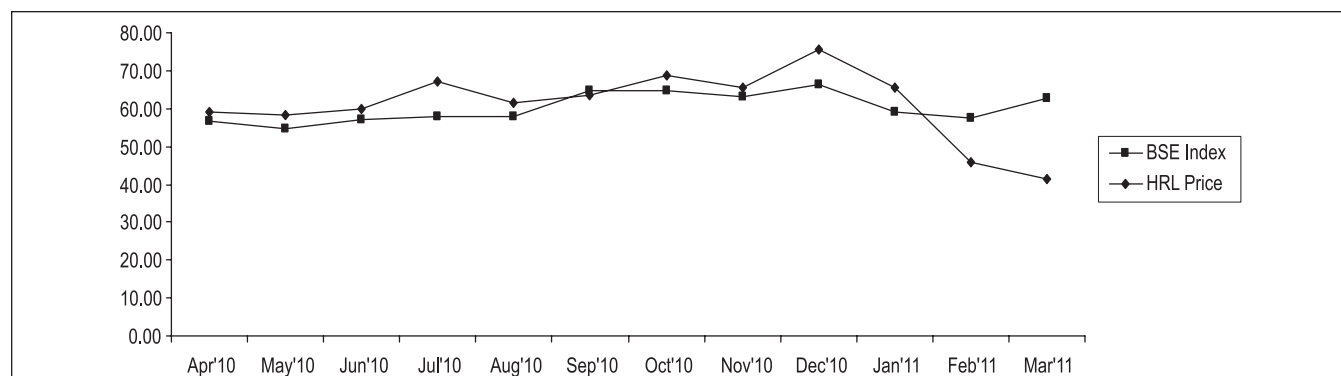
Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

## STOCK PRICE DATA:

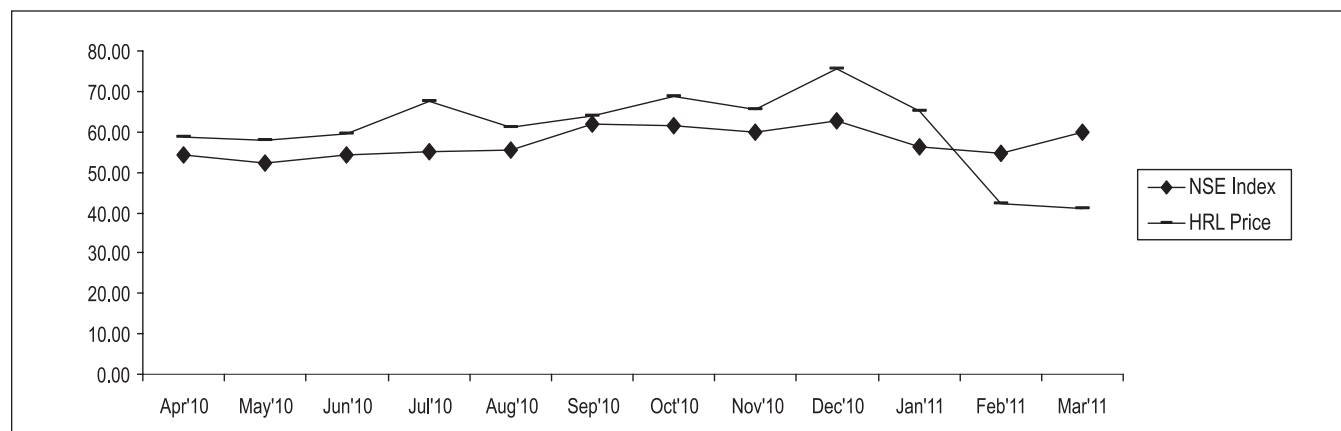
Monthly High / Low Market Price of Equity Shares of Hind Rectifiers Ltd., during the Financial Year 2010 - 2011:

Month	BSE		NSE	
	High	Low	High	Low
April, 2010	61.85	56.45	61.35	56.70
May, 2010	63.25	53.65	64.35	53.00
June, 2010	63.45	55.10	63.40	55.10
July, 2010	72.70	58.50	73.00	58.00
August, 2010	72.40	60.70	71.80	60.35
September, 2010	69.50	61.15	69.40	61.10
October, 2010	76.95	63.60	77.00	63.25
November, 2010	76.35	60.10	76.60	60.00
December, 2010	77.00	62.00	77.15	61.20
January, 2011	78.95	64.25	78.80	64.10
February, 2011	67.30	41.50	67.70	41.15
March, 2011	44.60	39.15	48.05	39.05

## RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:



## RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX:



## SHAREHOLDING PATTERN AS ON MARCH 31, 2011:

Category	No. of shares held	% of shareholding
Promoters & Associates	6568121	43.62
Mutual Funds & UTI	1500	0.01
Banks / Financial Institutions	10500	0.07
Private Bodies Corporate	503746	3.35
NRI/OCBs	2402008	15.95
Others	5572055	37.00
<b>Total</b>	<b>15057930</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of shareholding
Upto 500	5660	893428	5.93
501-1000	718	571153	3.79
1001-2000	490	740104	4.92
2001-3000	192	525462	3.49
3001-4000	39	140210	0.93
4001-5000	61	286049	1.90
5001-10000	70	505813	3.36
10001 & above	78	11395711	75.68
<b>Total</b>	<b>7308</b>	<b>15057930</b>	<b>100.00</b>



**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 shareholder/s. 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.

**PLANT LOCATIONS:**

- a. Lake Road, Bhandup (W), Mumbai - 400 078
- b. Plot No. 110/111, M.I.D.C., Satpur, Nashik - 422 007 (India)
- c. Village Charba, Vikas Nagar, Dehradun, Uttarakhand State (India)

**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.

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

Place: Mumbai  
Dated: 30th May, 2011

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

## **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, 2011, 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,  
(Registration No.105069W)

**(UDAY J. SHAH)**  
Partner

Membership No. 033038

Place: Mumbai  
Dated: 30th May, 2011

**CEO / CFO CERTIFICATION:**

The Board of Directors  
Hind Rectifiers Limited,  
Mumbai.

**Re: Financial Statements for the year 2010 - 2011 – 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, 2011 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) There 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: 30th May, 2011

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS:

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company continues to be in the niche of Power Electronics and Power Conversion business.

The customers of the Company including Indian Railways are large and medium Indian companies and multinational organizations. The Company continues to work in improving the performance of the existing products and invest in the design and development of new products.

### 2. OPPORTUNITIES AND THREATS:

#### OPPORTUNITIES

Order received to supply Railway products to Sri Lanka through Rites. The Company is in the process of supplying to other countries also through Rites. The Company is also exploring the possibility of supplying products based on European specifications and standards by offering international quality at competitive costs.

#### THREATS

Although the Company continues to be the market leader in various product categories, there is a possibility of new entrants, both local and global, thus increasing the intensity of the competition.

### 3. OUTLOOK:

The Company continues to invest in new products, re-engineering and value engineering with emphasis on increasing the business. Outlook of the Company looks much better with investment in development of new products thus increasing the sales and profit.

### 4. RISKS AND CONCERNS:

Indian Railways represents a large percentage in the Company's net sales and hence political, financial and/or operational difficulties could harm the Company's business.

### 5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has developed its internal control system and processes to identify, safe guard and minimize the risks.

Internal audit and checks are ongoing process within the Company.

Findings of the audit report with a comment from the respective departments are reviewed by the Audit Committee.

### 6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The company's financial performance improved with the Company entering into the business of Sub Station for Monorail and increasing the business for High Current Rectifiers (Water Cooled). The Company in the current year expects to perform better by introducing new products and continuing to extend the sales of existing products.

