



## HIND RECTIFIERS LIMITED

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

HIRECT/SEC/30

7<sup>th</sup> July, 2016

The General Manager  
Corporate Relations Department  
Bombay Stock Exchange Ltd.  
1<sup>st</sup> Floor, New Trading Ring  
Phiroz Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
(Fax: 022-22723719/22722037/  
22722041/22722061/22722039/  
22658121/22723121)

The General Manager  
Listing Agreement  
The National Stock Exchange of  
India Ltd.  
"Exchange Plaza", C-1, Block 'G'  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
(Fax: 022-26598237/26598238  
/26598194)

Security Code No. 504036/HIRECT  
Type of Security: Equity

Sub: Intimation for the Annual General Meeting of the Company

Dear Sir(s),

This is to inform you that the 58th Annual General Meeting of the Members of the Company will be held on Thursday the 4th day of August, 2016 at 03.30 p.m. at M. C. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K Dubash Marg, Kala Ghoda, Mumbai - 400 001, Maharashtra.

The dates of closure of Register of Members and Share Transfer Books will be from Monday, the 25th day of July, 2016 to Thursday, the 4th day of August, 2016 (both days inclusive) for the purpose of Annual General Meeting.

Copy of the Notice is attached for your information and record.

Thanking you,

Yours faithfully

For Hind Rectifiers Limited

*Meenakshi Anchlia*

Meenakshi Anchlia

(Whole Time Company Secretary & Compliance Officer)

M. No.: A-30545



## HIND RECTIFIERS LIMITED

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

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

CIN : L28900MH1958PLC011077

### NOTICE TO THE MEMBERS

NOTICE is hereby given that the 58th Annual General Meeting of the members of HIND RECTIFIERS LIMITED will be held on Thursday the 4th August, 2016 at 3.30 p.m. at M. C. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K Dubash Marg, Kala Ghoda, Mumbai - 400 001, Maharashtra to transact the following business:

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2016, along with the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Smt. Uma S. Nevatia (DIN: 00341393), who retires from office by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s. Khandwala & Shah, Chartered Accountants (Firm Registration No.:105069W) as statutory Auditors of the Company and to fix their remuneration.
4. To re-appoint Branch Auditors for Nashik and Dehradun plants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

5. To re-appoint Shri S. K. Nevatia as Chairman and Managing Director and in this regard, consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 the consent of the members be and is hereby accorded to the re-appointment of Shri S. K. Nevatia (DIN: 00341349) as Chairman and Managing Director of the Company for a period of three years w.e.f. 1st April, 2016 upon the terms and conditions as set out in the explanatory statement with liberty to the Board of Directors to alter or to vary the same so as not to exceed the limits set out in section 196, 197 & 198 read with Schedule V of the Companies Act, 2013 or any amendment thereto as may be agreed to between the Board of Directors of the Company and Shri S. K. Nevatia."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing".

#### 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 THE PROXY, DULY COMPLETED, STAMPED AND SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE ANNUAL GENERAL MEETING. A PROXY FORM IS SENT HEREWITH.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting

# Hirect

rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. Members / Proxies holding their shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
5. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
6. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
7. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
8. Members/Proxies are requested to bring their copies of the Annual Report to the meeting.
9. The Ministry of Corporate Affairs ('MCA') under "Green Initiative in the Corporate Governance" allowed paperless compliances by the Companies. MCA had issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the form and hand over the same along with Attendance Form at the Registration Counter of venue of Annual General Meeting for registration of e-mail address for receiving notice / documents including Annual Report.
10. Electronic copy of the Annual Report for the year 2015-16 is being sent to all the members whose email IDs are registered with the Depository Participants. For members other than above, a physical copy of the Annual Report is being sent in the permitted mode.
11. 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 Regulation 36(3) of the Listing Regulations, are provided in the annexure.
12. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 25th July, 2016 to Thursday, the 4th August, 2016 (both days inclusive).
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.
14. 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:

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

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

15. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below and in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

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

[Unit: Hind Rectifiers Limited]  
17-20, Jafferbhoy Ind. Estate,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E), Mumbai 400059,  
Tel: +91 22 4227 0400 Fax: +91 22 2850 3748  
info@adroitcorporate.com  
www.adroitcorporate.com

16. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the dividend warrants.
- (b) Members desirous of availing the facility of Electronic Credit of dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.
- (c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
17. The Statement setting out details relating to the Special Business to be transacted at the Annual General Meeting, pursuant to section 102(1) of the Companies Act, 2013, is annexed hereto.
18. 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.
19. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
20. Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained

# Hirect

under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

21. Pursuant to section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
22. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on 28th July, 2016 ("Cut-Off Date").
23. In case of members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman may offer an opportunity to such members to vote at the meeting for all business specified in the accompanying notice. Please note that the members who have exercised their right to vote by electronic means shall not vote at the meeting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.
24. The results of e-voting and voting at the meeting, if any, on resolutions shall be aggregated and declared on or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite numbers of votes in favour of the resolutions.
25. The equity shares of the Company are listed on the following Stock Exchanges:
  - (a) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
  - (b) National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot no. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

Company has made payment of listing fees to the Bombay Stock Exchange Limited and The National Stock Exchange of India Ltd. up to the Financial Year 2016-17.

26. Voting through electronic means Instructions for shareholders voting electronically are as under:
  - I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 58th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on Monday, the 1st August, 2016 (9:00 a.m.) and ends on Wednesday, the 3rd August, 2016 (5:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, the 28th July, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - V. The process and manner for remote e-voting are as under:
    - A. In case a member receives an email from NSDL (for members whose email IDs are registered with the Company / Depository Participants(s)) :

- (i) Open email and open PDF file viz; "Hind Rectifiers remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Hind Rectifiers Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [maheshsoni@gmj.co.in](mailto:maheshsoni@gmj.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy) :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
- | <b>EVEN<br/>(Remote e-voting Event Number)</b> | <b>USER ID</b> | <b>PASSWORD/PIN</b> |
|------------------------------------------------|----------------|---------------------|
| XXX                                            | XXX            | XXX                 |
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 28th July, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer / RTA.
- X. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using

# Hirect

"Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Shri Mahesh Soni, Partner, M/s. GMJ & Associates, Company Secretaries, Mumbai (Certificate of Practice No. 2324) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. At the AGM, the Chairman shall, at the end of the discussion on the resolutions on which voting is to be held, may allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz. [www.hirect.com](http://www.hirect.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and NSE Limited.

By order of the Board of Directors  
For **Hind Rectifiers Limited**

Place: Mumbai  
Date: 27th May, 2016.

**Meenakshi Anchlia**  
Company Secretary & Compliance Officer

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

### Item No. 5

The present term of Shri S. K. Nevatia as Chairman and Managing Director had expired on 31st March, 2016. The Board of Directors of the Company at their meeting held on 10th February, 2016 have re-appointed Shri S. K. Nevatia as Chairman and Managing Director of the Company for a further period of 3 (Three) years with effect from 1st April, 2016 subject to the approval of members of the Company at General Body Meeting on the following terms:-

- 1) Salary: ₹ 2,00,000/- p.m. (Rupees Two lacs only) w.e.f. from 1st April, 2016.
- 2) Benefits, Perquisites, Allowances:
  - a) Rent Free Accommodation / House Rent Allowance ₹ 1,00,000/- per month along with furniture.
  - b) Company's contribution to Provident Fund.
  - c) Medclaim Policy and / or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad.
  - d) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
  - e) Gratuity payable at a rate of half month's salary for each completed year of service.
  - f) Chauffeur driven Company's Car.
- 3) Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in section 198 read with Schedule V of Companies Act, 2013.

As the profits of the Company were inadequate the appointment of the Chairman and Managing Director was made as per the provisions of Section II Part II of Schedule V of the Companies Act, 2013.

1. The above revision and change in terms have been approved by a resolution passed by the Nomination and Remuneration Committee.
2. The Company has not defaulted on any debts or debentures or interest payable thereon.
3. The resolution proposed above is a Special Resolution.

**Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:**

### 1. General Information:

- i. Nature of Industry: The Company is engaged in manufacturing and marketing of Semi Conductor Devices, Power Electronic Products and Loco Transformers.
- ii. Date or expected date of Commercial Production: N.A., since the Company has already commenced its business activities.
- iii. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

## Financial Performance:

(₹ in lacs)

| Particular          | For the year ended |              |              |
|---------------------|--------------------|--------------|--------------|
|                     | F.Y. 2013-14       | F.Y. 2014-15 | F.Y. 2015-16 |
| Total Revenue       | 9,717.59           | 9,433.91     | 9,454.75     |
| Depreciation        | 228.67             | 146.98       | 157.53       |
| Total Expenses      | 10,195.09          | 9,878.79     | 9,515.59     |
| Net Profit / (Loss) | (706.17)           | (591.86)     | (218.37)     |
| Paid up Capital     | 301.16             | 301.16       | 301.16       |
| Reserves & Surplus  | 6,254.79           | 6,033.61     | 5,882.63     |
| Earnings Per Share  | (3.27)             | (2.37)       | (1.00)       |

## Export Performance:

(₹ in lacs)

| 2015-16 | 2014-15 | 2013-14 |
|---------|---------|---------|
| 651.75  | 155.26  | 81.28   |

Foreign Investments or collaborations, if any - Company does not have any investment outside India. Company has Technical Collaboration for manufacturing of Inverters, Converters, stacks etc.

## Information about the Appointee:

Shri S. K. Nevatia aged about 84 years has got an experience of over 62 years to his credit. He is qualified as M.I.B.M. from London.

He started his career with Mukund Limited. He worked with them for 5 years and started this Company in April, 1958. The entire over 62 years of work experience is in the line of Semi Conductor Devices, Power Electronic Products and Loco Transformers.

Comparative remuneration with respect to Industry, size of the Company etc. is not possible to be complied as it is difficult to call and compile information from such industries. In this regard the Board is of the opinion that the proposed remuneration is not detrimental to the interest of either the Company or its other stakeholders.

Shri S. K. Nevatia is Chairman and Managing Director of the Company and his past remuneration for the last three years is as under:-

(₹ in lacs)

| Particular   | 2015-16 | 2014-15 | 2013-14 |
|--------------|---------|---------|---------|
| Remuneration | 43.42   | 43.56   | 43.07   |

Proposed Remuneration is mentioned in the Explanatory Statement.

Apart from receiving Managerial Remuneration, he does not have any other pecuniary relationship with the Company except his relationship with the Directors as described in Corporate Governance Report and holding 1821138 equity shares of the Company.

**Comparative remuneration profile with respect to industry, size of Company, profile of the position and person:**

Comparative Remuneration with respect to industry, size of the Company etc. is not possible to be complied as it is difficult to call and compile information from such industries. In this regard, the Board is of the opinion that the proposed remuneration is not detrimental to the interest of either the Company or its other stakeholders.

**Other information:**

The Company's performance was adversely affected due to low demand from infrastructures and capital goods sector. Non allotment of funds to the zonal railways and more emphasis of the railways for manufacture of three phase locomotives for which Company was having limited products.

To overcome the situation Company is concentrating on up gradation of existing products as well as development of products for railways and for other applications. The Company is focusing on export market and has achieved export turnover of ₹ 651.75 lacs in the year 2015-16 compared to the ₹ 155.26 lacs in the year 2014-15. In view of various steps taken by the Company loss for the year 2015-16 has been reduced to ₹ (218.37) lacs compared to the ₹ (591.86) lacs in the year 2014-15.

In the years to come with increase in sales and favorable market conditions performance of the Company will continue to rise.

**Disclosure:**

Necessary disclosures shall be made in the Directors' Report annually and shareholders will be provided all the necessary information.

The required information about the remuneration package, service contract etc. is given in Corporate Governance Report part of the Annual Report.

The agreement entered into between the Company and Chairman & Managing Director is 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.

The above explanatory statement (together with Annexure thereto) shall be construed to be memorandum setting out the terms of the appointment / re-appointment as specified under section 190 of the Companies Act, 2013.

Shri S. K. Nevatia is interested in the resolution as the same is for his own appointment. Smt. Uma S. Nevatia and Shri Pawan Kumar Golyan may be deemed to be interested in the resolution being relatives of Shri S. K. Nevatia. None of the other Directors and Key Managerial Personnels of the Company is concerned or interested in the Special Resolution set out at Item No. 5 of the Notice.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the Item No. 5 of the Notice.

## INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING REGULATIONS

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

- |                                                                    |   |                                                                                                                                                                                                   |
|--------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Name                                                            | : | Shri S. K. Nevatia (DIN : 00341349)                                                                                                                                                               |
| Age                                                                | : | 84 years                                                                                                                                                                                          |
| Date of Appointment                                                | : | 25th April, 1958                                                                                                                                                                                  |
| No. of shares held in the Company                                  | : | 1821138                                                                                                                                                                                           |
| Brief resume & functional expertise                                | : | Shri S. K. Nevatia, M.I.B.M. from London and associated with the Company for the last more than 59 years and earlier worked with Mukand Limited as Executive Director for a period of five years. |
| Directorship held in other Public Companies as on 31st March, 2016 | : | Nil                                                                                                                                                                                               |
| Chairmanship/Membership of Board Committees of other Companies     | : | Nil                                                                                                                                                                                               |
  
- |                                                                    |   |                                                                                                                                                                     |
|--------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Name                                                            | : | Smt. Uma S. Nevatia (DIN : 00341393)                                                                                                                                |
| Age                                                                | : | 80 years                                                                                                                                                            |
| Date of Appointment                                                | : | 24th March, 2000                                                                                                                                                    |
| No. of shares held in the Company                                  | : | 1423959                                                                                                                                                             |
| Brief resume & functional expertise                                | : | Smt. Uma S. Nevatia, is a B.A. Graduate from Mumbai University and is the Promoter Executive Director of the Company having total experience of more than 40 years. |
| Directorship held in other Public Companies as on 31st March, 2016 | : | Nil                                                                                                                                                                 |
| Chairmanship/Membership of Board Committees of other Companies     | : | Nil                                                                                                                                                                 |

## HIND RECTIFIERS LIMITED

Registered Office : Lake Road, Bhandup (W), Mumbai 400 078  
CIN: L28900MH1958PLC011077

### ATTENDANCE SLIP

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

I / We hereby at record my / our presence at the FIFTY EIGHTH ANNUAL GENERAL MEETING held on Thursday, 4th August, 2016 3.30 p.m. at M. C. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K. Dubash Marg, Kala Ghoda, Mumbai - 400 001, Maharashtra.

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

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

\* Applicable for investors holding shares in electronic form.