### 7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

The Company's success depends to a significant degree on the continued contribution to its Human Resources. Company's Human Resource policy is to facilitate and creating of synergy for growth through total employee involvement and an enabling work culture.

The wage agreement has been signed with the Union from 01/01/2010 to 31/12/2012.

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

Place: Mumbai  
Dated: 30th May, 2011

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

## SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-11077.

AUTHORISED SHARE CAPITAL : Rs. 10,00,00,000/-.

PAID UP SHARE CAPITAL: Rs. 3,01,15,860/-.

The Members,

**M/s. HIND RECTIFIERS LIMITED**

Lake Road,

Bhandup [ West ],

MUMBAI - 400 078.

I have examined the registers, records, books and papers of M/s. HIND RECTIFIERS LIMITED [ the Company ] as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on MARCH 31, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in **ANNEXURE - 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable as per – **ANNEXURE - 'B'**.
- 3) The Company being a Limited Company, Comments not required.
- 4) The Board of Directors duly met 5 [ FIVE ] times during the aforesaid Financial Year i.e. on 19/04/2010, 28/05/2010, 12/08/2010, 15/11/2010 and 09/02/2011 and in respect of each meeting proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 5) The Company closed its Register of Members during the financial year.
- 6) The Company held its Annual General Meeting during the year in time i.e. on AUGUST 12, 2010 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has complied with the provisions of Section 293 (1) (d) of the Act.
- 9) The Company has not entered into contracts falling within the purview of Section 297 of the Act.
- 10) The Company has entered necessary particulars in the register maintained under Section 301 of the Companies Act, 1956.
- 11) Wherever necessary, the Company has obtained necessary approval from the Board of Directors under Section 314 of the Companies Act, 1956. There were no cases which require approval of the members or Central Government.
- 12) The Company has issued duplicate share certificates during the financial year and necessary compliances of the Act were made.
- 13) The Company has:
  - i) delivered all the certificates on allotment of Shares in accordance with the provisions of the Companies Act, 1956.
  - ii) duly complied with the requirements of Section 217 of the Act.
  - iii) other clauses are not applicable.

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- 14) The Board of Directors of the Company is duly constituted.
- 15) The appointment of Managing Director and Executive Director were made during the financial year and necessary compliances of the provisions of the Act were made.
- 16) The Company has not appointed any Sole Selling Agents during the financial year.
- 17) The company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
- 18) The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19) The Company has not issued or allotted any Equity Shares during the financial year and hence no compliances of the Act were made.
- 20) The Company has not bought back any shares during the financial year.
- 21) The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
- 22) There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23) The Company has accepted deposits during the financial year and complied with the provisions of Section 58A of the Companies Act, 1956.
- 24) The Company has complied with the provisions of Section 293 (1) (a) of the Act.
- 25) The Company has not made any loans or advances or given any guarantees or provided securities to other bodies corporate.
- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
- 29) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
- 30) The Company has not altered its Articles of Association during the year.
- 31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has imposed on the Company during the financial year, for offences under the Act.
- 32) The Company has not received any money as security from its employees during the financial year.
- 33) The Company was regular in depositing the Provident Fund dues during the year.

For **GMJ & Associates**  
Company Secretaries

[ **MAHESH SONI** ]  
Partner

**FCS : 3706 ; COP : 2324.**

Place : Mumbai.  
Dated: May 30, 2011.

**ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE:****Name of the Company: M/s. HIND RECTIFIERS LIMITED.**

DETAILS OF REGISTERS MAINTAINED:

Sr. No.	Section Number	Name of Register
1	108	Share Transfer Register
2	150	Register of Members
3	193	Minutes of all meetings of Board of Directors
4	193(1)	Minutes of General Meetings
5	209	Books of Accounts
6	301	Register of Contracts
7	303	Register of Directors
8	307	Register of Directors Shareholdings
9	125/143	Register of Charge
10	-	Register of Board Meeting and General Meeting Attendance Register

**ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE:****Name of the Company: M/s. HIND RECTIFIERS LIMITED.**

DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:

Sr. No.	Document/ Under Section	Filed on	Whether filed in time	Whether additional fee paid
1	Form 62 Return of Deposit U/s. 58A	25/06/2010	Yes	No
2	Form 20B Annual Return U/s. 159	07/10/2010	Yes	No
3	Form 23 AC & 23 ACA Balance Sheet & Profit & Loss Account U/s. 210	09/09/2010	Yes	No
4	Form 66 Secretarial Compliance Certificate U/s. 383A.	08/09/2010	Yes	No
5	Form 1 U/s. 205 [IEPF]	22/09/2010	Yes	No
6	Form 23B	29/09/2010	N.A.	N.A.
7	Form 25C	25/06/2010	Yes	No
8	Form 25C	25/06/2010	Yes	No
9	Form 32	18/01/2011	Yes	No
10	Form 23	09/09/2010	Yes	No

For **GMJ & Associates**  
Company Secretaries

[ **MAHESH SONI** ]  
Partner

**FCS : 3706 ; COP : 2324.**

Place : Mumbai.  
Dated : May 30, 2011.

## AUDITORS' REPORT

### TO THE MEMBERS OF HIND RECTIFIERS LIMITED

We have audited the attached Balance Sheet of **HIND RECTIFIERS LIMITED** as at 31st March, 2011, the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. The returns from the branch audited by other Auditor are incorporated in the annexed Balance Sheet and the Profit and Loss Account. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956 of India" (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our aforesaid comments and our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with;
- (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the Branch;
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of the written representations received from the Directors of the Company as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of Company as at 31st March, 2011;
  - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date;
  - and
  - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
**KHANDWALA & SHAH,**  
Chartered Accountants,  
(Registration No.105069W)

**(UDAY J. SHAH)**  
Partner

Membership No.033038

Place : Mumbai  
Dated : 30th May, 2011



**ANNEXURE TO AUDITORS' REPORT**

**(Referred to in paragraph 3 of the Auditors' Report of even date to the members of Hind Rectifiers Limited on the financial statements for the year ended March 31, 2011)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;  
  
(b) As informed the fixed assets have been physically verified by the management at reasonable intervals; and discrepancies noticed on such verification were not material and the same have been properly dealt with in the books of account;  
  
(c) The disposal of fixed assets during the year cannot be regarded as substantial and do not affect the going concern assumption;
2. (a) As explained to us, Inventories (except stock lying with third parties, for which confirmations obtained in respect of such inventory) have been physically verified during the year by the management;  
  
(b) 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) In our opinion, the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification were not material, and the same have been properly dealt with in the books of account;
3. According to the information and explanation given to us, the Company has neither granted nor taken loans, secured or unsecured from parties covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(iii) of the Order are not applicable to the Company;
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods & services. We have not come across any major weakness in internal control;
5. (a) To the best of our knowledge and belief, and according to the information and explanation given to us, the particulars of contracts or arrangements refer to in Section 301 of the Act have been entered in the register maintained under that section;  
  
(b) In our opinion and having regard to our comments in paragraph (iv) above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at reasonable prices;
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public;
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

8. As explained to us maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act;
9. (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, 2011 for a period of more than six months from the day they become payable;
- (b) The disputed statutory dues aggregating Rs.32.22 lacs, that have not been deposited on account of disputed matters pending before Appropriate Authorities are as under:

Forum where dispute is pending	Amount Rs. in lacs
CEGAT – Central Excise & Gold (Control) Appellate Tribunal	13.78 (Net of Deposit of Rs.1.00 lac)
Joint Regional Director, E.S.I. Corporation	14.73
Income Tax before the Appellate Tribunal, Mumbai	3.71 (Net of payments and refunds of Rs.7.15 lacs)

10. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceeding financial year;
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks;
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
13. The provisions of any special statute applicable to Chit Funds, Nidhis or Mutual Benefit Funds / Societies are not applicable to the Company;
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company;
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions;
16. The Company has not taken any term loans during the year;

17. According to the Cash Flow Statement and other records examined by us and on the basis of information and explanations given to us, on and overall basis, funds raised on short term basis have, prima facie, not been used during the year for Long Term Investment;
18. The Company has not made any preferential allotment of shares during the year;
19. The Company has not issued any debentures during the year;
20. The Company has not raised any money by way of public issue during the year;
21. As per the information and explanations given to us, no material fraud on or by the Company has been noticed during the year.

For and on behalf of  
**KHANDWALA & SHAH,**  
Chartered Accountants,  
(Registration No.105069W)

**(UDAY J. SHAH)**

Partner

Membership No.033038

Place: Mumbai

Dated: 30th May, 2011

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## BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Rupees As At 31.03.2011 Rupees	As At 31.03.2010 Rupees
<b>I. SOURCES OF FUNDS :</b>			
<b>Shareholders Funds</b>			
Share Capital	"A"	3,01,15,860	3,01,15,860
Reserves & Surplus	"B"	52,28,66,591	44,76,76,607
		55,29,82,451	47,77,92,467
<b>Loan Funds :</b>			
Secured Loans	"C"	6,82,70,102	1,58,26,657
Unsecured Loans	"D"	42,04,000	2,07,44,000
		7,24,74,102	3,65,70,657
		62,54,56,553	51,43,63,124
<b>II. APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>	"E"		
Gross Block		27,90,20,740	25,99,42,873
Less: Depreciation		12,28,76,164	10,10,87,823
Net Block		15,61,44,576	15,88,55,050
<b>Deferred Tax Assets</b>		43,08,000	13,80,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	"F"	17,89,97,078	13,77,68,386
Sundry Debtors	"G"	40,63,17,036	29,79,27,073
Cash and Bank Balances	"H"	1,07,80,729	83,81,923
Others (Interest Income Accrued)		3,99,442	3,56,168
Loans and Advances	"I"	7,81,94,728	6,76,75,747
		67,46,89,013	51,21,09,297
Less : <b>Current Liabilities and Provisions</b>	"J"		
Current Liabilities		15,97,88,280	11,36,17,388
Provisions		4,98,96,756	4,43,63,835
		20,96,85,036	15,79,81,223
<b>Net Current Assets</b>		46,50,03,977	35,41,28,074
		62,54,56,553	51,43,63,124
Notes on Accounts	"R"		

As per our report attached

For **KHANDWALA & SHAH**  
Chartered Accountants

**Uday J. Shah**  
(Partner)

Place: Mumbai  
Date : 30th May, 2011

For And On Behalf Of The Board Of Directors

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

Place: Mumbai  
Date : 30th May, 2011

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

	Schedule	Rupees	2010.2011 Rupees	2009.2010 Rupees
<b>INCOME :</b>				
Gross Operational Income	"K"	1,08,10,39,015		79,70,91,520
Less : Excise Duty		6,46,50,925		4,36,45,145
Net Operational Income		1,01,63,88,090		75,34,46,375
Miscellaneous Income	"L"	18,22,976		35,41,743
			1,01,82,11,066	75,69,88,118
<b>EXPENDITURE :</b>				
Material Cost	"M"	67,08,91,358		47,75,76,392
Manufacturing Expenses	"N"	2,52,02,612		2,00,80,534
Employees Costs	"O"	12,81,55,213		10,16,82,229
Other Expenses	"P"	4,55,05,190		3,61,21,381
Interest & Financial Charges	"Q"	82,10,057		54,56,868
			87,79,64,430	64,09,17,404
<b>PROFIT BEFORE DEPRECIATION AND TAX :</b>			14,02,46,636	11,60,70,714
Less : Depreciation			2,39,68,464	1,56,39,694
<b>Profit Before Taxes :</b>			11,62,78,172	10,04,31,020
Less : Provision for Taxation :				
Current		2,34,00,000		1,97,00,000
Mat Credit Entitlement		(54,00,000)		—
Deferred		(29,28,000)		29,90,000
			1,50,72,000	
<b>Profit After Taxes :</b>			10,12,06,172	7,77,41,020
Excess / (Short) Provision of Taxation for Earlier Years			3,14,806	(4,49,768)
Adjustments in Respect of Earlier Years (Net)			(79,940)	(1,84,974)
Surplus of Previous Year			54,20,033	49,77,590
<b>Balance Available For Appropriation</b>			10,68,61,071	8,20,83,868
<b>Appropriations :</b>				
Transferred to General Reserve			7,50,00,000	5,20,00,000
Proposed Dividend			2,25,86,895	2,10,81,102
Tax on Dividend			36,64,159	35,82,733
Surplus Carried to Balance Sheet			56,10,017	54,20,033
			10,68,61,071	8,20,83,868
Basic & diluted earning per share of face value of Rs.2/- each. (Refer Note No. 15 of Schedule "R")			6.72	5.16
Notes on Accounts	"R"			

As per our report attached

For **KHANDWALA & SHAH**  
Chartered Accountants

**Uday J. Shah**  
(Partner)

Place: Mumbai  
Date : 30th May, 2011

For And On Behalf Of The Board Of Directors

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

Place: Mumbai  
Date : 30th May, 2011

## CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2011

	Year Ended March 31, 2011 Rupees	Year Ended March 31, 2010 Rupees
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax & Extra-Ordinary Items	11,62,78,172	10,04,31,020
<b>Adjusted for</b>		
Depreciation	2,39,68,464	1,56,39,694
Investment Income	(7,23,446)	(9,92,406)
Interest Charged	82,10,057	54,56,868
Operating Profit Before Working Capital Changes	14,77,33,247	12,05,35,176
<b>Changes in</b>		
Trade & Other Receivable	(11,20,07,443)	3,29,77,477
Inventories	(4,12,28,692)	1,60,37,272
Trade Payables	4,78,86,848	(61,02,084)
	(10,53,49,287)	4,29,12,665
Cash Generated from Operations	4,23,83,960	16,34,47,841
Interest Paid	(99,26,013)	(47,91,346)
Direct Taxes Paid	(2,09,55,799)	(1,92,38,637)
Cash Flow Before Extra-Ordinary Items	1,15,02,148	13,94,17,858
Extra-Ordinary Items	2,34,866	(6,34,742)
NET CASH FROM OPERATING ACTIVITIES	1,17,37,014	13,87,83,116
<b>B. Cash Flow from Investing Activities</b>		
Purchases of Fixed Assets	(2,21,97,728)	(6,23,37,112)
Sale/Disposal of Fixed Assets	8,45,334	5,21,905
Interest Received	7,74,576	7,04,650
NET CASH USED IN INVESTING ACTIVITIES	(2,05,77,818)	(6,11,10,557)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	3,59,03,445	(4,03,13,840)
Dividend Paid	(2,10,81,102)	(3,01,15,860)
Tax on Distributed Profit	(35,82,733)	(51,18,190)
NET CASH USED IN FINANCING ACTIVITIES	1,12,39,610	(7,55,47,890)
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	23,98,806	21,24,669
CASH & CASH EQUIVALENTS-OPENING BALANCE	83,81,923	62,57,254
CASH & CASH EQUIVALENTS-CLOSING BALANCE	1,07,80,729	83,81,923

As per our report attached

For **KHANDWALA & SHAH**  
Chartered Accountants

**Uday J. Shah**  
(Partner)

Place: Mumbai  
Date : 30th May, 2011

For And On Behalf Of The Board Of Directors

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

Place: Mumbai  
Date : 30th May, 2011

## SCHEDULES 'A' TO 'R' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE:

<b><u>SCHEDULE 'A'</u></b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
5,00,00,000 Equity Shares of Rs. 2/- each	<b>10,00,00,000</b>	10,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
1,50,57,930 Equity Shares of Rs. 2/- Each Issued and Subscribed	<b>3,01,15,860</b>	3,01,15,860
	<b>3,01,15,860</b>	3,01,15,860