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

## HIND RECTIFIERS LIMITED

Registered Office: Lake Road, Bhandup (W), Mumbai - 400 078  
CIN : L28900MH1958PLC011077

### PROXY FORM

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

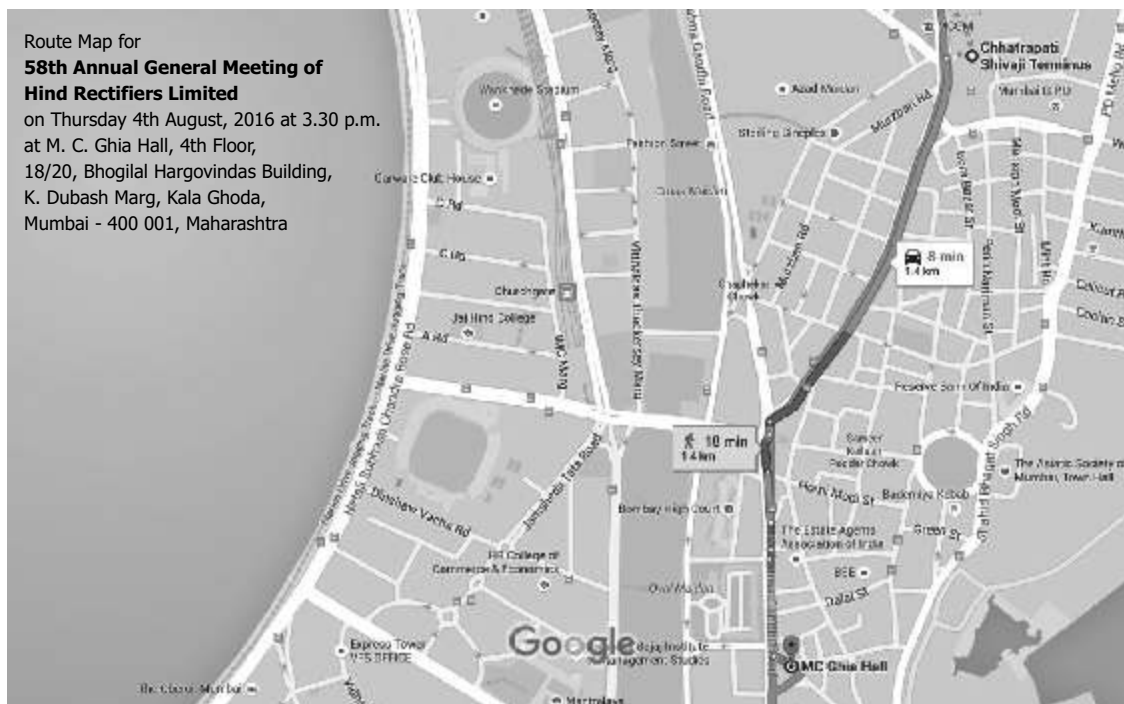
|                              |  |
|------------------------------|--|
| <b>Member's Name</b>         |  |
| <b>Folio No. / Client ID</b> |  |
| <b>DP ID</b>                 |  |
| <b>Address</b>               |  |
| <b>E-Mail ID</b>             |  |

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

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

# Hirect

Route Map for  
**58th Annual General Meeting of  
Hind Rectifiers Limited**  
on Thursday 4th August, 2016 at 3.30 p.m.  
at M. C. Ghia Hall, 4th Floor,  
18/20, Bhogilal Hargovindas Building,  
K. Dubash Marg, Kala Ghoda,  
Mumbai - 400 001, Maharashtra



as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the FIFTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, 4th August, 2016 at 3.30 p.m. at M. C. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K. Dubash Marg, Kala Ghoda, Mumbai - 400 001, Maharashtra and at any adjournment thereof in respect of such resolutions as are mentioned below:

| Resolution No. | Resolutions                                                                                                              | Optional * |         |
|----------------|--------------------------------------------------------------------------------------------------------------------------|------------|---------|
|                |                                                                                                                          | For        | Against |
| 1.             | Consider and adopt the audited financial statement, Report of the Board of Directors and Auditors.                       |            |         |
| 2.             | Re-appointment of Smt. Uma S. Nevatia, who retires by rotation.                                                          |            |         |
| 3.             | Ratify the appointment of M/s. Khandwala & Shah, Chartered Accountants Mumbai as Auditors and fixing their remuneration. |            |         |
| 4.             | Re-appointment of Branch Auditors for Nashik and Dehradun plants and fixing their remuneration.                          |            |         |
| 5.             | Re-appointment of Shri S. K. Nevatia as Chairman and Managing Director                                                   |            |         |

Signed this ..... day of ..... 2016

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

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

Affix  
Revenue  
Stamp

- Note :** 1) This form must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.  
\* 2) It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.  
3) A proxy need not be a member.  
4) Please fill all details including details of member(s) in above box before submission.

# HIND RECTIFIERS LIMITED

Perfectly Engineered Power Conversion Systems



Driver Display Unit for Indian Railways

## 58th ANNUAL REPORT 2015-2016



# Hirect

## REGISTERED OFFICE

: Lake Road,  
Bhandup (W),  
Mumbai - 400 078 (India)  
CIN : L28900MH1958PLC011077  
Email : corporate@hirect.com  
Website : hirect.com

## WORKS

- : i) Lake Road, Bhandup (W),  
Mumbai - 400 078. Maharashtra (India)
- ii) Plot No.110/111, M.I.D.C. Satpur,  
Nashik - 422 007. Maharashtra (India)
- iii) New Khasra.No.64-67 & 74,  
Village Charba, Vikas Nagar,  
Dehradun - 248 197. Uttarakhand (India)
- iv) New Khasra.No.295, 296 & 301,  
Village Charba, Vikas Nagar,  
Dehradun - 248 197. Uttarakhand (India)

## REGIONAL OFFICES

### Western Region

: Marketing Division  
Lake Road, Bhandup (W),  
Mumbai - 400 078.

### Eastern Region

: Chatterjee International Centre  
20th Floor, Flat No. A-11 & A-12,  
33-A, J.N. Road, Kolkata - 700 071.

### Northern Region

: 7B/5024, 2nd Floor,  
N. S. Marg, New Delhi - 110 002.

### Southern Region

: 403, 4th Floor, C Block,  
Shivalaya Building, Ethiraj Salai,  
Egmore, Chennai - 600 008.

---

## Contents

|                                          |    |
|------------------------------------------|----|
| Directors' Report .....                  | 5  |
| Report on Corporate Governance.....      | 32 |
| Management Discussion and Analysis ..... | 50 |
| Independent Auditors' Report .....       | 52 |
| Balance Sheet .....                      | 58 |
| Statement of Profit & Loss.....          | 59 |
| Cash Flow Statement .....                | 60 |
| Notes on Financial Statements .....      | 61 |

**BOARD OF DIRECTORS**

S. K. Nevatia, Chairman & Managing Director  
Uma S. Nevatia, Executive Vice Chairperson  
Bharat Swaroop  
Pawan Kumar Golyan  
V. K. Bhartia  
Binod Kumar Patodia  
Pradeep V. Goyal  
Parimal Merchant

**CHIEF FINANCIAL OFFICER**

A. K. Nemani (upto 10th February, 2016)  
Shyam Aswani (w.e.f. 11th February, 2016)

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Alen Ferns (upto 15th December, 2015)  
Meenakshi Anchlia (w.e.f. 11th February, 2016)

**BANKERS**

ICICI Bank Limited  
Union Bank of India  
TJSB Sahakari Bank Ltd.

**AUDITORS**

M/s. Khandwala & Shah  
Chartered Accountants

**SECRETARIAL AUDITORS**

M/s. GMJ & Associates  
Company Secretaries

**LEGAL ADVISORS**

M/s. Kanga & Co.

**REGISTRAR AND TRANSFER AGENT**

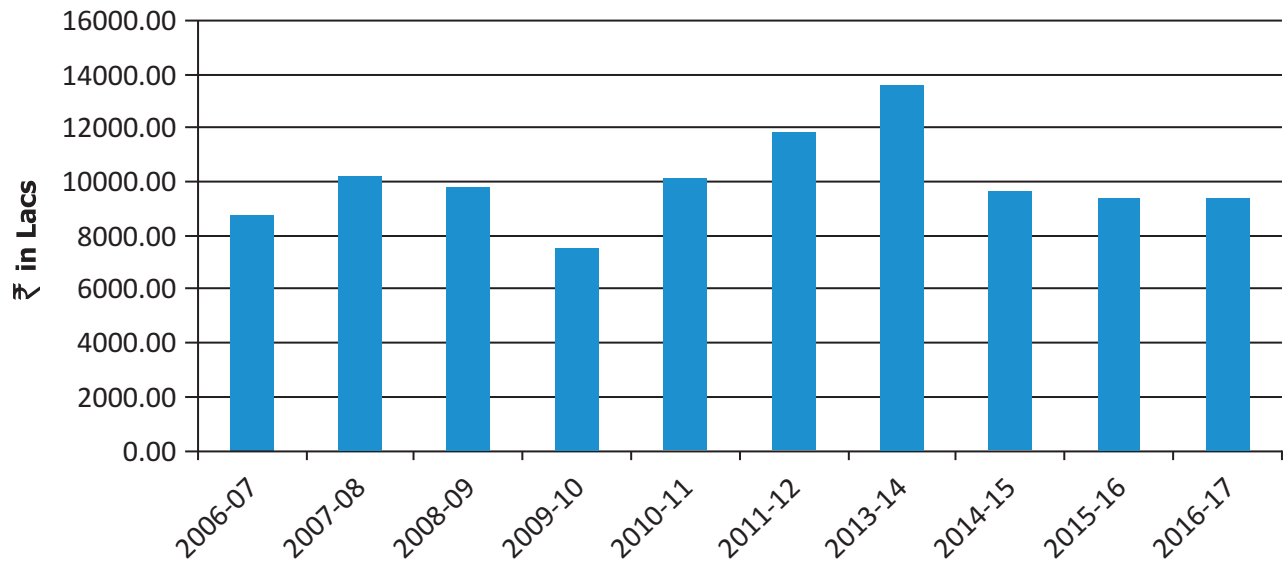
M/s. Adroit Corporate Services Private Limited  
17-20, Jafarbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059.

---

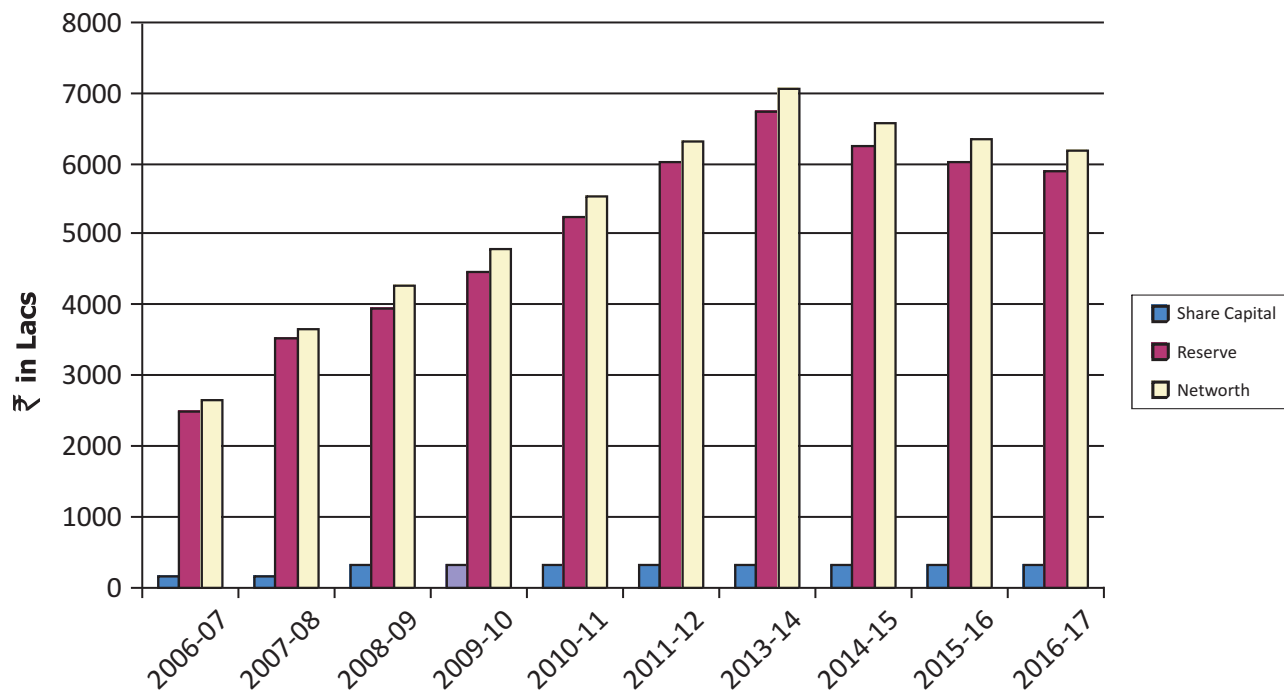
**58<sup>th</sup> ANNUAL GENERAL MEETING**

Date : 4<sup>th</sup> August, 2016  
Time : 3.30 p.m.  
Venue : M. C. Ghia Hall, 4th Floor, 18/20, Bhoghilal Hargovindas Bldg.,  
K. Dubash Marg, Kala Ghoda, Mumbai - 400 001, Maharashtra.

## SALES



## NET WORTH



## HIGHLIGHTS

**2015-16    2014-15    2013-14    2012-13    2011-12**

### INCOME:

|   |                                                                         |             |          |          |           |           |           |
|---|-------------------------------------------------------------------------|-------------|----------|----------|-----------|-----------|-----------|
| 1 | Gross Operational Income                                                | (₹ in lacs) | 9,947.53 | 9,895.73 | 10,187.09 | 14,539.64 | 12,653.29 |
| 2 | Net Operational Income                                                  | (₹ in lacs) | 9,393.59 | 9,396.82 | 9,671.66  | 13,621.65 | 11,793.96 |
| 3 | Profit before Finance Costs, Depreciation & Tax                         | (₹ in lacs) | 266.63   | (209.97) | (306.72)  | 1,440.74  | 1,606.08  |
| 4 | Finance Cost                                                            | (₹ in lacs) | 327.47   | 234.91   | 170.78    | 95.38     | 158.30    |
| 5 | Depreciation                                                            | (₹ in lacs) | 157.53   | 146.98   | 228.67    | 234.67    | 239.83    |
| 6 | Gross Profit / (Loss) after Finance Costs & Depreciation but before Tax | (₹ in lacs) | (218.37) | (591.86) | (706.17)  | 1,110.69  | 1,207.95  |
| 7 | Profit after Tax                                                        | (₹ in lacs) | (150.98) | (357.26) | (492.54)  | 1,012.77  | 1,068.18  |
| 8 | Dividends                                                               | (₹ in lacs) | –        | –        | 30.11     | 240.93    | 240.93    |

### EQUITY SHARE DATA:

|    |                                       |             |          |          |          |          |          |
|----|---------------------------------------|-------------|----------|----------|----------|----------|----------|
| 9  | Sales & other Income per equity Share | (₹)         | 63       | 63       | 65       | 91       | 78       |
| 10 | Earnings per equity share             | (₹)         | (1.00)   | (2.37)   | (3.27)   | 6.73     | 7.09     |
| 11 | Book value of equity share            | (₹)         | 41.07    | 42.07    | 43.54    | 46.81    | 41.96    |
| 12 | Networth                              | (₹ in lacs) | 6,183.79 | 6,334.77 | 6,555.95 | 7,048.90 | 6,318.00 |
| 13 | Market Price :                        |             |          |          |          |          |          |
|    | a) High                               | (₹)         | 100.00   | 104.80   | 61.95    | 70.50    | 56.70    |
|    | b) Low                                | (₹)         | 52.55    | 33.65    | 28.30    | 36.00    | 36.00    |
| 14 | Dividend                              | (%)         | –        | –        | 10       | 80       | 80       |

### RATIO:

|    |                                           |       |        |        |        |       |       |
|----|-------------------------------------------|-------|--------|--------|--------|-------|-------|
| 15 | PBT / Net Operational Income              | (%)   | (2.32) | (6.30) | (7.30) | 8.15  | 10.24 |
| 16 | Profit after Tax / Networth               | (%)   | (2.44) | (5.64) | (7.51) | 14.37 | 16.91 |
| 17 | Total Liabilities / Total Assets          | Times | 0.50   | 0.45   | 0.42   | 0.38  | 0.39  |
| 18 | Total Debt / Equity                       | Times | 0.51   | 0.41   | 0.35   | 0.27  | 0.24  |
| 19 | Total Outside Liability / Total Networkth | Times | 0.97   | 0.81   | 0.71   | 0.61  | 0.63  |
| 20 | Current Ratio                             | Times | 1.69   | 1.69   | 1.95   | 2.21  | 2.18  |
| 21 | PBDIT / Finance Costs                     | Times | 0.81   | (0.89) | (1.80) | 15.11 | 10.15 |

## **CHAIRMAN'S STATEMENT**



Dear Members,

As you are all well aware, a major part of the fortune of our Company is linked to expansion and technological upgrades in the Indian Railways. Last few years, investments by the railways was almost stagnant. The Railways in the year 2015-16 were just about beginning to arrange funds and plans for sustainable growth in the next few years. As the economy grows, "Achhe Din" of Hirect is just beginning, let me assure you, from financial year 2016-17 onwards it is going to be an ascending graph in the performance of your Company.