**Note:** Out of the above Equity Shares, following numbers of shares have been allotted as fully paid up without payment being received in cash:

- (i) 50000 Equity Shares for goodwill.
- (ii) 400000 Equity Shares for imported machinery.
- (iii) 64000 Equity Shares to shareholders of erstwhile Supreme Powertronics Private Limited pursuant to the scheme of amalgamation.
- (iv) 12516275 Equity Shares as Bonus Shares by way of capitalisation of Capital Reserve, Share Premium and General Reserve

<b><u>SCHEDULE 'B'</u></b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>RESERVES AND SURPLUS :</b>		
<b>A. General Reserve</b>		
As Per Last Account	<b>44,22,56,574</b>	39,02,56,574
Add : Transferred form Profit & Loss Account	<b>7,50,00,000</b>	5,20,00,000
	<b>51,72,56,574</b>	44,22,56,574
<b>B. Surplus In Profit &amp; Loss Account</b>		
Transferred from Profit & Loss Account	<b>56,10,017</b>	54,20,033
	<b>56,10,017</b>	54,20,033
	<b>52,28,66,591</b>	44,76,76,607

## SCHEDULE 'C'

### SECURED LOANS:

#### Cash Credits

	31.03.2011	31.03.2010
	Rs.	Rs.
I. ICICI Bank Limited	3,30,57,828	69,01,611
II. Union Bank of India	3,52,12,274	89,25,046
	<b>6,82,70,102</b>	<b>1,58,26,657</b>

#### Note :

Secured by first charge against all movable & 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 The ICICI Bank Ltd. (Erstwhile The Bank of Rajasthan Ltd.) and Union Bank of India.

## SCHEDULE 'D'

### UNSECURED LOANS:

Fixed Deposit	42,04,000	2,07,44,000
	<b>42,04,000</b>	<b>2,07,44,000</b>

## SCHEDULE : E

### FIXED ASSETS:

(Rupees)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As on 01.04.2010	Since Added	Deduction/ Adjusted	As on 31.03.2011	As on 01.04.2010	For the Year	Recouped Sold or Adjusted	Total as on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Leasehold Land & Road	43,26,382	–	–	43,26,382	10,98,777	1,13,089	–	12,11,866	31,14,516	32,27,605
Lands & Roads	1,93,39,758	–	–	1,93,39,758	5,99,853	1,29,965	–	7,29,818	1,86,09,940	1,87,39,905
Buildings	4,99,07,635	98,85,197(*)	–	5,97,92,832	90,94,216	47,04,903	–	1,37,99,119	4,59,93,713	4,08,13,419
Plant & Machinery	9,78,53,946	31,49,832	–	10,10,03,778	3,60,70,208	1,00,38,465	–	4,61,08,673	5,48,95,105	6,17,83,738
Motor Cars & Vehicles	1,33,20,844	43,11,621	29,93,073	1,46,39,392	74,10,033	17,84,123	21,32,728	70,61,428	75,77,964	59,10,811
Furniture & Fixtures	2,83,08,570	17,96,660	1,26,788	2,99,78,442	1,84,76,138	18,58,894	47,395	2,02,87,637	96,90,805	98,32,432
Computers	1,49,74,920	30,54,418	–	1,80,29,338	1,20,99,551	14,21,082	–	1,35,20,633	45,08,705	28,75,369
Technical Knowhow & Licence Fees	3,19,10,818	–	–	3,19,10,818	1,62,39,047	39,17,943	–	2,01,56,990	1,17,53,828	1,56,71,771
Total	25,99,42,873	2,21,97,728	31,19,861	27,90,20,740	10,10,87,823	2,39,68,464	21,80,123	12,28,76,164	15,61,44,576	15,88,55,050
Previous Year	19,96,75,793	11,61,96,460	5,59,29,380	25,99,42,873	8,71,05,972	1,56,39,694	16,57,843	10,10,87,823	15,88,55,050	

(\*) Includes Rs. 67,45,900/- (Previous Year Rs. Nil) pertaining to purchase of Office at Kolkata, pending Registration in favour of the Company.



**SCHEDULE 'F'****31.03.2011****31.03.2010****Rs.****Rs.****INVENTORIES:**

(As taken, valued &amp; certified by the Management)

Stores, Spares, Tools and Instruments	<b>36,75,947</b>	33,48,094
Raw Materials	<b>12,23,24,967</b>	10,22,06,937
Work In Progress	<b>3,41,66,514</b>	2,30,27,331
Finished Goods	<b>1,13,29,343</b>	77,81,311
Trading Goods	<b>74,97,696</b>	13,81,443
Scrap	<b>2,611</b>	23,270
	<b>17,89,97,078</b>	13,77,68,386

(Refer Note No. 1 (C) of Schedule 'R')

**SCHEDULE 'G'****SUNDRY DEBTORS:****(CONSIDERED GOOD)****Over Six Months**

Secured	<b>2,47,223</b>	<b>1,00,000</b>
Unsecured	<b>5,92,09,744</b>	<b>3,28,53,381</b>

**5,94,56,967****Other Debts**

Secured	<b>5,42,824</b>	<b>9,34,870</b>
Unsecured	<b>34,63,17,245</b>	<b>26,40,38,822</b>

**34,68,60,069****40,63,17,036****29,79,27,073****SCHEDULE 'H'****CASH AND BANK BALANCES:**

Cash in Hand	<b>12,81,009</b>	5,91,203
Bank Balances with Scheduled Banks		
In Current Account	<b>39,37,449</b>	27,25,081
In Margin Account	<b>47,62,271</b>	45,65,639
In Fixed Deposit Account	<b>8,00,000</b>	5,00,000
	<b>1,07,80,729</b>	83,81,923

## **SCHEDULE 'I'**

### **LOANS AND ADVANCES :**

(Unsecured and Considered Good)

	31.03.2011	31.03.2010
	Rs.	Rs.
Advances to Staff(*)	17,96,762	4,48,768
Advances for Goods, Services, Capital Expenditure & Others	4,15,08,049	4,04,85,800
Sundry Advances and Deposits	82,80,743	70,33,506
MAT Credit Entitlement (Refer Note No. 9 of Schedule "R")	54,00,000	—
Advance Payment of Tax	2,12,09,174	1,97,07,673
	<b>7,81,94,728</b>	<b>6,76,75,747</b>

(\*) The Maximum Amount due from an officer of the Company at any time during the year was Rs. 10,00,000/- (Previous Year Rs. 80,212/-)

## **SCHEDULE 'J'**

### **CURRENT LIABILITIES AND PROVISIONS :**

#### **Current Liabilities**

Sundry Creditors (Refer Note No. 12 of Schedule "R")	15,46,05,179	9,42,99,458
Advance from Customers	29,67,138	1,57,51,773
Unclaimed Dividend	17,85,850	14,20,088
Interest Accrued But Not Due	4,30,113	21,46,069
	<b>15,97,88,280</b>	<b>11,36,17,388</b>

#### **Provisions**

Provision For Taxation - Current	2,36,45,702	1,97,00,000
Proposed Dividend	2,25,86,895	2,10,81,102
Corporate Dividend Tax	36,64,159	35,82,733
	<b>4,98,96,756</b>	<b>4,43,63,835</b>

## **SCHEDULE 'K'**

### **NET OPERATIONAL INCOME :**

	2010-2011	2009-2010
	Rs.	Rs.
Gross Sales	1,02,74,08,948	75,14,58,939
Less : Excise Duty	6,34,72,339	4,27,56,052
Net Sales	<b>96,39,36,609</b>	<b>70,87,02,887</b>
Gross Equipments Reconditioning, Repairing & Servicing Income	5,36,30,067	4,56,32,581
Less : Excise Duty	11,78,586	8,89,093
Net Equipments Reconditioning, Repairing & Servicing Income	<b>5,24,51,481</b>	<b>4,47,43,488</b>
	<b>1,01,63,88,090</b>	<b>75,34,46,375</b>

## SCHEDULE 'L'

### MISCELLANEOUS INCOME :

	2010-2011 Rs.	2009-2010 Rs.
Interest Income(*)	8,17,850	8,82,690
Sales Tax Refund	1,32,644	—
Exchange Fluctuation	7,41,054	17,18,431
Miscellaneous Receipts	50,000	1,78,490
Credit Balance Written Back	17,803	6,52,416
Duty Drawback	63,625	—
Profit On Sale Of Assets	—	1,09,716
	<b>18,22,976</b>	<b>35,41,743</b>

(\*) Tax Deducted At Source Rs. 91,779/- (Previous Year Rs. 94,331/-)

## SCHEDULE 'M'

### MATERIAL COST :

#### A) Raw Material Consumed

Opening Stock	10,22,06,937	10,37,13,174
Add : Purchases	63,11,91,750	41,54,72,356
	<b>73,33,98,687</b>	<b>51,91,85,530</b>
Less : Closing Stock	12,23,24,967	10,22,06,937

#### B) Purchase of Trading Goods

#### C) Conversion & Processing Charges

#### D) (Increase)/Decrease in Stock

Closing Stock :		
Finished Goods	1,13,29,343	77,81,311
Work in Progress	3,41,66,514	2,30,27,331
Trading Goods	74,97,696	13,81,443
	<b>5,29,93,553</b>	<b>3,21,90,085</b>

Opening Stock :		
Finished Goods	77,81,311	1,05,84,990
Work in Progress	2,30,27,331	3,49,43,514
Trading Goods	13,81,443	13,81,092
	<b>3,21,90,085</b>	<b>4,69,09,596</b>

#### (Increase)/Decrease

#### Add/(Less) Excise Duty on Increase/Decrease in Stocks of Finished Goods

	<b>(2,08,03,468)</b>	<b>1,47,19,511</b>
	<b>(1,85,583)</b>	<b>(8,83,927)</b>
	<b>67,08,91,358</b>	<b>47,75,76,392</b>

## SCHEDULE 'N'

### MANUFACTURING EXPENSES

Consumable Stores, Tools and Instruments	31,72,532	25,24,633
Royalty	—	4,71,770
Electricity, Water and Fuel Charges	1,22,67,683	97,70,631
Packing	49,76,311	40,00,082
Repairs		
To Machinery	7,09,042	6,43,812
To Building	21,19,926	15,22,735
To Other Assets	18,21,405	10,45,761
Repairing and Servicing Expenses	1,35,713	1,01,110
	<b>2,52,02,612</b>	<b>2,00,80,534</b>

## SCHEDULE 'O'

### EMPLOYEES COSTS :

	2010-2011	2009-2010
	Rs.	Rs.
Salaries, Wages, Gratuity and Bonus etc.	10,95,49,064	8,56,84,668
Contribution to Provident Fund, Superannuation,		
Employees State Insurance Scheme	96,81,352	79,47,515
Staff and Labour Welfare	89,24,797	80,50,046
	12,81,55,213	10,16,82,229

## SCHEDULE 'P'

### OTHER EXPENSES :

Rent	16,39,533	24,93,156
Rates & Taxes	3,10,215	6,06,668
Insurance	8,01,631	5,68,099
Water & Electricity Charges	3,73,213	2,80,130
Travelling, Conveyance and Vehicle Expenses	1,36,76,315	1,12,36,395
Director's Travelling, Conveyance & Sitting Fees	3,97,935	3,45,484
Printing & Stationery	17,49,499	17,26,045
Postage, Telegram, Telephone and Telex	39,15,691	34,67,673
Advertisement and Publicity	8,20,525	8,29,348
Liquidated Damages	28,55,424	8,95,108
Commission	13,72,615	10,92,978
Legal and Professional Charges	40,08,323	26,30,997
Payment to Auditors	2,70,660	2,82,610
Transit Insurance & Freight	72,54,996	44,71,403
Bad Debts	4,56,953	7,84,787
Miscellaneous Expenses	56,01,662	44,10,500
	4,55,05,190	3,61,21,381

## SCHEDULE 'Q'

### INTEREST AND OTHER FINANCIAL CHARGES :

Interest on Bank Borrowings	50,33,644	9,42,234
Interest on Deposits and Loans	11,08,094	22,62,683
Other Interest	54,369	32,573
Bank Charges	20,13,950	21,98,567
Brokerage on Fixed Deposits & Loans	—	20,811
	82,10,057	54,56,868

## **SCHEDULE 'R'**

### **NOTES ON THE ACCOUNTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2011**

#### **1. Significant Accounting Policies:**

##### **a) Accounting Convention**

The Company adopts the accrual concepts in preparation of accounts.

##### **b) Fixed Assets and Depreciation/Amortization**

- 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 preoperative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses will be 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) Depreciation on fixed assets is provided on written down value in the manner and at the rates as per schedule XIV of the Companies Act, 1956.
- iv) Technical know-how is amortized from the year in which commercial production commences on the written down value method.
- v) Leasehold Land is amortised over the period of lease.

##### **c) 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 Trading Goods 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.

##### **d) Foreign Currency Transactions**

- i) Transaction 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 Profit and Loss Account.
- iii) Transactions completed during the year are adjusted at the prevailing rates.

##### **e) Sales**

Net operational income comprises of sale of goods and reconditioning, repairing and service income. Sale of goods is recognised on despatch to customers. Sale of goods is exclusive of Sales Tax. Sales excludes captive consumption of materials.

##### **f) Other Income**

Interest income is accounted on accrual basis.

##### **g) Research and Development**

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

## h) Employee Benefits

- i) Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to Profit & Loss Account 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 Profit & Loss Account 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 recognised 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 Profit & Loss account in the year on actual basis.
- vii) Actuarial gains / losses are recognised immediately to the Profit & Loss account.

## 2. Managerial Remuneration:

	2010-2011	2009-2010
<b>a. Computation of Managing Director's Commission:</b>	<b>Rs.</b>	<b>Rs.</b>
Profit before tax	11,62,78,172	10,04,31,020
Add: Managing Director's Remuneration (including Perquisites)	62,24,402	53,55,766
Executive Vice Chairperson's Remuneration (including Perquisites)	17,70,833	12,74,383
Director's Fees	1,70,000	1,67,500
	<b>12,44,43,407</b>	<b>10,72,28,669</b>
Less: Profit/(Loss) on sale of assets	(44,629)	1,09,716
Profit on which commission is payable	<b>12,44,88,036</b>	<b>10,71,18,953</b>
<b>b. Directors remuneration under section 198 of the Companies Act, 1956:</b>		
Salary	36,00,000	32,40,000
Commission (*)	24,42,874	1,37,166
Benefits & Perks :		
Accommodation (**)	—	6,00,000
Others	12,95,361	9,90,831
Contribution towards Provident Fund, Superannuation and Provisions for Gratuity	6,57,000	16,62,152
	<b>79,95,235</b>	<b>66,30,149</b>

(\*) Commission is restricted to 5% of net profit, as reduced by salary and perquisites.

(\*\*) Rent Rs. NIL ( Previous Year Rs.6,00,000/-) is included in Other Expenses Accounts.