Meanwhile, HIRECT has undertaken numerous initiatives in the past one year. Chief among them, has been a huge focus on R & D. Let me highlight, that the R & D team is now formidable and the product portfolios under development is extremely wide, both in the Railways Segment and also in the Industrial Segment. These well-thought out investments will bear solid results in the future.

I am appreciative of the trust and faith you have reposed in the management and we shall fulfil them with your support.

With Best Wishes

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

## DIRECTORS' REPORT

Dear Members,

Your Directors present the 58th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2016.

(₹ in lacs)

| <b>FINANCIAL RESULTS:</b>                     | <b>Year ended<br/>31.03.2016</b> | <b>Year ended<br/>31.03.2015</b> |
|-----------------------------------------------|----------------------------------|----------------------------------|
| Gross Operational Income                      | <b>9,947.53</b>                  | 9,895.73                         |
| Less: Excise Duty / Service Tax               | <b>553.94</b>                    | 498.91                           |
| Net Operational Income                        | <b>9,393.59</b>                  | 9,396.82                         |
| Gross Profit / (Loss)                         | <b>(60.84)</b>                   | (444.88)                         |
| Less : Depreciation                           | <b>157.53</b>                    | 146.98                           |
| Profit / (Loss) before tax                    | <b>(218.37)</b>                  | (591.86)                         |
| Less : Provision for Taxation - Deferred      | <b>(63.60)</b>                   | (178.87)                         |
| - For Earlier Years                           | <b>(3.79)</b>                    | (55.73)                          |
|                                               | <b>(67.39)</b>                   | (234.60)                         |
| Profit / (Loss) after taxes                   | <b>(150.98)</b>                  | (357.26)                         |
| Add: Surplus of previous year                 | <b>(334.86)</b>                  | 22.40                            |
| Add: Transferred from General Reserve         |                                  | —                                |
| Surplus / Deficit available for appropriation | <b>(485.84)</b>                  | (334.86)                         |
| Appropriations :                              |                                  |                                  |
| Proposed Dividend                             | —                                | —                                |
| Tax on Dividend                               | —                                | —                                |
| Surplus Carried to Balance Sheet              | <b>(485.84)</b>                  | (334.86)                         |

## OPERATIONS

Turnover of the Company during the year 2015-16 was ₹ 9,393.59 lacs as compared to ₹ 9,396.82 lacs during the year 2014-15. The Company's performance in terms of sales revenue was almost same as last year however there is a significant improvement in the gross margins hence the losses have reduced.

The Company has a healthy order booking for financial year 2016-17.

## SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 3,01,15,860/-. During the year under review, the Company has not issued any shares with or without differential voting rights nor has granted any stock options or sweat equity.

## DEPOSITS

During the year under consideration, the Company has not accepted any deposits. There were no unpaid or unclaimed deposits as on 31st March, 2016.

## BOARD OF DIRECTORS

Smt. Uma Nevatia, Executive Vice Chairperson of the Company was reappointed as Whole Time Director with effect from 1st April, 2015.

As per the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Smt. Uma S. Nevatia, Director of the Company retires by rotation and being eligible, offers herself for re-appointment.

# Hirect

The term of office of Shri S. K. Nevatia as Chairman and Managing Director of the Company, has expired on 31st March, 2016. The Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee have re-appointed Shri S. K. Nevatia as Chairman and Managing Director on the existing terms & conditions for a period of three years w.e.f. 1st April, 2016. Appropriate resolution for the approval of the members has been proposed in the notice for the ensuing Annual General Meeting.

The Company has received the necessary declaration from each Independent Director in accordance with section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of section 149 of the Companies Act, 2013 and the Listing Regulations.

## **KEY MANAGERIAL PERSONNEL**

Shri Alen Ferns, Company Secretary & Compliance Officer of the Company resigned as the Key Managerial Personnel with effect from 15th December, 2015.

Shri A.K. Nemani, Chief Financial Officer of the Company resigned as the Key Managerial Personnel with effect from 10th February, 2016.

Ms. Meenakshi Anchlia, Company Secretary & Compliance Officer of the Company was appointed as the Key Managerial Personnel with effect from 10th February, 2016.

Shri Shyam Aswani, Chief Financial Officer of the Company was appointed as the Key Managerial Personnel with effect from 11th February, 2016.

## **BOARD MEETINGS**

During the year under review the Board of Directors met five times i.e. on 27.05.2015, 13.08.2015, 05.11.2015, 10.02.2016 and 02.03.2016. The details of the Board Meetings are given in the Corporate Governance Report which forms a part of this Annual Report.

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

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

## **DIRECTORS RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / (loss) of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

## **PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees of the Board. The Independent Directors met separately on 2nd March, 2016 to discuss the following:

- i) review the performance of Non-Independent Directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the meeting and discussed the above and expressed their satisfaction.

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

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

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

During the financial year 2015-16, the Company has not given any loans, guarantees or made any investments as per the provisions of section 186 of the Companies Act, 2013.

## **RELATED PARTY TRANSACTIONS**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of section 188 of the Companies Act, 2013 and the rules made there under are not attracted. Thus, disclosure in form AOC-2 in terms of section 134 of the Companies Act, 2013 is not required.

All Related Party Transactions are placed before the Audit Committee. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. [www.hirect.com](http://www.hirect.com). None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

## **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in form MGT-9, as required under section 92 of the Companies Act, 2013, is annexed as Annexure - A and forms an integral part of this report.

## **SECRETARIAL AUDIT**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure - B and forms an integral part of this report.

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

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

The Company has a Vigil Mechanism / Whistle Blower Policy as per the relevant provisions of the Listing Regulations and section 177 of the Companies Act, 2013. The details are given in the Corporate Governance Report which forms a part of this Annual Report. The Vigil Mechanism / Whistle Blower Policy is uploaded on the website of the Company, viz. [www.hirect.com](http://www.hirect.com)

## **NOMINATION AND REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnels and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

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

As per the Companies Act, 2013, all companies having net worth of ₹ 500 crore or more or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any three preceding financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more directors, at least one of whom should be an Independent Director and such Company shall spend at least 2% of the average net profit of the Company's three immediately preceding financial years.

Accordingly, Company has constituted CSR Committee comprising of Shri V. K. Bhartia, Shri S. K. Nevatia and Smt. Uma S. Nevatia as member of the Committee. The Committee is responsible for formulating and monitoring the CSR policy of the Company. Details about the CSR policy are available on our website, viz. [www.hirect.com](http://www.hirect.com).

Due to average net profit of last three years being negative, your Company is not required to spend any amount of CSR activities during the year under review.

The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure - C and forms an integral part of this report.

## **AWARDS AND RECOGNITION**

The Company has been committed towards ensuring high standards of Environment and Safety practices. It is a matter of great satisfaction that these initiatives taken by the Company have been appreciated at various forums.

The Company received following accolades during the year from "National Society of Friends of the Trees":

1. "The Annual Vegetable, Fruit & Flower Show" - Full Garden - Rank I
2. Any outstanding specimens of Bonsai - Rank II
3. In collection of Bonsai - Rank III

## **AUDIT COMMITTEE**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As required under Listing Regulations, Management Discussion and Analysis Report forms part of this Annual Report.

## **AUDITORS**

At the Annual General Meeting held on 14th August, 2014, M/s. Khandwala & Shah, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Khandwala & Shah, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the members.

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

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

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

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

## **AUDITORS' OBSERVATIONS**

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

## **DETAILS IN RESPECT OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording transactions. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and Audit Committee. The Internal Auditors prepare regular reports on the review of the systems and procedures and monitors the actions to be taken.

## **RISK MANAGEMENT**

The Company has in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The policy provides for a robust risk management framework to identify and assess risks such as operational, strategic, financial, regulatory and other risks and put in place an adequate risk management infrastructure capable of addressing these risks.

## **CORPORATE GOVERNANCE**

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Annual Report.

## **CODE OF CONDUCT**

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

## **LISTING**

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

## **LISTING AGREEMENT**

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during February 2016.

## **POLICIES**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The Listing Regulations mandated the formulation of certain policies for all listed companies. All our Corporate Governance policies are available on our website viz [www.hirect.com](http://www.hirect.com). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

## **DEPOSITORY SERVICES**

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

# Hirect

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

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to section 197(12) read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - D and forms an integral part of this report.

The information required pursuant to section 197(12) read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable because Company has not employed any employee drawing salary of ₹ 5, 00,000/- per month or ₹ 60,00,000/- per annum during the year under review.

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

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, there were no complaints reported to the Internal Complaint Committees.

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2016 and 27th May, 2016 being the date of this report.

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

The information pursuant to section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure - E and forms an integral part of this report.

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

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

## **ACKNOWLEDGMENT**

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

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

Place: Mumbai  
Dated: 27th May, 2016

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

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

**ANNEXURE "A" TO THE DIRECTORS' REPORT****FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS**

|      |                                                                           |                                                                                                                                                                                           |
|------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)   | CIN                                                                       | L28900MH1958PLC011077                                                                                                                                                                     |
| ii)  | Registration Date                                                         | 25.04.1958                                                                                                                                                                                |
| iii) | Name of the Company                                                       | HIND RECTIFIERS LIMITED                                                                                                                                                                   |
| iv)  | Category / Sub-Category of the Company                                    | Company Limited by Shares                                                                                                                                                                 |
| v)   | Address of the Registered office and contact details                      | Lake Road, Bhandup (W), Mumbai-400078<br>Tel:- +91 22 2569 6789                                                                                                                           |
| vi)  | Whether listed company                                                    | Yes                                                                                                                                                                                       |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. ADROIT CORPORATE SERVICES PVT. LTD.<br>17-20, Jafarbhoy Industrial Estate, 1st Floor,<br>Makwana Road, Marol Naka, Andheri (East),<br>Mumbai - 400 059.<br>Tel No.: +91 22 4227 0400 |

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

| Sr. No. | Name and Description of main products / services                    | NIC Code of the product / service             | % to total turnover of the Company |
|---------|---------------------------------------------------------------------|-----------------------------------------------|------------------------------------|
| 1       | High Voltage & High Current Rectifiers, Inverters, Converters, etc. | 279-Manufacture of other electrical equipment | 61.78                              |

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

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

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

### (i) Category-wise Share Holding

| Sr. no.    | Category of Shareholders                                                     | No. of Shares held at the beginning of the year (As on 1st April, 2015) |          |                |                   | No. of Shares held at the end of the year (As on 31st March, 2016) |          |                |                   | % Change during the year |
|------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------|----------------|-------------------|--------------------------------------------------------------------|----------|----------------|-------------------|--------------------------|
|            |                                                                              | Demat                                                                   | Physical | Total          | % of total Shares | Demat                                                              | Physical | Total          | % of total Shares |                          |
| <b>(A)</b> | <b>Promoter</b>                                                              |                                                                         |          |                |                   |                                                                    |          |                |                   |                          |
| <b>1</b>   | <b>Indian</b>                                                                |                                                                         |          |                |                   |                                                                    |          |                |                   |                          |
| (a)        | Individuals / HUF                                                            | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (b)        | Central Govt.                                                                | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (c)        | State Govt.                                                                  | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (d)        | Bodies Corporate                                                             | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (e)        | Banks / Financial Institutions                                               | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (f)        | Any Others (Specify)                                                         |                                                                         |          |                |                   |                                                                    |          |                |                   |                          |
| i          | Directors Relatives                                                          | 3343080                                                                 | 0        | 3343080        | 22.20             | 3401810                                                            | 0        | 3401810        | 22.59             | 0.39                     |
| ii         | Directors                                                                    | 3356327                                                                 | 0        | 3356327        | 22.29             | 3295097                                                            | 0        | 3295097        | 21.88             | -0.41                    |
|            | <b>Sub Total (A)(1)</b>                                                      | <b>6699407</b>                                                          | <b>0</b> | <b>6699407</b> | <b>44.49</b>      | <b>6696907</b>                                                     | <b>0</b> | <b>6696907</b> | <b>44.47</b>      | <b>-0.02</b>             |
| <b>2</b>   | <b>Foreign</b>                                                               |                                                                         |          |                |                   |                                                                    |          |                |                   |                          |
| (a)        | Individuals (NRI / Foreign Individuals)                                      | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (b)        | Other Individuals                                                            | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              |                          |
| (c)        | Bodies Corporate                                                             | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (d)        | Banks/Financial Institutions                                                 | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (e)        | Any Others (Specify)                                                         | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
|            | <b>Sub Total (A)(2)</b>                                                      | <b>0</b>                                                                | <b>0</b> | <b>0</b>       | <b>0.00</b>       | <b>0</b>                                                           | <b>0</b> | <b>0</b>       | <b>0.00</b>       | <b>0.00</b>              |
| <b>(A)</b> | <b>Total shareholding of Promoter &amp; Promoter group (A)=(A)(1)+(A)(2)</b> | <b>6699407</b>                                                          | <b>0</b> | <b>6699407</b> | <b>44.49</b>      | <b>6696907</b>                                                     | <b>0</b> | <b>6696907</b> | <b>44.47</b>      | <b>-0.02</b>             |
| <b>(B)</b> | <b>Public Shareholding</b>                                                   |                                                                         |          |                |                   |                                                                    |          |                |                   |                          |
| <b>1</b>   | <b>Institutions</b>                                                          |                                                                         |          |                |                   |                                                                    |          |                |                   |                          |
| (a)        | Mutual Funds/ UTI                                                            | 750                                                                     | 750      | 1500           | 0.01              | 0                                                                  | 750      | 750            | 0.005             | -0.005                   |
| (b)        | Banks / Financial Institutions                                               | 750                                                                     | 8250     | 9000           | 0.06              | 750                                                                | 8250     | 9000           | 0.06              | 0.00                     |
| (c)        | Central Government/ State Government(s)                                      | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (d)        | Venture Capital Funds                                                        | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (e)        | Insurance Companies                                                          | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |
| (f)        | Foreign Institutional Investors                                              | 0                                                                       | 0        | 0              | 0.00              | 0                                                                  | 0        | 0              | 0.00              | 0.00                     |

| Sr. no.    | Category of Shareholders                                                                | No. of Shares held at the beginning of the year (As on 1st April, 2015) |                |                 |                   | No. of Shares held at the end of the year (As on 31st March, 2016) |                |                 |                   | % Change during the year |
|------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------|-----------------|-------------------|--------------------------------------------------------------------|----------------|-----------------|-------------------|--------------------------|
|            |                                                                                         | Demat                                                                   | Physical       | Total           | % of total Shares | Demat                                                              | Physical       | Total           | % of total Shares |                          |
| (g)        | Foreign Venture Capital Investors                                                       | 0                                                                       | 0              | 0               | 0.00              | 0                                                                  | 0              | 0               | 0.00              | 0.00                     |
| (h)        | Qualified Foreign Investors                                                             | 0                                                                       | 0              | 0               | 0.00              | 0                                                                  | 0              | 0               | 0.00              | 0.00                     |
| (i)        | Any Other (specify)                                                                     | 0                                                                       | 0              | 0               | 0.00              | 0                                                                  | 0              | 0               | 0.00              | 0.00                     |
|            | <b>Sub-Total (B)(1)</b>                                                                 | <b>1500</b>                                                             | <b>9000</b>    | <b>10500</b>    | <b>0.07</b>       | <b>750</b>                                                         | <b>9000</b>    | <b>9750</b>     | <b>0.06</b>       | <b>-0.01</b>             |
| <b>2</b>   | <b>Non-institutions</b>                                                                 |                                                                         |                |                 |                   |                                                                    |                |                 |                   |                          |
| (a)        | Bodies Corporate                                                                        |                                                                         |                |                 |                   |                                                                    |                |                 |                   |                          |
| i          | Indian                                                                                  | 369485                                                                  | 14000          | 383485          | 2.54              | 366633                                                             | 14000          | 380633          | 2.53              | -0.01                    |
| ii         | Overseas                                                                                | 0                                                                       | 2400000        | 2400000         | 15.94             | 0                                                                  | 2400000        | 2400000         | 15.94             | 0.00                     |
| (b)        | Individuals                                                                             |                                                                         |                |                 |                   |                                                                    |                |                 |                   |                          |
| i          | Individuals-Hold nominal share capital upto ₹ 1L                                        | 3351848                                                                 | 589795         | 3941643         | 26.18             | 3378991                                                            | 566045         | 3945036         | 26.20             | 0.02                     |
| ii         | Individuals-Hold nominal share capital in excess of ₹ 1L                                | 1335751                                                                 | 150000         | 1485751         | 9.87              | 1355711                                                            | 150000         | 1505711         | 10.00             | 0.13                     |
| (c)        | Any Other (specify)                                                                     |                                                                         |                |                 |                   |                                                                    |                |                 |                   |                          |
| i          | Clearing member                                                                         | 11511                                                                   | 0              | 11511           | 0.08              | 5496                                                               | 0              | 5496            | 0.04              | -0.04                    |
| ii         | Non Resident Indian                                                                     | 116883                                                                  | 6750           | 123633          | 0.82              | 110147                                                             | 2250           | 112397          | 0.75              | -0.07                    |
| iii        | Trusts                                                                                  | 2000                                                                    | 0              | 2000            | 0.01              | 2000                                                               | 0              | 2000            | 0.01              | 0.00                     |
|            | <b>Sub Total(B)(2)</b>                                                                  | <b>5187478</b>                                                          | <b>3160545</b> | <b>8348023</b>  | <b>55.44</b>      | <b>5218978</b>                                                     | <b>3132295</b> | <b>8351273</b>  | <b>55.47</b>      | <b>0.03</b>              |
| <b>(B)</b> | <b>Total Public Shareholding (B)= (B)(1) + (B) (2)</b>                                  | <b>5188978</b>                                                          | <b>3169545</b> | <b>8358523</b>  | <b>55.51</b>      | <b>5219728</b>                                                     | <b>3141295</b> | <b>8361023</b>  | <b>55.53</b>      | <b>0.02</b>              |
|            | <b>TOTAL (A)+(B)</b>                                                                    | <b>11888385</b>                                                         | <b>3169545</b> | <b>15057930</b> | <b>100.00</b>     | <b>11916635</b>                                                    | <b>3141295</b> | <b>15057930</b> | <b>100.00</b>     | <b>0.00</b>              |
| <b>(C)</b> | <b>Shares held by Custodians and against which Depository Receipts have been issued</b> | <b>0</b>                                                                | <b>0</b>       | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                                           | <b>0</b>       | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
|            | <b>GRAND TOTAL (A)+(B)+(C)</b>                                                          | <b>11888385</b>                                                         | <b>3169545</b> | <b>15057930</b> | <b>100.00</b>     | <b>11916635</b>                                                    | <b>3141295</b> | <b>15057930</b> | <b>100.00</b>     | <b>0.00</b>              |

## (ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name       | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  | % change in share holding during the year |
|---------|--------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
|         |                          | No. of shares                             | % of total shares of the Company | % of shares Pledged / encumbered to total shares | No. of shares                       | % of total shares of the Company | % of shares Pledged / encumbered to total shares |                                           |
| 1       | Nimai Swaroop            | 7500                                      | 0.05                             | 0.00                                             | 7500                                | 0.05                             | 0.00                                             | 0.00                                      |
| 2       | Shekhar Bajaj            | 306000                                    | 2.03                             | 0.00                                             | 306000                              | 2.03                             | 0.00                                             | 0.00                                      |
| 3       | Priyanka Chhabria        | 7500                                      | 0.05                             | 0.00                                             | 0                                   | 0.00                             | 0.00                                             | -0.05                                     |
| 4       | Veena Sitaram Shah       | 44250                                     | 0.29                             | 0.00                                             | 44250                               | 0.29                             | 0.00                                             | 0.00                                      |
| 5       | Sushil Kumar Nevatia     | 35000                                     | 0.23                             | 0.00                                             | 35000                               | 0.23                             | 0.00                                             | 0.00                                      |
| 6       | Bharti Nevatia           | 240900                                    | 1.60                             | 0.00                                             | 240900                              | 1.60                             | 0.00                                             | 0.00                                      |
| 7       | Bharat Swaroop           | 15000                                     | 0.10                             | 0.00                                             | 15000                               | 0.10                             | 0.00                                             | 0.00                                      |
| 8       | Suramya Saurabh Nevatia  | 292250                                    | 1.94                             | 0.00                                             | 292250                              | 1.94                             | 0.00                                             | 0.00                                      |
| 9       | Surabhi Golyan           | 223000                                    | 1.48                             | 0.00                                             | 223000                              | 1.48                             | 0.00                                             | 0.00                                      |
| 10      | Mridula Bawari           | 8750                                      | 0.06                             | 0.00                                             | 8750                                | 0.06                             | 0.00                                             | 0.00                                      |
| 11      | Saurabh Nevatia          | 10200                                     | 0.07                             | 0.00                                             | 10200                               | 0.07                             | 0.00                                             | 0.00                                      |
| 12      | Madhur Bajaj             | 61230                                     | 0.41                             | 0.00                                             | 61230                               | 0.41                             | 0.00                                             | 0.00                                      |
| 13      | Shri Niraj Bajaj         | 61230                                     | 0.41                             | 0.00                                             | 61230                               | 0.41                             | 0.00                                             | 0.00                                      |
| 14      | Kiran Bajaj              | 153000                                    | 1.02                             | 0.00                                             | 153000                              | 1.02                             | 0.00                                             | 0.00                                      |
| 15      | Suryansh Saurabh Nevatia | 314500                                    | 2.09                             | 0.00                                             | 419500                              | 2.79                             | 0.00                                             | 0.70                                      |
| 16      | Shreeya Nevatia          | 315700                                    | 2.10                             | 0.00                                             | 315700                              | 2.10                             | 0.00                                             | 0.00                                      |
| 17      | Saurabh Nevatia          | 1343300                                   | 8.92                             | 0.00                                             | 1243300                             | 8.26                             | 0.00                                             | -0.66                                     |
| 18      | Uma Nevatia              | 1423959                                   | 9.46                             | 0.00                                             | 1423959                             | 9.46                             | 0.00                                             | 0.00                                      |
| 19      | Sushil Kumar Nevatia     | 1821138                                   | 12.09                            | 0.00                                             | 1821138                             | 12.09                            | 0.00                                             | 0.00                                      |
| 20      | Jaya Darpan Sanghvi      | 15000                                     | 0.10                             | 0.00                                             | 15000                               | 0.10                             | 0.00                                             | 0.00                                      |
|         | <b>Total</b>             | <b>6699407</b>                            | <b>44.49</b>                     | <b>0.00</b>                                      | <b>6696907</b>                      | <b>44.47</b>                     | <b>0.00</b>                                      | <b>-0.02</b>                              |

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

| Sr. No. | Particulars                                                             | Name of Promoter     | As on Date                   | No. of Shares held at the beginning of the year / end of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------------------------------------------|----------------------|------------------------------|-------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                         |                      |                              | No. of Shares                                                     | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | <b>At the beginning of the year</b>                                     | Sushil Kumar Nevatia | 01.04.2015                   | 1821138                                                           | 12.09                            | 1821138                                 | 12.09                            |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 1821138                                                           | 12.09                            | 1821138                                 | 12.09                            |
| 2       | <b>At the beginning of the year</b>                                     | Saurabh Nevatia      | 01.04.2015                   | 1343300                                                           | 8.92                             | 1343300                                 | 8.92                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | 12.01.2016                   | -100000<br>Gift                                                   | 0.66                             | 1243300                                 | 8.26                             |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 1243300                                                           | 8.26                             | 1243300                                 | 8.26                             |
| 3       | <b>At the beginning of the year</b>                                     | Madhur Bajaj         | 01.04.2015                   | 61230                                                             | 0.41                             | 61230                                   | 0.41                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 61230                                                             | 0.41                             | 61230                                   | 0.41                             |
| 4       | <b>At the beginning of the year</b>                                     | Shekhar Bajaj        | 01.04.2015                   | 306000                                                            | 2.03                             | 306000                                  | 2.03                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 306000                                                            | 2.03                             | 306000                                  | 2.03                             |
| 5       | <b>At the beginning of the year</b>                                     | Uma Nevatia          | 01.04.2015                   | 1423959                                                           | 9.46                             | 1423959                                 | 9.46                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 1423959                                                           | 9.46                             | 1423959                                 | 9.46                             |
| 6       | <b>At the beginning of the year</b>                                     | Saurabh Nevatia      | 01.04.2015                   | 10200                                                             | 0.07                             | 10200                                   | 0.07                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 10200                                                             | 0.07                             | 10200                                   | 0.07                             |
| 7       | <b>At the beginning of the year</b>                                     | Sushil Kumar Nevatia | 01.04.2015                   | 35000                                                             | 0.23                             | 35000                                   | 0.23                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                      | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                      | 31.03.2016                   | 35000                                                             | 0.23                             | 35000                                   | 0.23                             |

| Sr. No. | Particulars                                                             | Name of Promoter         | As on Date                   | No. of Shares held at the beginning of the year / end of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------------------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                         |                          |                              | No. of Shares                                                     | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 8       | <b>At the beginning of the year</b>                                     | Veena Sitaram Shah       | 01.04.2015                   | 44250                                                             | 0.29                             | 44250                                   | 0.29                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 44250                                                             | 0.29                             | 44250                                   | 0.29                             |
| 9       | <b>At the beginning of the year</b>                                     | Shri Niraj Bajaj         | 01.04.2015                   | 61230                                                             | 0.41                             | 61230                                   | 0.41                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 61230                                                             | 0.41                             | 61230                                   | 0.41                             |
| 10      | <b>At the beginning of the year</b>                                     | Kiran Bajaj              | 01.04.2015                   | 153000                                                            | 1.02                             | 153000                                  | 1.02                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 153000                                                            | 1.02                             | 153000                                  | 1.02                             |
| 11      | <b>At the beginning of the year</b>                                     | Priyanka Chhabria        | 01.04.2015                   | 7500                                                              | 0.05                             | 7500                                    | 0.05                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | 30.10.2015                   | -1000 Sale                                                        | -0.01                            | 6500                                    | 0.04                             |
|         |                                                                         |                          | 26.02.2016                   | -6500 Sale                                                        | -0.04                            | 0                                       | 0.00                             |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 0                                                                 | 0.00                             | 0                                       | 0.00                             |
| 12      | <b>At the beginning of the year</b>                                     | Bharti Nevatia           | 01.04.2015                   | 240900                                                            | 1.60                             | 240900                                  | 1.60                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 240900                                                            | 1.60                             | 240900                                  | 1.60                             |
| 13      | <b>At the beginning of the year</b>                                     | Mridula Bawari           | 01.04.2015                   | 8750                                                              | 0.06                             | 8750                                    | 0.06                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 8750                                                              | 0.06                             | 8750                                    | 0.06                             |
| 14      | <b>At the beginning of the year</b>                                     | Suryansh Saurabh Nevatia | 01.04.2015                   | 314500                                                            | 2.09                             | 314500                                  | 2.09                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                          | 12.12.2015                   | 5000 Purchase                                                     | 0.03                             | 319500                                  | 2.12                             |
|         |                                                                         |                          | 12.01.2016                   | 100000 Gift                                                       | 0.66                             | 419500                                  | 2.79                             |
|         | <b>At the end of the year</b>                                           |                          | 31.03.2016                   | 419500                                                            | 2.79                             | 419500                                  | 2.79                             |

| Sr. No. | Particulars                                                             | Name of Promoter        | As on Date                   | No. of Shares held at the beginning of the year / end of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------------------------------------------|-------------------------|------------------------------|-------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                         |                         |                              | No. of Shares                                                     | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 15      | <b>At the beginning of the year</b>                                     | Shreeya Nevatia         | 01.04.2015                   | 315700                                                            | 2.10                             | 315700                                  | 2.10                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                         | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                         | 31.03.2016                   | 315700                                                            | 2.10                             | 315700                                  | 2.10                             |
| 16      | <b>At the beginning of the year</b>                                     | Suramya Saurabh Nevatia | 01.04.2015                   | 292250                                                            | 1.94                             | 292250                                  | 1.94                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                         | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                         | 31.03.2016                   | 292250                                                            | 1.94                             | 292250                                  | 1.94                             |
| 17      | <b>At the beginning of the year</b>                                     | Bharat Swaroop          | 01.04.2015                   | 15000                                                             | 0.10                             | 15000                                   | 0.10                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                         | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                         | 31.03.2016                   | 15000                                                             | 0.10                             | 15000                                   | 0.10                             |
| 18      | <b>At the beginning of the year</b>                                     | Nimai Swaroop           | 01.04.2015                   | 7500                                                              | 0.05                             | 7500                                    | 0.05                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                         | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                         | 31.03.2016                   | 7500                                                              | 0.05                             | 7500                                    | 0.05                             |
| 19      | <b>At the beginning of the year</b>                                     | Surabhi Golyan          | 01.04.2015                   | 223000                                                            | 1.48                             | 223000                                  | 1.48                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                         | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                         | 31.03.2016                   | 223000                                                            | 1.48                             | 223000                                  | 1.48                             |
| 20      | <b>At the beginning of the year</b>                                     | Jaya Darpan Sanghvi     | 01.04.2015                   | 15000                                                             | 0.10                             | 15000                                   | 0.10                             |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year |                         | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | <b>At the end of the year</b>                                           |                         | 31.03.2016                   | 15000                                                             | 0.10                             | 15000                                   | 0.10                             |