3. Estimated amount of contract remaining to be executed on account of Technical Know-How not provided for Rs. 1,51,17,600/- (Previous Year Rs. 1,46,78,400/-) and on account of Capital Expenditure Rs. 2,00,000/- (Previous Year Rs. 2,00,000/-)

## 4. Contingent Liabilities in respect of the following:

	31.03.2011	31.03.2010
	<b>Rs.</b>	<b>Rs.</b>
i) Letters of credit opened by the bankers of the Company in favour of third parties	98,15,255	81,80,222
ii) Guarantee given by the banks to the third parties on behalf of the Company	5,33,56,691	6,38,81,068
iii) Claims of Excise disputed by the Company	14,77,875	14,77,875
iv) Claims of ESIC disputed by the Company	14,72,936	14,72,936
v) Claims of Income Tax disputed by the Company	10,86,630	—
vi) Non-performance of Export obligation	4,95,712	4,95,712

## 5. Auditor's Remuneration (Excluding Service Tax):

	31.03.2011	31.03.2010
	Rs.	Rs.
As Auditors	1,70,000	1,70,000
For Tax Audit	40,000	40,000
For Certification etc.	40,000	52,000
For Out of Pocket Expenses	20,660	20,610
	<b>2,70,660</b>	<b>2,82,610</b>

## 6. 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

	2010-2011	2009-2010
	Rs.	Rs.
Contribution for Defined Contribution Plan, recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	39,71,475	32,23,750
Employer's Contribution to Superannuation Fund	15,75,949	19,50,105
Employer's Contribution to Pension Fund	18,90,793	18,79,194

### Defined Benefit Plan:

	Gratuity		Leave Encashment	
	2010-2011	2009-2010	2010-2011	2009-2010
	Rs.	Rs.	Rs.	Rs.
i) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year				
Funded	3,84,02,758	3,63,36,467	—	—
Non-Funded	70,27,673	55,70,239	53,64,816	48,46,540
	<b>4,54,30,431</b>	<b>4,19,06,706</b>	<b>53,64,816</b>	<b>48,46,540</b>
Current Service Cost				
Funded	14,58,394	17,56,755	—	—
Non-Funded	4,02,182	9,24,951	18,66,913	31,54,594
	<b>18,60,576</b>	<b>26,81,706</b>	<b>18,66,913</b>	<b>31,54,594</b>
Interest Cost				
Funded	30,72,221	29,06,917	—	—
Non-Funded	1,32,214	85,807	4,03,683	3,44,935
	<b>32,04,435</b>	<b>29,92,724</b>	<b>4,03,683</b>	<b>3,44,935</b>
Actuarial (gain) / loss				
Funded	84,13,225	26,87,934	—	—
Non-Funded	5,38,027	4,46,676	15,95,696	(6,21,269)
	<b>89,51,252</b>	<b>31,34,610</b>	<b>15,95,696</b>	<b>(6,21,269)</b>
Benefits paid				
Funded	68,37,134	52,85,315	—	—
Non-Funded	66,736	—	31,94,013	23,59,984
	<b>69,03,870</b>	<b>52,85,315</b>	<b>31,94,013</b>	<b>23,59,984</b>
Defined Benefit obligation at year end				
Funded	4,45,09,464	3,84,02,758	—	—
Non-Funded	80,33,360	70,27,673	60,37,095	53,64,816
	<b>5,25,42,824</b>	<b>4,54,30,431</b>	<b>60,37,095</b>	<b>53,64,816</b>

	Gratuity		Leave Encashment	
	2010-2011	2009-2010	2010-2011	2009-2010
	Rs.	Rs.	Rs.	Rs.
ii) Reconciliation of opening and closing balances of fair value of plan assets (Funded)				
Fair value of plan assets at beginning of the year	4,00,15,582	3,43,68,267	-	-
Expected return on plan assets	34,25,031	31,89,031	-	-
Actuarial (gain) / loss	(1,66,839)	(3,27,464)	-	-
Employer contribution	29,17,772	74,16,135	-	-
Benefits paid	68,37,134	52,85,315	-	-
Fair value of plan assets at year end	3,96,88,090	4,00,15,582	-	-
Actual return on plan assets	35,91,870	35,16,495	-	-
iii) Expense recognised during the year				
Current Service Cost				
Funded	14,58,394	17,56,755	-	-
Non-Funded	4,02,182	9,24,951	18,66,913	31,54,594
	18,60,576	26,81,706	18,66,913	31,54,594
Interest Cost				
Funded	30,72,221	29,06,917	-	-
Non-Funded	1,32,214	85,807	4,03,683	3,44,935
	32,04,435	29,92,724	4,03,683	3,44,935
Expected return on plan assets				
Funded	34,25,031	31,89,031	-	-
Non-Funded	-	-	-	-
	34,25,031	31,89,031	-	-
Actuarial (gain) / loss				
Funded	82,46,385	23,60,470	-	-
Non-Funded	5,38,027	4,46,676	15,95,696	(6,21,269)
	87,84,412	28,07,146	15,95,696	(6,21,269)
Net Cost				
Funded	93,51,969	38,35,111	-	-
Non-Funded	10,72,423	14,57,434	38,66,292	28,78,260
	1,04,24,392	52,92,545	38,66,292	28,78,260
	Gratuity		Leave Encashment	
	As at 31st March 2011	2010	As at 31st March 2011	2010
	Rs.	Rs.	Rs.	Rs.
iv) Reconciliation of fair value of assets and obligations				
Fair value of plan assets				
Funded	3,96,88,090	4,00,15,582	-	-
Non-Funded	-	-	-	-
	3,96,88,090	4,00,15,582	-	-
Present value of obligation				
Funded	4,45,09,464	3,84,02,758	-	-
Non-Funded	80,33,360	70,27,673	60,37,095	53,64,816
	5,25,42,824	4,54,30,431	60,37,095	53,64,816
Amount recognised in Balance Sheet				
Funded	48,21,374	(16,12,824)	-	-
Non-Funded	80,33,360	70,27,673	60,37,095	53,64,816
	1,28,54,734	54,14,849	60,37,095	53,64,816
v) Investment Details	Insurer Managed Funds		N.A.	



vi) Actuarial assumptions	2010-2011	2009-2010	2010-2011	2009-2010
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	8.25%	8%	8.25%	8%
Expected rate of return on plan assets (per annum)	9%	8%	–	–
Rate of escalation in salary (per annum)				
Funded	6%	6%	–	–
Non-Funded	6%	6%	6%	6%

7. Sundry debtors over six months comprise Rs. 508.03 lacs (Previous year Rs. 276.86 lacs) due from Government concerns and Rs. 86.54 lacs (Previous year Rs. 52.68 lacs) due from commercial parties.
8. 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.
9. In view of the deductions available under section 80 IC of the Income Tax Act, 1961 to the Company, provision for Income Tax of Rs. 2,34,00,000/- has been computed on the basis of Minimum Alternative Tax (MAT) in accordance with section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable positions in the subsequent years, the Company has recognised MAT Credit Entitlement of Rs.54,00,000/- as an asset by crediting the Profit & Loss Account for an equal amount and disclosed the same under the head Loans and Advances in accordance with the Guidance Note on “Accounting for Credit available in respect of Minimum Alternative Tax under the Income Tax Act, 1961” issued by the Institute of Chartered Accountants of India.
10. In the opinion of the Management, no provision is required against contingent liabilities referred in Note No. 4 of this schedule.
11. Balances of debtors and creditors are subject to confirmation.
12. Sundry Creditors of Rs. 15,46,05,179/- (Previous Year Rs. 9,42,99,458/-), includes Rs. 58,08,297/- (Previous Year Rs. 15,34,709/-) payable to Micro, Small and Medium Enterprises.  
Based on the information available with the Company there are no overdue amount payable to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006.
13. The recurring expenditure of Rs. 19.97 lacs ( Previous year Rs. 39.45 lacs ) spent in respect of Research and Development during the year have been debited to respective expense account.
14. At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. However, in the opinion of the management, there is no impairment of assets as on the balance sheet date.
15. **Earnings per Share:**