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

| Sr. No. | For Each of the Top 10 Shareholders                                      | Name of the Shareholder         | As on Date                   | No. of Shares held at the beginning of the year / end of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--------------------------------------------------------------------------|---------------------------------|------------------------------|-------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                          |                                 |                              | No. of Shares                                                     | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1       | At the beginning of the year                                             | BTR Industries Ltd              | 01.04.2015                   | 2400000                                                           | 15.94                            | 2400000                                 | 15.94                            |
|         | Date wise Increase / Decrease in Shareholding during the financial year  |                                 | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | At the end of the year                                                   |                                 | 31.03.2016                   | 2400000                                                           | 15.94                            | 2400000                                 | 15.94                            |
| 2       | At the beginning of the year                                             | Rahul Kumar Bajaj               | 01.04.2015                   | 357000                                                            | 2.37                             | 357000                                  | 2.37                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year  |                                 | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | At the end of the year                                                   |                                 | 31.03.2016                   | 357000                                                            | 2.37                             | 357000                                  | 2.37                             |
| 3       | At the beginning of the year                                             | Dhirajlal Shantilal Mehta       | 01.04.2015                   | 300000                                                            | 1.99                             | 300000                                  | 1.99                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year  |                                 | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | At the end of the year                                                   |                                 | 31.03.2016                   | 300000                                                            | 1.99                             | 300000                                  | 1.99                             |
| 4       | At the beginning of the year                                             | Veena K Jagwani                 | 01.04.2015                   | 151607                                                            | 1.01                             | 151607                                  | 1.01                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year  |                                 | 25.12.2015                   | 2000 Purchase                                                     | 0.01                             | 153607                                  | 1.02                             |
|         |                                                                          |                                 | 31.12.2015                   | 10118 Purchase                                                    | 0.07                             | 163725                                  | 1.09                             |
|         |                                                                          |                                 | 08.01.2016                   | 10242 Purchase                                                    | 0.07                             | 173967                                  | 1.16                             |
|         |                                                                          |                                 | 15.01.2016                   | 100 Purchase                                                      | 0.00                             | 174067                                  | 1.16                             |
|         |                                                                          |                                 | 31.03.2016                   | 174067                                                            | 1.16                             | 174067                                  | 1.16                             |
|         | At the end of the year                                                   |                                 |                              |                                                                   |                                  |                                         |                                  |
| 5       | At the beginning of the year                                             | Roshan F. Hinger                | 01.04.2015                   | 150000                                                            | 1.00                             | 150000                                  | 1.00                             |
|         | Date wise Increase / Decrease in Share holding during the financial year |                                 | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | At the end of the year                                                   |                                 | 31.03.2016                   | 150000                                                            | 1.00                             | 150000                                  | 1.00                             |
| 6       | At the beginning of the year                                             | Contemporary Industries Limited | 01.04.2015                   | 143810                                                            | 0.96                             | 143810                                  | 0.96                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year  |                                 | Nil Movement during the year |                                                                   |                                  |                                         |                                  |
|         | At the end of the year                                                   |                                 | 31.03.2016                   | 143810                                                            | 0.96                             | 143810                                  | 0.96                             |

| Sr. No. | For Each of the Top 10 Shareholders                                     | Name of the Shareholder | As on Date                   | No.of Shares held at the beginning of the year / end of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------------------------------------------|-------------------------|------------------------------|------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                         |                         |                              | No. of Shares                                                    | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 7       | At the beginning of the year                                            | Bhavna Govindbhai Desai | 01.04.2015                   | 135000                                                           | 0.90                             | 135000                                  | 0.90                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year |                         | 04.03.2016                   | -611 Sale                                                        | 0.00                             | 134389                                  | 0.89                             |
|         |                                                                         |                         | 11.03.2016                   | -1389 Sale                                                       | -0.01                            | 133000                                  | 0.88                             |
|         |                                                                         |                         | 18.03.2016                   | -500 Sale                                                        | 0.00                             | 132500                                  | 0.88                             |
|         | At the end of the year                                                  |                         | 31.03.2016                   | 132500                                                           | 0.88                             | 132500                                  | 0.88                             |
| 8       | At the beginning of the year                                            | Ruchira Agarwal         | 01.04.2015                   | 76044                                                            | 0.51                             | 76044                                   | 0.51                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year |                         | Nil Movement during the year |                                                                  |                                  |                                         |                                  |
|         | At the end of the year                                                  |                         | 31.03.2016                   | 76044                                                            | 0.51                             | 76044                                   | 0.51                             |
| 9       | At the beginning of the year                                            | Sharad Kanayalal Shah   | 01.04.2015                   | 98000                                                            | 0.65                             | 98000                                   | 0.65                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year |                         | Nil Movement during the year |                                                                  |                                  |                                         |                                  |
|         | At the end of the year                                                  |                         | 31.03.2016                   | 98000                                                            | 0.65                             | 98000                                   | 0.65                             |
| 10      | At the beginning of the year                                            | Hafeez Sorab Contractor | 01.04.2015                   | 60000                                                            | 0.40                             | 60000                                   | 0.40                             |
|         | Date wise Increase / Decrease in Shareholding during the financial year |                         | Nil Movement during the year |                                                                  |                                  |                                         |                                  |
|         | At the end of the year                                                  |                         |                              | 31.03.2016                                                       | 60000                            | 0.40                                    | 60000                            |

## (v) Shareholding of Directors and Key Managerial Personnel

| Sr. no. | Shareholding of Directors and Key Managerial Personnel | Shareholding at the beginning of the year / end of the year |                                  | Cumulative shareholding during the year |                                  |
|---------|--------------------------------------------------------|-------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                        | No. of shares                                               | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1       | <b>Shri S. K. Nevatia</b>                              |                                                             |                                  |                                         |                                  |
|         | At the beginning of the year                           | 1821138                                                     | 12.09                            | 1821138                                 | 12.09                            |
|         | Purchase / Sale                                        | Nil Movement during the year                                |                                  |                                         |                                  |
|         | At the end of the year                                 | 1821138                                                     | 12.09                            | 1821138                                 | 12.09                            |
| 2       | <b>Smt. Uma S. Nevatia</b>                             |                                                             |                                  |                                         |                                  |
|         | At the beginning of the year                           | 1423959                                                     | 9.46                             | 1423959                                 | 9.46                             |
|         | Purchase / Sale                                        | Nil Movement during the year                                |                                  |                                         |                                  |
|         | At the end of the year                                 | 1423959                                                     | 9.46                             | 1423959                                 | 9.46                             |
| 3.      | <b>Shri Bharat Swaroop</b>                             |                                                             |                                  |                                         |                                  |
|         | At the beginning of the year                           | 15000                                                       | 0.10                             | 15000                                   | 0.10                             |
|         | Purchase / Sale                                        | Nil Movement during the Year                                |                                  |                                         |                                  |
|         | At the end of the year                                 | 15000                                                       | 0.10                             | 15000                                   | 0.10                             |

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

2) Shri A. K. Nemani, Former Chief Financial Officer, Shri Shyam Aswani, Chief Financial Officer, Shri Alen Ferns, Former Company Secretary and Ms. Meenakshi Anchlia, Company Secretary do not hold any share in the Company.

## V. INDEBTEDNESS

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

(₹ in lacs)

| Sr. no. | Particulars                                                | Secured Loans excluding deposits | Unsecured Loans | Deposits      | Total Indebtedness |
|---------|------------------------------------------------------------|----------------------------------|-----------------|---------------|--------------------|
| 1       | <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |               |                    |
|         | i) Principal Amount                                        | 2518.68                          | -               | 18.73         | 2537.41            |
|         | ii) Interest due but not paid                              | -                                | -               | -             | -                  |
|         | iii) Interest accrued but not due                          | -                                | -               | -             | -                  |
|         | <b>Total (i+ii+iii)</b>                                    | <b>2518.68</b>                   | <b>-</b>        | <b>18.73</b>  | <b>2537.41</b>     |
| 2       | <b>Changes in indebtedness during the financial year</b>   |                                  |                 |               |                    |
|         | Addition                                                   | 521.47                           | 125.00          | -             | 646.47             |
|         | Reduction                                                  | -                                | -               | 18.73         | 18.73              |
|         | <b>Net Change</b>                                          | <b>521.47</b>                    | <b>125.00</b>   | <b>-18.73</b> | <b>627.74</b>      |
| 3       | <b>Indebtedness at the end of the financial year</b>       |                                  |                 |               |                    |
|         | i) Principal Amount                                        | 3040.15                          | 125.00          | -             | 3165.15            |
|         | ii) Interest due but not paid                              | -                                | -               | -             | -                  |
|         | iii) Interest accrued but not due                          | -                                | -               | -             | -                  |
|         | <b>Total (i+ii+iii)</b>                                    | <b>3040.15</b>                   | <b>125.00</b>   | <b>-</b>      | <b>3165.15</b>     |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lacs)

| Sr. No. | Particulars of Remuneration                                                         | Name of MD / WTD / Manager                               |                                                         |                 |
|---------|-------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------|
|         |                                                                                     | Shri S. K. Nevatia<br>Chairman &<br>Managing<br>Director | Smt. Uma S. Nevatia<br>Executive<br>Vice<br>Chairperson | Total<br>Amount |
| 1       | Gross Salary:                                                                       |                                                          |                                                         |                 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 37.77                                                    | 23.85                                                   | 61.62           |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | 1.19                                                     | 0.40                                                    | 1.59            |
|         | (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961                 | -                                                        | -                                                       | -               |
| 2       | Stock Option                                                                        | -                                                        | -                                                       | -               |
| 3       | Sweat Equity                                                                        | -                                                        | -                                                       | -               |
| 4       | Commission                                                                          | -                                                        | -                                                       | -               |
|         | - as % of profits                                                                   | -                                                        | -                                                       | -               |
|         | - others, specify                                                                   | -                                                        | -                                                       | -               |
| 5       | Other - Provident Fund                                                              | 2.88                                                     | 2.16                                                    | 5.04            |
|         | <b>Total</b>                                                                        | <b>41.84</b>                                             | <b>26.41</b>                                            | <b>68.25</b>    |

### B. Remuneration to other Directors

(₹ in lacs)

| Sr. No. | Particulars of Remuneration                   | Name of Directors   |                          |                         |                       | Total Amount |
|---------|-----------------------------------------------|---------------------|--------------------------|-------------------------|-----------------------|--------------|
| 1       | Independent Directors                         | Shri V. K. Bhartia  | Shri Binod Kumar Patodia | Shri Pradeep Goyal      | Shri Parimal Merchant |              |
|         | Fees for attending Board / Committee meetings | 0.85                | 0.30                     | 0.63                    | 0.75                  | 2.53         |
|         | Commission                                    | -                   | -                        | -                       | -                     | -            |
|         | Others, please specify                        | -                   | -                        | -                       | -                     | -            |
|         | Total (1)                                     | 0.85                | 0.30                     | 0.63                    | 0.75                  | 2.53         |
| 2       | Other Non-Executive Directors                 | Shri Bharat Swaroop |                          | Shri Pawan Kumar Golyan |                       |              |
|         | Fees for attending Board / Committee meetings | 0.15                |                          | 0.07                    |                       | 0.22         |
|         | Commission                                    | -                   |                          | -                       |                       | -            |
|         | Others, please specify                        | -                   |                          | -                       |                       | -            |
|         | Total (2)                                     | 0.15                |                          | 0.07                    |                       | 0.22         |
|         | Total Managerial Remuneration (1+2)           |                     |                          |                         |                       | 2.75         |

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

(₹ in lacs)

| Sr. No. | Particulars of Remuneration                                                         | *Shri Alen Ferns  | **Ms. Meenakshi Anchlia | ***Shri A. K. Nemani    | ****Shri Shyam Aswani | Total Amount |
|---------|-------------------------------------------------------------------------------------|-------------------|-------------------------|-------------------------|-----------------------|--------------|
|         |                                                                                     | Company Secretary |                         | Chief Financial Officer |                       |              |
| 1.      | Gross Salary:                                                                       |                   |                         |                         |                       |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 6.34              | 0.55                    | 19.68                   | 2.53                  | 29.10        |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                      | -                 | -                       | 0.29                    | -                     | 0.29         |
|         | (c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961                 | -                 | -                       | -                       | -                     | -            |
| 2       | Stock Option                                                                        | -                 | -                       | -                       | -                     | -            |
| 3       | Sweat Equity                                                                        | -                 | -                       | -                       | -                     | -            |
| 4       | Commission                                                                          | -                 | -                       | -                       | -                     | -            |
|         | - as % of profits                                                                   | -                 | -                       | -                       | -                     | -            |
|         | - others, specify                                                                   | -                 | -                       | -                       | -                     | -            |
| 5       | Others - Provident Fund & Superannuation                                            | 0.28              | 0.02                    | 2.14                    | 0.08                  | 2.52         |
|         | <b>Total</b>                                                                        | <b>6.62</b>       | <b>0.57</b>             | <b>22.11</b>            | <b>2.61</b>           | <b>31.91</b> |

\* Shri Alen Ferns resigned as Company Secretary w.e.f. 15th December, 2015.

\*\* Ms. Meenakshi Anchlia has been appointed as Company Secretary w.e.f. 10th February, 2016.

\*\*\* Shri A. K. Nemani resigned as Chief Financial Officer w.e.f. 10th February, 2016.

\*\*\*\* Shri Shyam Aswani has been appointed w.e.f. 11th February, 2016.

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type                                | Section of the Companies Act | Brief Description | Details of penalty / punishment / compounding fees imposed | Authority (RD / NCLT/ Court) | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|------------------------------------------------------------|------------------------------|------------------------------------|
| <b>A. Company</b>                   |                              |                   |                                                            |                              |                                    |
| Penalty                             | -                            | -                 | -                                                          | -                            | -                                  |
| Punishment                          | -                            | -                 | -                                                          | -                            | -                                  |
| Compounding                         | -                            | -                 | -                                                          | -                            | -                                  |
| <b>B. Directors</b>                 |                              |                   |                                                            |                              |                                    |
| Penalty                             | -                            | -                 | -                                                          | -                            | -                                  |
| Punishment                          | -                            | -                 | -                                                          | -                            | -                                  |
| Compounding                         | -                            | -                 | -                                                          | -                            | -                                  |
| <b>C. Other Officers in Default</b> |                              |                   |                                                            |                              |                                    |
| Penalty                             | -                            | -                 | -                                                          | -                            | -                                  |
| Punishment                          | -                            | -                 | -                                                          | -                            | -                                  |
| Compounding                         | -                            | -                 | -                                                          | -                            | -                                  |

## ANNEXURE "B" TO THE DIRECTORS' REPORT

### FORM No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,  
**The Members,**  
**M/s. HIND RECTIFIERS LIMITED**  
Lake Road,  
Bhandup west,  
Mumbai - 400078.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. HIND RECTIFIERS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder.
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- iv. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015).
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: **(Not applicable during the period of audit).**

# Hirect

- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: **(Not applicable during the period of audit).**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008: **(Not applicable during the period of audit).**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **(Not applicable during the period of audit).**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **(Not applicable during the period of audit).**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **(Not applicable during the period of audit).**

We further report that the Company has a compliance system in place and we have examined the relevant documents and records with respect to other Acts applicable to the Company, which are as under:

- i. The Factories Act, 1948
- ii. The Employee State Insurance Act, 1948
- iii. The Equal Remuneration Act, 1976
- iv. The Industrial Dispute Act, 1947
- v. The Maternity Benefit Act, 1961
- vi. The Apprentices Act, 1961
- vii. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- viii. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956
- ix. The Industrial Employment (Standing Orders) Act, 1946
- x. The Minimum Wages Act, 1948
- xi. The Payment of Bonus Act, 1965
- xii. The Payment of Gratuity Act, 1972
- xiii. The payment of wages Act, 1936
- xiv. The Air (Prevention & Control of Pollution) Act, 1981
- xv. Environment Protection Act, 1986
- xvi. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008
- xvii. Water (Prevention and Control of Pollution) Act 1974, Water (Prevention and Control of Pollution) Cess Act, 1977 and Water (Prevention and Control of Pollution) Cess Rules, 1978
- xviii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- xix. Central Sales Tax Act, 1956 and Central Sales Tax (Registration and Turnover) Rule, 1957
- xx. The Income Tax Act, 1961
- xxi. The Central Excise Act 1944
- xxii. The Custom Act 1962

xxiii. The Maharashtra Value Added Tax Act

xxiv. The Uttarakhand Value Added Tax Act 2005

xxv. Chapter V of the Finance Act, 1994

We have also examined compliance with the applicable clauses of the following

- I. Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.
- II. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in Compliance with the provision of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of the decisions being carried through were captured and recorded as part of the minutes.