	2010-2011	2009-2010
	Rs.	Rs.
Profit after taxation as per Profit & Loss Account	10,12,06,172	7,77,41,020
Weighted average number of equity shares outstanding	1,50,57,930	1,50,57,930
Basic and diluted earnings per share	6.72	5.16

## 16. Segment Information :

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

Primary Segment Information :

(Rs. in Lacs)

PARTICULARS	ACCOUNTING YEAR ENDED ON 31.03.2011	ACCOUNTING YEAR ENDED ON 31.03.2010
<b>A. Segment Revenue</b>		
Electronic Components	2,357.79	1,947.68
Equipments	8,515.68	6,167.70
Total	10,873.47	8,115.38
Less : Inter-Segment Revenue	709.59	580.92
Net Sales / Income from Operations	10,163.88	7,534.46
<b>B. Segment Results - Profit/(Loss)</b>		
Electronic Components	415.49	279.27
Equipments	1,179.63	1,026.66
Total	1,595.12	1,305.93
Less : Interest & Financial Charges	82.10	54.57
Other Unallocable Expenditure (Net of unallocable Income)	350.24	247.05
Profit Before Tax	1,162.78	1,004.31
<b>C. Capital Employed</b>		
Electronic Components	743.90	678.14
Equipments	4,092.27	3,347.94

## 17. Taxation :

The Company has recognised Deferred Tax Assets / (Liabilities) which result from the timing difference between the Book profits and Taxable Income for the year 2010-2011, the details of which are as under :

(Rs. in lacs)

	Balance as at 31st March, 2010	For the year ended 31st March, 2011	Balance Carried as at 31st March, 2011
<b>Deferred Tax Liability</b>			
On account of timing difference in			
a) Depreciation	32.84	(8.38)	24.46
<b>Deferred Tax Assets</b>			
On account of timing difference in			
a) Leave Liability	18.23	1.82	20.05
b) Gratuity	23.89	18.81	42.70
c) Voluntary Retirement Compensation	2.24	(1.14)	1.10
d) Others	2.28	1.41	3.69
Total :	46.64	20.90	67.54
<b>Net Deferred Tax Asset / (Liabilities)</b>	13.80	29.28	43.08

## 18. Related Party Disclosure Under Accounting Standard - 18 :

The disclosure of transactions with the related parties as defined in the accounting standard are given below :

I) List of related parties with whom transactions have taken place and relationship :

<u>Sr. No.</u>	<u>Name of the Related Party</u>	<u>Relationship</u>
i.	Shri. S.K.Nevatia	Key Management Personnel
ii.	Smt. Uma Nevatia	Key Management Personnel
iii.	Shri. Saurabh Nevatia	Relative of Key Management Personnel
iv.	Smt. Surabhi Golyan	Relative of Key Management Personnel
v.	Shri. Bharat Swaroop	Relative of Key Management Personnel

II) Transactions during the year with related parties :

(Rs. in lacs)

Sr. No.	Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Total
i.	Unsecured Loans :			
	Fixed deposits			
	Balance as at 1st April, 2010	<b>18.64</b>	<b>8.75</b>	<b>27.39</b>
		(18.64)	(8.75)	(27.39)
	Taken during the year	-	-	-
		-	-	-
	Repaid during the year	<b>18.64</b>	<b>8.75</b>	<b>27.39</b>
		-	-	-
	Balance as at 31st March, 2011	-	-	-
		(18.64)	(8.75)	(27.39)
ii.	Expenditure			
	Interest paid	<b>1.14</b>	<b>0.27</b>	<b>1.41</b>
		(2.24)	(1.12)	(3.36)
	Remuneration	<b>79.95</b>	<b>8.19</b>	<b>88.14</b>
		(66.30)	(8.28)	(74.58)
	Director's Sitting Fees	-	<b>0.10</b>	<b>0.10</b>
		-	(0.10)	(0.10)
	Rent	-	<b>3.90</b>	<b>3.90</b>
		-	(6.00)	(6.00)

Note: Figures in bracket represent previous year's amount

19. Details of products manufactured, purchased turnover, stock and raw materials consumed etc.(as valued & certified by the management)

## I. MANUFACTURING ACTIVITIES

### A. Installed capacity, production and stock :

Class of goods	Unit	Installed Capacity	2010-2011 Production	Stock as on 31.03.2011	2009-2010 Production	Stock as on 31.03.2010
Rectifier Stacks & Apparatus	Nos	239850	2660	-	2193	175
Discrete Semi Conductor Devices	Nos	310000	243511	231	313081	470
Silicon Rectifier Apparatus	KWs	720000	201041	10952	120745	5614
Convertor & Invertor Equipments	Nos	22000	391	3	312	4

### B. Sales :

	Unit	2010-2011		2009-2010	
		Quantity	Rupees	Quantity	Rupees
Rectifier Stacks & Apparatus	Nos	2835	15,46,82,225	2022	9,26,88,930
Discrete Semi conductor Devices	Nos	243750	7,88,10,897	313321	8,21,81,862
Silicon Rectifier Apparatus	KWs	195703	31,24,23,106	116151	24,50,26,757
Convertor & Invertor Equipments	Nos	392	29,02,56,568	309	20,14,87,999
Others	-	-	5,56,25,017	-	4,73,73,955
			<b>89,17,97,813</b>		<b>66,87,59,503</b>

### C. Raw Materials consumed (\*) :

	Unit	2010-2011		2009-2010	
		Quantity	Rs. (lacs)	Quantity	Rs. (lacs)
Non-ferrous Metals	Tonnes	337.966	1,553.84	205.672	655.44
CRGO Lamination	Tonnes	302.692	467.37	153.041	299.09
Electrical accessories & Semi Conductor Components	Nos	4883868	2,741.36	5430971	2,876.75
Other materials	-	-	1,348.18	-	338.51
			<b>6,110.74</b>		<b>4,169.79</b>

(\*) Raw materials consumed :

- Includes material used for service activities.
- Excludes sale and stock of scrap.

## II) TRADING ACTIVITIES

### A. Sales :

	Unit	2010-2011		2009-2010	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches	Nos	436	4,64,153	2039	16,74,730
Semiconductor Devices	Nos	71457	3,49,33,859	48593	2,33,19,018
Capacitors	Nos	16287	3,58,00,784	18835	92,72,003
Others	-	-	9,40,000	-	56,77,633
			<b>7,21,38,796</b>		<b>3,99,43,384</b>

## B. Purchases :

	Unit	2010-2011		2009-2010	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches (*)	Nos	1309	7,49,885	2409	11,15,677
Semiconductor Devices (**)	Nos	88625	3,48,48,864	49000	1,98,29,366
Capacitors (***)	Nos	22587	2,54,24,989	23559	72,77,912
Others	—	—	87,021	—	38,12,392
			<b>6,11,10,759</b>		<b>3,20,35,347</b>

Includes purchases for manufacturing :

(\*) 371 Nos. of Rs. 89,638/- (Previous year 697 Nos. of Rs. 4,52,180/-)

(\*\*) 1366 Nos. of Rs. 5,83,519/- (Previous year 2597 Nos. of Rs. 6,47,751/-)

(\*\*\*) 4226 Nos. of Rs. 36,17,672/- (Previous year 584 Nos. of Rs. 2,67,762/-)