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

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

**[MAHESH SONI]**

PARTNER

FCS: 3706 COP: 2324

Place : Mumbai  
Date : 27th May, 2016

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE**' and forms an integral part of this report.

## **ANNEXURE TO THE SECRETARIAL AUDIT REPORT**

To,  
**The Members,**  
**M/s. HIND RECTIFIERS LIMITED**  
Lake Road,  
Bhandup west,  
Mumbai:- 400078

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

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

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

**[MAHESH SONI]**

PARTNER

FCS: 3706 COP: 2324

Place : Mumbai  
Date : 27th May, 2016

**ANNEXURE "C" TO THE DIRECTORS' REPORT****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- (i) A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

**CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website viz [www.hirect.com](http://www.hirect.com). The Company has identified the CSR activities permitted as per Schedule VII to the Companies Act, 2013, which have been specified in CSR policy of the Company.

- (ii) Composition of CSR Committee:**

| <b>Name of the Members</b> | <b>Designation</b> |
|----------------------------|--------------------|
| Vijay Kumar Bhartia        | Chairman           |
| S. K. Nevatia              | Member             |
| Uma S. Nevatia             | Member             |

- (iii) Average net profit of the Company for last three financial years:**

The Company has incurred average net loss of ₹ 49.46 lacs during the last three financial years as under:

(₹ in lacs)

| <b>Year</b> | <b>Profit / (Loss)</b> |
|-------------|------------------------|
| 2012-13     | 1109.50                |
| 2013-14     | (672.54)               |
| 2014-15     | (585.33)               |

Average net profit / (loss) of previous three years ₹ (49.46) lacs.

- (iv) Prescribed CSR expenditure (Two percent of the amount as in item (iii) above):**

N.A.

- (v) Details of CSR spend for the financial year:**

- Total amount spent for the financial year: N.A.
- Amount unspent, if any: N.A.

# Hirect

c) Manner in which the amount spent during the financial year is detailed below:

| S. No. | CSR project/ activity identified | Sector in which the project is covered | Projects/ Programmes<br>1. Local area/others-<br>2. Specify the state and district where projects or programs were undertaken | Amount outlay (budget) project/ programs wise | Amount spent on the project / programs<br>Subheads:<br>1. Direct Expenditure on project<br>2. Overheads | Cumulative spend up to the reporting period | Amount spent: Direct/ through implementing agency |
|--------|----------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------------|
| N.A.   |                                  |                                        |                                                                                                                               |                                               |                                                                                                         |                                             |                                                   |

(vi) In case the Company fails to spend the 2% of the Average Net Profit of the last 3 financial years :

N.A.

(vii) Responsibility statement:

The responsibility statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced below:

'The implantation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

## ANNEXURE "D" TO THE DIRECTORS' REPORT

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(₹ in lacs)

| Sr. No. | Name of Director/KMP and Designation                                     | Remuneration of Director/KMP for financial year 2015-16 | % increase in remuneration in the financial year 2015-16 | Ratio of remuneration of each Director/to median remuneration of employees | Comparison of the remuneration of the KMP against the performance of the Company                     |
|---------|--------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 1       | S. K. Nevatia<br>Chairman &<br>Managing Director                         | 43.42                                                   | -0.31                                                    | 9.67                                                                       | Loss before Tax decreased by 63.10% and Loss after Tax decreased by 57.74% in financial year 2015-16 |
| 2       | Uma S. Nevatia<br>Whole Time Director                                    | 27.31                                                   | 19.72                                                    | 6.08                                                                       |                                                                                                      |
| 3       | Bharat Swaroop<br>Non-Executive Director                                 | 0.15                                                    | -50.00                                                   | 0.03                                                                       |                                                                                                      |
| 4       | Pawan Golyan<br>Non-Executive Director                                   | 0.07                                                    | -66.67                                                   | 0.02                                                                       |                                                                                                      |
| 5       | V. K. Bhartia<br>Non-Executive Director                                  | 0.85                                                    | -3.03                                                    | 0.19                                                                       |                                                                                                      |
| 6       | Binod Kumar Patodia<br>Non-Executive Director                            | 0.30                                                    | -33.33                                                   | 0.07                                                                       |                                                                                                      |
| 7       | Pradeep Goyal<br>Non-Executive Director                                  | 0.63                                                    | -3.85                                                    | 0.14                                                                       |                                                                                                      |
| 8       | Parimal Merchant<br>Non-Executive Director                               | 0.75                                                    | 100.00                                                   | 0.17                                                                       |                                                                                                      |
| 9       | A. K. Nemani<br>Chief Financial Officer<br>(ceased w.e.f. 10.02.2016)    | 22.24                                                   | *                                                        | *                                                                          |                                                                                                      |
| 10      | Shyam Aswani<br>Chief Financial Officer<br>(appointed w.e.f. 11.02.2016) | 2.63                                                    | **                                                       | **                                                                         |                                                                                                      |

# Hirect

| Sr. No. | Name of Director/KMP and Designation                                    | Remuneration of Director/KMP for financial year 2015-16 | % increase in remuneration in the financial year 2015-16 | Ratio of remuneration of each Director/to median remuneration of employees | Comparison of the remuneration of the KMP against the performance of the Company |
|---------|-------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 11      | Alen Fren<br>Company Secretary<br>(ceased w.e.f. 15.12.2015)            | 6.67                                                    | ***                                                      | ***                                                                        |                                                                                  |
| 12      | Meenakshi Anchlia<br>Company Secretary<br>(appointed w.e.f. 10.02.2016) | 0.59                                                    | ****                                                     | ****                                                                       |                                                                                  |

\* Details not given as A. K. Nemani was Chief Financial Officer only for the part of the financial year 2015-16 i.e. upto 10th February, 2016.

\*\* Details not given as Shyam Aswani has been appointed as Chief Financial Officer w.e.f. 11th February, 2016.

\*\*\* Details not given as Alen Fren was Company Secretary only for the part of the financial year 2015-16 i.e. upto 15th December, 2015.

\*\*\*\* Details not given as Meenakshi Anchlia has been appointed as Company Secretary w.e.f. 10th February, 2016.

(2) The median remuneration of employees of the Company during the financial year was ₹ 4,49,038/-

(3) In the financial year 2015-16, there was an increase of 8.07 % in the median remuneration of employees.

(4) There were 255 permanent employees (excluding workers) on the roll of the Company as on 31st March, 2016.

(5) Relationship between average increase in remuneration and Company performance:

The Loss before Tax for the financial year ended 31st March, 2016 decreased by 63.10% whereas the increase in median remuneration was 8.07%. The average increase in median remuneration was in line with the performance of the Company.

(6) Comparison of remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 1.42% to ₹ 106.80 lacs in 2015-16 (₹ 105.30 lacs in 2014-15) whereas the Loss before Tax decreased by 63.10% to ₹ 218.38 lacs in 2015-16 (₹ 591.86 lacs in 2014-15).

(7) Variations in the market capitalization of the Company:

The market capitalisation as on 31st March, 2016 was ₹ 9,411.21 lacs (₹ 9,968.35 lacs as on 31st March, 2015)

(8) Price Earnings Ratio of the Company as at 31st March, 2016 and as at 31st March, 2015:

Not applicable - as Company is having losses.

(9) Percent increase over / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

The Company has not made any public issue or rights issue of securities in the recent past, so comparison have not been made of current share price with public offer price. The Company's shares are listed on Bombay and National Stock Exchanges.

(10) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 8.07% whereas the increase in the managerial remuneration for the same financial year was 1.42%.

(11) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

Not Applicable.

(12) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms that the remuneration is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## ANNEXURE "E" TO THE DIRECTORS' REPORT

Information under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016.

### I. CONSERVATION OF ENERGY

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

### II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. 7775 kVA Loco Transformer developed and supplied to Indian Railways for passenger locomotives.
2. Started the commercial production for 3 x 130 kVA Converter.
3. SMPS Rectifiers successfully developed and supplied.
4. Cathodic Protection Transformer Rectifier successfully developed and supplied.
5. Successfully developed Feeder Junction Box and Switch Board Cabinets for Indian Railways for LHB coaches.
6. Successfully developed and supplied 25 kA Water Cooled Rectifier with 3 inch devices.
7. Executed (10 sets) Export order of Thyristor Rectifier for Electrochlorination application of International standards.

### III. FOREIGN EXCHANGE EARNING AND OUTGO

To avoid repetition, members are kindly requested to refer Note Nos. xxii to xxiii to the Other Notes on Financial Statements where such information is furnished.

#### Registered Office:

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

Place: Mumbai

Dated: 27th May, 2016

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

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

## REPORT ON CORPORATE GOVERNANCE

Hirect is respected in the Industry for its professional style of management and best business practices from more than five decades. Its core values are based on integrity, respect for the law and compliance thereof, emphasis on product quality and a caring spirit. We believe that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities. It also focuses on the need to provide a sustainable competitive return for its investors.

The Board endeavours to achieve this first, by leveraging the resources at its disposal and fostering an environment for growth and development of human resources. The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. Second, the Board has institutionalised best management practices to bring about an atmosphere of accountability. Systems are in place for strategic planning, risk management, financial plans and budgets, integrity of internal controls and reporting, communications policy with emphasis on transparency and full disclosure on the various facets of the Company's operations, its functioning and its financials and total compliance with all statutory / regulatory requirements not only in the letter of the law but also in its spirit. We believe that good governance generates goodwill among business partners, customers and investors and earns respect from society at large.

### CORPORATE ETHICS

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

### CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has in place a detailed Code of Conduct for Board Members and Senior Management. The said Code of Conduct is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com). The Code of Conduct is applicable to all Directors and specified senior management executives. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. A declaration by the Chairman & Managing Director affirming compliance to the Code of Conduct is appended to this report.

### BOARD OF DIRECTORS

The Company as on 31st March, 2016 consists of eight Directors. There are two Executive Directors and the remaining six Directors are Non-Executive Directors. Out of the two Executive Directors one is the Chairman & Managing Director and the other is an Executive Vice Chairperson. There are two Non-Independent Non-Executive Directors. The remaining four Non-Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

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

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

None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2016 have been made by the Directors.

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

| Name of the Director                              | Category                             | No. of Other Directorships held as on 31.03.2016* |         | Outside Committee position held as on 31.03.2016** |          | Shareholding in the Company as on 31.03.2016 |
|---------------------------------------------------|--------------------------------------|---------------------------------------------------|---------|----------------------------------------------------|----------|----------------------------------------------|
|                                                   |                                      | Public                                            | Private | Member                                             | Chairman |                                              |
| Shri S. K. Nevatia (Chairman & Managing Director) | Non-Independent Executive & Promoter | –                                                 | –       | –                                                  | –        | 1821138                                      |
| Smt. Uma S. Nevatia (Executive Vice Chairperson)  | Non-Independent Executive & Promoter | –                                                 | –       | –                                                  | –        | 1423959                                      |
| Shri Bharat Swaroop                               | Non-Independent Non-Executive        | 1                                                 | 1       | –                                                  | –        | 15000                                        |
| Shri Pawan Kumar Golyan                           | Non-Independent Non-Executive        | –                                                 | –       | –                                                  | –        | NIL                                          |
| Shri V. K. Bhartia                                | Independent Non-Executive            | 1                                                 | 1       | –                                                  | –        | NIL                                          |
| Shri Binod Kumar Patodia                          | Independent Non-Executive            | 4                                                 | 4       | 4                                                  | –        | NIL                                          |
| Shri Pradeep Goyal                                | Independent Non-Executive            | 3                                                 | 2       | 3                                                  | 1        | NIL                                          |
| Shri Parimal Merchant                             | Independent Non-Executive            | –                                                 | 3       | –                                                  | –        | NIL                                          |

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

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

## INDEPENDENT DIRECTORS

The Non-Executive Independent Directors fulfil the conditions of independence specified in section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and disclosed on website of the Company viz. [www.hirect.com](http://www.hirect.com)

## BOARD MEETING

The Board of Directors met 5 times during the financial year 2015-16 i.e. on 27.05.2015, 13.08.2015, 05.11.2015, 10.02.2016 and 02.03.2016.

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

The details of attendance of Directors at Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting held on 13.08.2015 are as follows:

| Name of the Director     | No. of Board Meetings held during the tenure of the Director in 2015-16 | No. of Board Meetings Attended | Whether attended last AGM |
|--------------------------|-------------------------------------------------------------------------|--------------------------------|---------------------------|
| Shri S. K. Nevatia       | 5                                                                       | 5                              | Yes                       |
| Smt. Uma S. Nevatia      | 5                                                                       | 3                              | No                        |
| Shri Bharat Swaroop      | 5                                                                       | 2                              | No                        |
| Shri Pawan Kumar Golyan  | 5                                                                       | 1                              | Yes                       |
| Shri V. K. Bhartia       | 5                                                                       | 5                              | Yes                       |
| Shri Binod Kumar Patodia | 5                                                                       | 3                              | Yes                       |
| Shri Pradeep Goyal       | 5                                                                       | 4                              | Yes                       |
| Shri Parimal Merchant    | 5                                                                       | 5                              | Yes                       |

## RELATIONSHIP BETWEEN DIRECTORS

Shri S. K. Nevatia, Smt. Uma Nevatia, Shri Bharat Swaroop and Shri Pawan Golyan are related to each other and no other Director is related with them or related to each other.

## INFORMATION SUPPLIED TO THE BOARD

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

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

- Detailed Business Review.
- Annual operating plans and budgets and any updates thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and its operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Details of any joint venture or collaboration agreement.
- Information for development of new products, new technology etc.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition.
- Significant development on Human Resources / Industrial Relations front, like signing of wage agreement, implementation of voluntary retirement scheme etc.

- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer etc.
- Details of investment of surplus funds available with the Company.
- Details of commercial dealings by firms / companies in which members of the Board / senior management or their relatives hold shares with the Company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Detailed status on the business risks being faced by the Company and their mitigation plan.
- Details of transactions with Related Parties.

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

## **POST MEETING MECHANISM**

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned departments / divisions.

## **BOARD SUPPORT**

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

As mandated by the Clause 49 of the erstwhile Listing agreement, Regulation 16 of the Listing Regulations and section 149 of the Companies Act, 2013, the Independent Directors on the Board of the Company;

- are persons of integrity and also possess relevant expertise & experience;
- are not the Promoters of the Company or its holding or any of its Associate or Subsidiary Companies;
- are not related to the Promoters or Directors of the Company, its holding, its Subsidiary or Associate Company;
- apart from receiving Director's remuneration by way of sitting fees, do not have any pecuniary relationship with the Company, its holding, its Subsidiary or Associate Company, their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- or any of their relatives do not have any pecuniary relationship or transaction with the Company, its holding, its Subsidiary or Associate Company or their Promoters or Directors amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- or any of their relatives do not hold the position of a Key Managerial Personnel or have been employees of the Company or its holding or its Subsidiary or Associate Company in any of the three financial years immediately preceding the current financial year;

# Hirect

- are not employees or proprietors or partners, in any of the three financial years immediately preceding the current financial year in which they are proposed to be appointed, in -
  - a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding or its Subsidiary or Associate Company; or
  - any legal or a consulting firm that has or had any transaction with the Company, its holding its Subsidiary or Associate Company amounting to ten per cent or more of the gross turnover of such firm;
- either singly or together with their relatives, do not hold two per cent or more of the total voting power of the Company;
- are not Chief Executives or Directors, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, Directors or its Subsidiary or Associate Company or that holds two per cent or more of the total voting power of the Company;
- are not material suppliers, service providers or customers or lessors or lessees of the Company;
- are not less than 21 years of age.

## **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the year under review the Independent Directors of the Company have met once on 2nd March, 2016 without the attendance of Non-Independent Directors. All the Independent Directors of the Company were present at the meeting.

The Independent Directors in their meeting;

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

## **FAMILIARIZATION PROGRAMME**

Every new Independent Director including any new appointee of the Board familiarize with the strategy, operations and functions of our Company, the Executive Directors / Senior Managerial Personnel make presentations to the Director about the Company's strategy, operations, product and service offerings, markets, delivery, organization structure, finance, human resources, technology, quality, facilities and risk management. They are also informed of the important policies of the company including the Code of Conduct for Board Members and Senior Management Personal and the Code of Conduct to regulate, monitor and report trading by insider etc. Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities as a Director.

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

## **COMMITTEES OF THE BOARD**

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

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

## AUDIT COMMITTEE

The constitution and the broad terms of reference of the Audit Committee of the Company are in accordance with the provisions of Regulation 18 of the Listing Regulations and section 177 of the Companies Act, 2013.

The powers and role of the Audit Committee are also in consonance with Listing Regulations and section 177 of the Companies Act, 2013.

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

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

Shri S. K. Nevatia, Chairman & Managing Director, Shri Suramya Nevatia, General Manager (Corporate), Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meeting. In addition to this representative of the statutory & internal auditors and other executives as may be required attend these meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Audit Committee met four times during the year i.e. on 27.05.2015, 13.08.2015, 05.11.2015 and 10.02.2016.

Attendance record at the meetings of the Audit Committee during financial year 2015-16:

| Name of Committee Members    | Position                  | No. of Meetings held | Meetings attended |
|------------------------------|---------------------------|----------------------|-------------------|
| Shri V. K. Bhartia, Chairman | Independent Non-Executive | 4                    | 4                 |
| Shri Pradeep Goyal           | Independent Non-Executive | 4                    | 3                 |
| Shri Parimal Merchant        | Independent Non-Executive | 4                    | 4                 |

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Independent Directors. The Committee meets as and when necessary and reviews & approves the salaries, commission, perks and other employment conditions of the Directors and Senior Management Personnel. The terms of reference of the committee are as follows:

- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- To recommend to the Board, the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.
- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board, the policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management Personnel.
- Formulate criteria for evaluation of the Independent Directors and the Board.
- To carry out evaluation of every Director's performance.
- Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

# Hirect

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and new Senior Management Personnel.
- To provide the Key Managerial Personnel and Senior Management Personnel with reward based fixed and incentive pay which is directly linked to their efforts, performance, dedication, achievement and operations of the Company.
- To recommend to the Board, the appointment, removal and the remuneration payable to a relative of a Director.
- To assist the Board in fulfilling its responsibilities.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Nomination and Remuneration Committee met one time during the year i.e. on 10.02.2016.

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

| Name of Committee Members    | Position                  | No. of Meetings held | Meetings attended |
|------------------------------|---------------------------|----------------------|-------------------|
| Shri V. K. Bhartia, Chairman | Independent Non-Executive | 1                    | 1                 |
| Shri Binod Kumar Patodia     | Independent Non-Executive | 1                    | 0                 |
| Shri Pradeep Goyal           | Independent Non-Executive | 1                    | 1                 |

## NOMINATION AND REMUNERATION POLICY

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

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

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- b) To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.
- c) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

## REMUNERATION OF DIRECTORS

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

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

The details of remuneration / sitting fees paid to the Directors of the Company during the financial year 2015-16 are as under:

(₹ in Lacs)

| Name of the Director     | Salary | Benefits | Bonus / Commission | Sitting Fees | Total |
|--------------------------|--------|----------|--------------------|--------------|-------|
| Shri S. K. Nevatia       | 24.00  | 19.42    | -                  | -            | 43.42 |
| Smt. Uma S. Nevatia      | 18.00  | 9.31     | -                  | -            | 27.31 |
| Shri Bharat Swaroop      | -      | -        | -                  | 0.15         | 0.15  |
| Shri Pawan Kumar Golyan  | -      | -        | -                  | 0.07         | 0.07  |
| Shri V. K. Bhartia       | -      | -        | -                  | 0.85         | 0.85  |
| Shri Binod Kumar Patodia | -      | -        | -                  | 0.30         | 0.30  |
| Shri Pradeep Goyal       | -      | -        | -                  | 0.63         | 0.63  |
| Shri Parimal Merchant    | -      | -        | -                  | 0.75         | 0.75  |

The tenure of office of Smt. Uma S. Nevatia, Executive Vice Chairperson is for a period of three years with effect from 1st April, 2015. Shri S. K. Nevatia, Chairman & Managing Director whose tenure of office ended on 31st March, 2016 was further re-appointed for a period of three years with effect from 1st April, 2016 subject to the approval of members in General Meeting. There is no provision for payment of severance fees.

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

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committees. The performance evaluation of the Chairman & Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation process.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee has been constituted to strengthen the investor relations and to inter-alia, resolve the grievances of security holders pertaining to transfer of shares, non-receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

The Stakeholders Relationship Committee of the Company comprises of three Independent Directors.

Ms. Meenakshi Anchlia is the Company Secretary & Compliance Officer of the Company. Her contact details are given below:

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

Phone : +91 22 2569 6789

Email : mmanchlia@hirect.com

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

The following table shows the nature of complaints received from the shareholders during the year 2015-16.

| <b>Nature of complaints</b>      | <b>No. of complaints received during the year 2015-16</b> | <b>No of complaints Resolved</b> |
|----------------------------------|-----------------------------------------------------------|----------------------------------|
| Non receipt of Dividend Warrant  | -                                                         | -                                |
| Non receipt of Annual Report     | -                                                         | -                                |
| Non receipt of Share Certificate | -                                                         | -                                |

There were no complaints pending as on 31st March, 2016.

The Stakeholders Relationship Committee met two times during the year i.e. on 27.05.2015 and 05.11.2015.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the aforesaid meeting held during the financial year 2015-16 are given below:

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

## RISK MANAGEMENT COMMITTEE

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

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

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

- The Committee shall meet at least twice in a year.
- To identify and evaluate the impact of risk reported by various departments.
- To review the effectiveness of the corrective measures submitted by the concerned departments.
- To provide guidance to the concerned departments, in case, a better course of action is there to tackle / reduce / mitigate the risk(s).
- To tabulate the high risks, for the consideration of the Board of Directors and to present the same to the Board along with the course of action, if any.
- To generally monitor, review and whenever necessary, update the risk management plan / policy and process to ensure that there is timely and effective reporting of risks.
- To inform the Board from time to time.
- Any other functions as may be necessary or required.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition:

The Corporate Social Responsibility (CSR) Committee comprises of three Directors. Shri V. K. Bhartia, Independent Non-Executive Director is the Chairperson of the Committee. The other members of the CSR Committee include Shri S. K. Nevatia and Smt. Uma S. Nevatia. The Composition of CSR Committee is pursuant to the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per section 135 of the Companies Act, 2013 the Company need not to spend any amount on CSR for the financial year 2015-16. The Company formulated CSR policy, which is uploaded on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

### Terms of Reference:

To review the existing CSR policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.

The Composition of the CSR Committee as at March 31, 2016 and the details of meetings of the Committee are as under:

| Name of Committee Members    | Position                  | No. of Meetings held | Meetings attended |
|------------------------------|---------------------------|----------------------|-------------------|
| Shri V. K. Bhartia, Chairman | Independent Non-Executive | 1                    | 1                 |
| Shri S. K. Nevatia           | Managing Director         | 1                    | 1                 |
| Smt. Uma S. Nevatia          | Whole Time Director       | 1                    | 1                 |

## GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

| AGM      | Financial Year | Date       | Time      | Venue                                                                                             |
|----------|----------------|------------|-----------|---------------------------------------------------------------------------------------------------|
| 55th AGM | 31.03.2013     | 12.08.2013 | 3.30 p.m. | Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021. |
| 56th AGM | 31.03.2014     | 14.08.2014 | 3.30 p.m. | Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021. |
| 57th AGM | 31.03.2015     | 13.08.2015 | 3.30 p.m. | Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021. |

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

### 55th AGM

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

## 56th AGM

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

## 57th AGM

| Sr. No. | Subject matter of the Resolutions                                                                                                   | Type of Resolution | Status of implementation |
|---------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------|
| 1.      | Resolution passed under section 180(1) (c) for borrowing money upto ₹ 150 crore.                                                    | Special            | Implemented              |
| 2.      | Resolution passed under section 180(1) (a) for creation of securities in favour of lenders upto ₹ 150 crore.                        | Special            | Implemented              |
| 3.      | Re-appointment of Smt. Uma S. Nevatia as a Executive Vice Chairperson of the Company.                                               | Special            | Implemented              |
| 4.      | Appointment of Smt. Akshada Nevatia relative of a Director to hold an office or place of Profit u/s 188 of the Companies Act, 2013. | Special            | Implemented              |
| 5.      | Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.           | Special            | Implemented              |

### Resolution passed through postal ballot

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

## DISCLOSURES

- a) There was no material related party transactions as per the provisions of Regulation 23 of the Listing Regulations and section 188 of the Companies Act, 2013. There were also no transactions of material value with related parties which were in potential conflict with the interest of the Company. All the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis. All the related party transactions are approved by appropriate authorities. The necessary disclosures regarding the transactions entered into with the related parties are given in the Notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website viz [www.hirect.com](http://www.hirect.com)

- b) There were no instances of non-compliance on any matter related to the capital market during the last three years. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.
- c) The Company has a Vigil Mechanism / Whistle Blower Policy in place as required under Clause 49 of the erstwhile Listing Agreement, Regulation 22 of the Listing Regulations and as per the provisions of section 177 of the Companies Act, 2013. The Directors and employees of the Company are free to report genuine concerns about unethical behavior, misconduct or unlawful act, factual or suspected fraud or violation of the Code of Conduct or the ethics policy. The policy provides mechanism for an individual to report violations without fear of victimization. The Policy is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com). It is affirmed that no personnel have been denied access to the Chairman of the Audit Committee.

- d) The Company has complied with the mandatory requirements under the Clause 49 of the erstwhile Listing Agreement and Listing Regulations pertaining to the Corporate Governance.
- e) The Company has also fulfilled the following non-mandatory requirements as prescribed in the Listing Regulations:
  - I. Audit Qualification:

It is always the Company's endeavour to present unqualified financial statements. There are no audit qualifications in the Company's financial statement for the year under review.
  - II. Reporting of Internal Auditors:

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

## COMPLIANCES REGARDING INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from 15th May, 2015 and replaced the earlier Regulations. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the requirements of the PIT Regulations. The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Company has also formulated The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website viz. [www.hirect.com](http://www.hirect.com)

## MEANS OF COMMUNICATION

- (a) The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (b) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language (Marathi) newspaper, within forty-eight hours of approval thereof.
- (c) The Company's financial results are displayed on the Company's website viz. [www.hirect.com](http://www.hirect.com).
- (d) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (e) A separate section on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors / public.

## GENERAL SHAREHOLDER INFORMATION

- a) **AGM:** 58th Annual General Meeting for the financial year 2015-16 is scheduled to be held on Thursday, 4th August, 2016, at 3.30 p.m. at M. G. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K. Dubash Marg, Kala Ghoda, Mumbai - 400001.