## C. Stock :

	Unit	31.03.2011		31.03.2010	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches	Nos	763	6,56,690	261	3,28,979
Semiconductor Devices	Nos	16094	46,59,565	292	1,04,325
Capacitors	Nos	6340	6,96,884	4266	4,59,551
Others	—	—	1,22,232	—	4,88,588
			<b>61,35,371</b>		<b>13,81,443</b>

20. Consumption of Imported raw materials, components and spare parts :

	31.03.2011		31.03.2010	
	% of total Consumption	Rs. (lacs) at landed cost	% of total Consumption	Rs. (lacs) at landed cost
Imported	22.95	1,402.42	27.73	1,156.21
Indigenous	77.05	4,708.32	72.27	3,013.58
	<b>100.00</b>	<b>6,110.74</b>	<b>100.00</b>	<b>4,169.79</b>
	<b>2010-2011</b>		<b>2009-2010</b>	
	<b>Rs. (lacs)</b>		<b>Rs. (lacs)</b>	

## 21. Imports (at C.I.F. value) :

Raw materials & components etc.	1,743.02	1,299.52
Plant & Machinery	—	41.08

## 22. Expenditure in foreign currency (on payment basis) :

i) Travelling Expenses	4.88	0.10
ii) Royalty	—	10.33
iii) Others	—	0.25

23. Earnings in foreign currency on F.O.B. Value : 43.84 68.93

## 24. Dividend paid abroad :

i) Remittance of foreign exchange on account of dividend	33.60	48.00
ii) Number of non-resident shareholders	1	1
iii) Number of shares on which remittance was made	2400000	2400000
iv) Year for which the dividend was remitted	<b>2009-2010</b>	<b>2008-2009</b>

25. Previous year's figures have been reclassified and regrouped wherever necessary.

## 26. Balance Sheet abstract and Company's general business profile

### I Registration Details

Registration No.

1 1 0 7 7

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 1 1

Date Month Year

### II Capital Raised during the year (Amount in Rs. Thousands)

Public

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

N I L

### III Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

6 2 5 4 5 7

Sources of Funds

Paid-up Capital

3 0 1 1 6

Secured Loans

6 8 2 7 0

Application of Funds

Net Fixed Assets

1 5 6 1 4 5

Total Assets

6 2 5 4 5 7

Reserve & Surplus

5 2 2 8 6 7

Unsecured Loan

4 2 0 4

Investments

N I L

Deferred Income tax

4 3 0 8

Misc. Expenditure

N I L

Net Current Assets

4 6 5 0 0 4

Accumulated Losses

N I L

### IV Performance of Company (Amount in Rs. Thousands)

Turnover (Sales & Other Income)

1 0 1 8 2 1 1

Profit/(Loss) Before Tax

1 1 6 2 7 8

Earning Per Share in Rs.

6 . 7 2

Total Expenditure

9 0 1 9 3 3

Profit/(Loss) After Tax

1 0 1 2 0 6

Dividend Rate %

7 5

### V Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)

8 5 0 4 9 0 0 0

Product Description

Rectifier Stacks & Apparatus

Item Code No. (ITC Code)

8 5 0 1 5 0 0 0

Product Description

Discrete Semiconductor Devices

Item Code No. (ITC Code)

8 5 0 4 4 0 0 0

Product Description

Silicon Rectifier Apparatus

As per our report attached

For **KHANDWALA & SHAH**  
Chartered Accountants

**Uday J. Shah**  
(Partner)

Place: Mumbai  
Date : 30th May, 2011

For And On Behalf Of The Board Of Directors

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

Place: Mumbai  
Date : 30th May, 2011

**HIND RECTIFIERS LIMITED**

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

**ATTENDANCE SLIP**

To be handed over at the entrance at the Meeting Hall.

I hereby record my presence at the FIFTY THIRD ANNUAL GENERAL MEETING held at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001 (India) on Friday, 5th August, 2011 at 3.30 p.m.

Folio/DPID No. \_\_\_\_\_

\_\_\_\_\_  
Name of the Shareholder (in Block Letters)\_\_\_\_\_  
Name of the Proxy (in Block Letters)

(To be filled in if the proxy attends instead of the member)

SIGNATURE OF THE SHAREHOLDER OR PROXY  
\_\_\_\_\_

— — — — — CUT HERE — — — — —

**HIND RECTIFIERS LIMITED**

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

**PROXY FORM**

I/We \_\_\_\_\_ of \_\_\_\_\_

being a Members of Hind Rectifiers Ltd. hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my / our proxy to attend and vote for me/us and on my / our behalf at the FIFTY THIRD ANNUAL GENERAL MEETING of the said Company to be held at 3.30 p.m. on Friday, 5th August, 2011 and at any adjournment thereof.

Signature this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Affix  
Revenue  
StampSignature (s) of the Shareholder(s)  
\_\_\_\_\_

**N.B. :** (i) THIS FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTYEIGHT HOURS BEFORE THE TIME OF THE MEETING.

(ii) A PROXY NEED NOT BE A MEMBER

**ANNEXURE “II” TO THE DIRECTOR’S REPORT**

**STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED MARCH 31, 2011.**

SR. NO.	NAME	DESIGNATION	REMUNERATION GROSS Rs.	RECEIVED NET Rs.	QUALIFICATION/ EXPERIENCE	DATE OF JOINING	AGE (Years)	PARTICULARS OF THE LAST EMPLOYMENT	
								COMPANY & THE LAST POST	PERIOD (Years)
1	SHRI. S.K. NEVATIA	CHAIRMAN & MANAGING DIRECTOR	62,24,402	35,60,006	M.I.B.M. (LONDON) 57 YEARS	25.04.1958	79	MUKUND LTD. EXECUTIVE	5

**Notes:**

- 1 Gross remuneration includes Salary & cost of other perquisites calculated on the basis of rules prescribed in this behalf by the Department of Company Affairs and includes Company's contribution to Provident Fund.
- 2 None of the employees is drawing remuneration at the rate which in the aggregate is in excess of that drawn by the Chairman & Managing Director and who holds by himself or alongwith his spouse or dependent children not less than 2% of the Equity shares of the Company.

**Registered Office:**

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

Place: Mumbai

Dated: 30th May, 2011

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

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





## **HIND RECTIFIERS LIMITED**

Lake Road, Bhandup [West], Mumbai-400 078

30th May, 2011

Dear Shareholder,

### **RE: Green Initiative in Corporate Governance: Go Paperless**

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, Companies can now send various Notices /Documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their Shareholders through electronic mode, to the registered email addresses of the shareholder.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is also a golden opportunity for every shareholder to contribute to the Corporate Social Responsibility initiative of the Company. All you have to do is to register your e-mail ID with the company to receive communication through electronic mode.

#### **ADVANTAGES OF REGISTERING FOR E-COMMUNICATION:**

- Receive communication promptly
- Reduce paper consumption and save trees
- Eliminate wastage of paper
- Avoid loss of documents/notices in postal transit
- Save costs on paper and on postage

The Board of Directors of your Company discussed this at its Board Meeting held on May 30, 2011 and decided that from next financial year i.e. from 2011-2012 onwards, your Company will also start sending all the above mentioned correspondences through e-mail.

In this regard, we request you to please update your e-mail ID to be registered, OR if you have not provided please register the same with your respective DPs, please do the same so that you will start getting the same promptly.

Please note that as a shareholder, you are entitled to receive all these documents free of cost upon receipt of a requisition from you, so if you still wish to get a physical copy of all the communications, the company undertakes to provide the same at no extra cost to you on request. Let's be part of this 'Green Initiative'.

Best Regards,

**S. K. Nevatia**

Chairman & Managing Director