- b) **Financial Year:** The Company follows April to March as its financial year. The financial results for every quarter have been declared within the time prescribed in the Listing Regulations. The details for the forthcoming financial year 2016-17 are as follows:

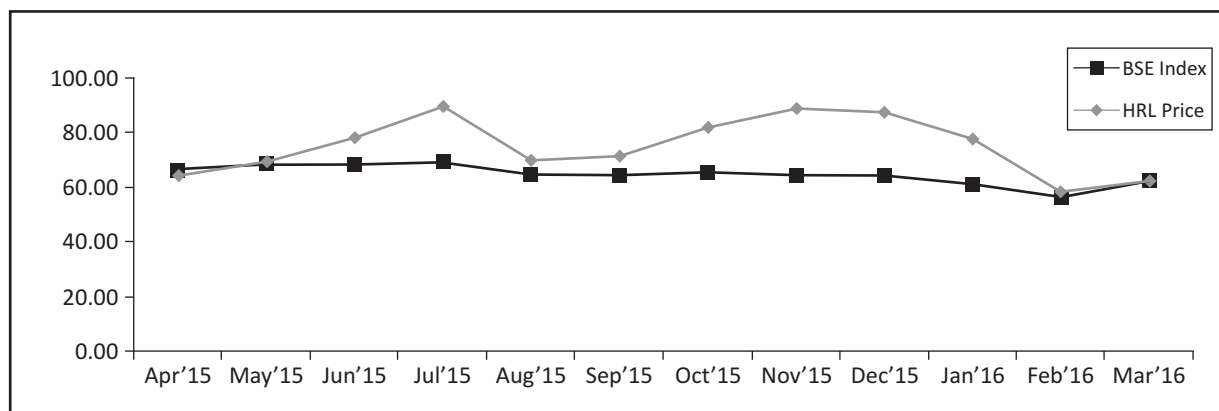
| Financial year 2016-17                                  | April 1, 2016 to March 31, 2017     |
|---------------------------------------------------------|-------------------------------------|
| Financial reporting for the quarter ended June 30, 2016 | Before August 14, 2016              |
| Financial reporting for the quarter ended Sept.30, 2016 | Before November 14, 2016            |
| Financial reporting for the quarter ended Dec. 31, 2016 | Before February 14, 2017            |
| Financial reporting for the year ended March 31, 2017   | Audited Results by end of May, 2017 |

- c) **Date of Book Closure:** 25th July, 2016 to 4th August, 2016 (Both days inclusive).
- d) **Dividend Payment Date:** Not Applicable.
- e) **Payment of Dividend:** Not Applicable.
- f) **Listing on Stock Exchanges:** The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid listing fees to the Stock Exchanges for the financial year 2016-17.
- g) **Stock Code / Symbol:** Bombay Stock Exchange Limited - 504036. National Stock Exchange of India Limited - HIRECT. Demat ISIN: INE835D01023
- g) **Market Price Data:** The Monthly High / Low market price of equity shares of Hind Rectifiers Ltd., during the financial year 2015-16:

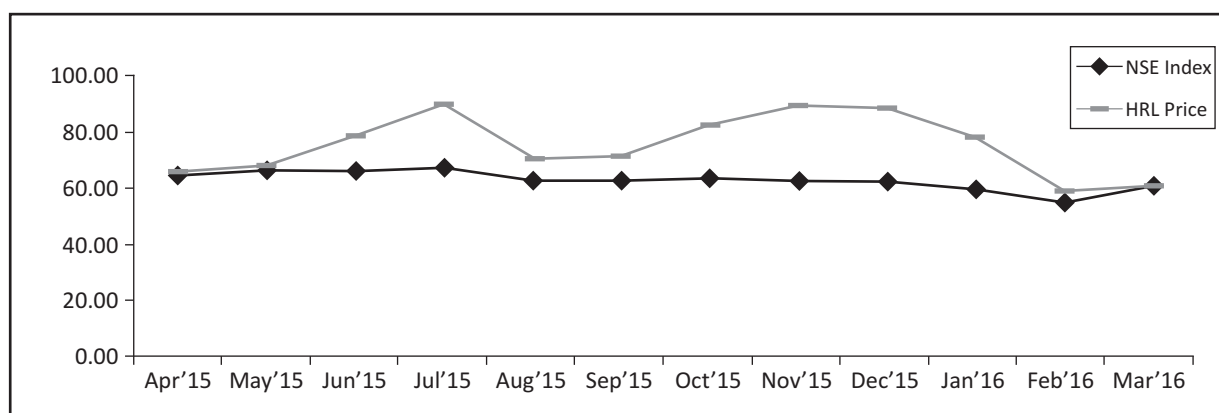
(Amount in ₹)

| Month           | BSE    |       | NSE    |       |
|-----------------|--------|-------|--------|-------|
|                 | High   | Low   | High   | Low   |
| April, 2015     | 75.95  | 61.70 | 76.90  | 62.45 |
| May, 2015       | 77.00  | 63.55 | 77.80  | 63.25 |
| June, 2015      | 80.00  | 60.50 | 81.65  | 52.55 |
| July, 2015      | 95.00  | 75.00 | 95.00  | 73.60 |
| August, 2015    | 91.00  | 66.50 | 91.95  | 65.15 |
| September, 2015 | 73.20  | 66.00 | 75.00  | 67.10 |
| October, 2015   | 88.95  | 71.65 | 90.95  | 70.65 |
| November, 2015  | 91.15  | 75.05 | 90.75  | 73.95 |
| December, 2015  | 93.00  | 78.15 | 92.80  | 76.80 |
| January, 2016   | 100.85 | 72.50 | 100.00 | 73.00 |
| February, 2016  | 83.50  | 58.10 | 84.30  | 58.00 |
| March, 2016     | 67.90  | 60.10 | 66.90  | 58.65 |

## RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX



## RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX



- i) **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 Registrar 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 ]

17-20, Jafarbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059

Tel: +91 22 4227 0400 Fax: +91 22 2850 3748

Email : info@adroitcorporate.com Website : www.adroitcorporate.com

- j) **Share Transfer System:**

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

k) **Shareholding Pattern as on 31st March, 2016:**

| Category                       | No. of shares held | % of shareholding |
|--------------------------------|--------------------|-------------------|
| Promoters & Associates         | 6696907            | 44.47             |
| Mutual Funds & UTI             | 750                | 0.00              |
| Banks / Financial Institutions | 9000               | 0.06              |
| Private Bodies Corporate       | 380633             | 2.53              |
| NRI /OCBs                      | 2512397            | 16.69             |
| Others                         | 5458243            | 36.25             |
| <b>Total</b>                   | <b>15057930</b>    | <b>100.00</b>     |

l) **Distribution of Shareholding as on 31st March, 2016:**

| No. of Equity Shares held | No. of Shareholders | No. of Shares held | % of Equity Capital |
|---------------------------|---------------------|--------------------|---------------------|
| Upto 500                  | 5009                | 735067             | 76.43               |
| 501-1000                  | 624                 | 506753             | 9.52                |
| 1001-2000                 | 468                 | 719185             | 7.14                |
| 2001-3000                 | 192                 | 520293             | 2.93                |
| 3001-4000                 | 52                  | 183263             | 0.79                |
| 4001-5000                 | 51                  | 239489             | 0.78                |
| 5001-10000                | 76                  | 525748             | 1.16                |
| 10001 & above             | 82                  | 11628132           | 1.25                |
| <b>Total</b>              | <b>6554</b>         | <b>15057930</b>    | <b>100.00</b>       |

- m) **Dematerialisation of Shares:** 11916635 equity shares representing 79.14% of total equity share capital were held in dematerialized form with NSDL and CDSL as on 31st March, 2016. Members can hold shares in electronic form and trade the same in Depository System. However, they may hold the same in physical form also.

**Status of Dematerialization of equity shares as on 31st March, 2016**

| Particulars                                 | No. of Shareholders | No. of Shares   | % to Paid-up Capital |
|---------------------------------------------|---------------------|-----------------|----------------------|
| National Securities Depository Limited      | 4076                | 10632937        | 70.61                |
| Central Depository Services (India) Limited | 2158                | 1283698         | 8.53                 |
| <b>Total Dematerialized</b>                 | <b>6234</b>         | <b>11916635</b> | <b>79.14</b>         |
| Shares held in Physical form                | 320                 | 3141295         | 20.86                |
| <b>Grand Total</b>                          | <b>6554</b>         | <b>15057930</b> | <b>100.00</b>        |

- n) **Nominations:** Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholders. Nomination facility in respect of shares held on electronic form is also available with the Depository Participant (DP) as per the bye-laws and business rules applicable to NSDL & CDSL.
- o) **Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity shares:** The Company does not have any GDRs / ADRs / Warrants or any Convertible Instruments as on date.

p) **Plant Locations:**

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

q) **Compliance Officer:** Ms. Meenakshi Anchlia, Company Secretary & Compliance Officer.

r) **Address for Correspondence:**

HIND RECTIFIERS LIMITED

Lake Road, Bhandup (West), Mumbai - 400 078.

CIN: L28900MH1958PLC011077

E-mail: investors@hirect.com Telephone No. +91 22 2569 6789.

## **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

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

## **MANAGEMENT DISCUSSIONS & ANALYSIS**

Management discussion and analysis report is given in a separate section forming part of this Annual Report.

## **CEO / CFO CERTIFICATION**

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

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

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

## **DECLARATION**

I, S. K. Nevatia, Chairman & Managing Director of Hind Rectifiers Limited hereby confirm that:

The Board of Directors of Hind Rectifiers Limited has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

The said Code of Conduct has also been posted on the Company's website viz. [www.hirect.com](http://www.hirect.com).

All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for year ended on 31st March, 2016.

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

Place : Mumbai  
Date : 27th May, 2016

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

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

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, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination 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/Listing Regulations, as applicable.

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

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

Place : Mumbai  
Date : 27th May, 2016

**Premal Gandhi**  
Proprietor  
Membership No. 045462

## CEO / CFO CERTIFICATION

The Board of Directors  
Hind Rectifiers Limited  
Mumbai, Maharashtra

### Re: Compliance Certificate for the Financial Statements for 2015-16.

We, S. K. Nevatia, Chairman and Managing Director and Shyam Aswani, Chief Financial Officer of Hind Rectifiers Limited, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2016 and to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of 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 such 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:
  - (1) significant changes, if any, in internal control over financial reporting during the year;
  - (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
  - (3) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: 27th May, 2016

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

**Shyam Aswani**  
Chief Financial Officer

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1) Business Scenario

The Company has a very strong presence in Power Electronics industry which has medium and multinational companies as competitors.

The main customer remains Indian Railways which is upgrading its technology and replacing old equipments, this offers huge opportunities for increasing business with them.

Our core strength remains in providing top class technology products with excellent after sales service through three manufacturing plants and service network PAN India.

The industry size will gradually increase due to greater requirements from Indian Railways, Metro and Mono Rail projects being planned all over India.

The Company sees opportunities in supplying other 8-10 new products to the Railways and has plans to develop proto types, get approvals and start commercial productions in next few month's time.

### 2) Opportunities & Threats

The Company is always looking for new opportunities in new customers and products.

We hope to tap the export markets in South Asian countries like Myanmar, Vietnam, Indonesia and Taiwan which are growing economies.

During the year we have exported products to Taiwan.

We are hopeful to win tenders for new requirements of Loco Transformers very soon which should keep our plants occupied throughout 2016-17.

Since we have competition from multinationals, there is always reasonable threat of losing some business to them.

### 3) Outlook

The government has shown keen interest in the modernization of Railways and we are confident that our sector will get more business due to this thrust.

Considering our long standing in industry, we are positive on the business growth.

### 4) Risks and Concerns

While the business from Railways looks positive and growing, we are concerned on the budget allocation of funds and priorities which could affect the growth of the Company. There is also very competitive bidding for this business and this could affect the already thin margins.

Political disturbances may affect the priorities of the Railways which in turn could affect the business of the Company.

### 5) Segment wise and Product wise Performance

The details of segment wise performance is reported in the Balance Sheet as notes to accounts.

Equipment division which manufactures ESP, Loco Transformers, Water Cooled Rectifiers, TCR yet contributes to substantial share in the total sale and is poised for growth.

Traction division which manufactures Inverters, Converters and other Railway Products is growing too.

Components division is in the business of Semi Conductors devices which are mainly used for captive consumption for manufacturing Rectifiers. This vertical is also growing.

AMC is a very important vertical for the Company, since the margins are better although the volume is lower, we expect this segment to grow substantially.

Trading division is in the business of imported Capacitors and Fuses and has shown good growth during the year and the margins are also improving.

## **6) Internal Control Systems and their adequacy**

The Company has strict internal controls to commensurate with the size and nature of its business.

Periodic checks are made on the efficiency of these controls by Internal Audit team, the reports of which are shared with the top management who take active involvement in development of better controls.

## **7) Financial performance with respect to operational performance**

The Company's financial performance has improved during the financial year 2015-16 and the losses have reduced although the sale is same as per last year.

All operational costs are carefully analyzed and all recurring and non-recurring expenses, wasteful and unproductive expenses are avoided.

Budgets are accurately made to forecast and monitor expenses and study the variance to understand the reason for deviation. Break even analysis is done division wise to have a foresight on the impact of increase or decrease of fixed costs.

## **8) Development in Human Recourses / Industrial Relations**

The Company values Human Recourses and lays high importance on retention and development of the same and looks at it as a long term investment. The Company holds regularly technical and commercial training seminars conducted by eminent faculty to develop skills of employees.

The management respects the dignity of all levels of employees equally. The relationship with Labour Union is extremely cordial.

Registered Office:  
Lake Road, Bhandup (W)  
Mumbai - 400078

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

Place : Mumbai  
Date : 27th May, 2016

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

## **INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the accompanying financial statements of HIND RECTIFIERS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the auditors of the Company's branches at Nasik and Dehradun Unit-I & Unit-II.

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

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

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

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

## Other Matter

We did not audit the financial statements of Nasik and Dehradun Unit-I & Unit-II (the branches) included in the financial statements of the Company. The financial statements of the said branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branches, is based solely on the report of such branch auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of 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 I a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c. The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f. On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March, 2016 from being appointed as a Director in terms of section 164 (2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company has made provision as at 31st March, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Premal Gandhi**

Proprietor

Membership No. 045462

Place : Mumbai  
Date : 27th May, 2016

## ANNEXURE I TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of HIND RECTIFIERS LIMITED on the accounts for the year ended 31st March, 2016 :

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.
- c. According to the information and explanations given to us and based on verification of records, the title deeds of immovable properties are held in the name of the Company.
- ii) Physical verification of inventory has been conducted by the management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security to which provisions of section 185 and 186 of the Act apply.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of section 73 to 76 or any other relevant provisions of the Act and rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) We have broadly reviewed the cost records maintained by the Company in accordance with section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (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, 2016 for a period of more than six months from the day they become payable;

- (b) The disputed statutory dues aggregating ₹ 214.39 lacs, that have not been deposited on account of disputed matters pending before Appropriate Authorities are as under:

| Name of the Statute                       | Nature of Dues                        | Amount (₹ in lacs)                        | Period to which the amount relates | Forum where dispute is pending                  |
|-------------------------------------------|---------------------------------------|-------------------------------------------|------------------------------------|-------------------------------------------------|
| Central Excise Act                        | Excise Duty                           | 111.70<br>(net of advance of ₹ 8.98 lacs) | 2005-2011                          | Central Excise & Service Tax Appellate Tribunal |
| Central Excise Act                        | Excise Duty                           | 1.30<br>(net of advance of ₹ 0.08 lacs)   | 2010-2014                          | Departmental Authorities                        |
| Central Sales Tax and Local Sales Tax Act | Central Sales Tax and Local Sales Tax | 101.39<br>(net advance of ₹ 39.97 lacs)   | 2006-2012                          | Departmental Authorities                        |

- viii) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loan from any financial institution or government or by way of issue of debentures.
- ix) In our opinion, and according to the information and explanations given to us, the term loan has been applied for the purpose for which the same was obtained.
- x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees having a material misstatement on the financial statements has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on verification of records, the Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi company and hence reporting under clause 3 (xii) of the order does not arise.
- xiii) According to the information and explanations given to us and based on verification of records and approvals of the Board of Directors, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) According to the information and explanations given to us, the Company is not a Non Banking Finance Company and therefore is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Premal Gandhi**

Proprietor  
Membership No. 045462

Place : Mumbai  
Date : 27th May, 2016

## **ANNEXURE II TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HIND RECTIFIERS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

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

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are

being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

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

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

Place : Mumbai  
Date : 27th May, 2016

**Premal Gandhi**  
Proprietor  
Membership No. 045462

# Hirect

## BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in lacs)

| Particulars                         | Note |                 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------------------------------|------|-----------------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>    |      |                 |                         |                         |
| <b>(1) Shareholders' Funds</b>      |      |                 |                         |                         |
| (a) Share Capital                   | 1    | <b>301.16</b>   |                         | 301.16                  |
| (b) Reserves and Surplus            | 2    | <b>5,882.63</b> |                         | 6,033.61                |
|                                     |      |                 | <b>6,183.79</b>         | 6,334.77                |
| <b>(2) Non-current Liabilities</b>  |      |                 |                         |                         |
| (a) Long-term Borrowings            | 3    | <b>632.32</b>   |                         | 37.68                   |
| (b) Other Long-term Liabilities     | 4    | <b>16.76</b>    |                         | 16.76                   |
| (c) Long-term Provisions            | 5    | <b>162.31</b>   |                         | 161.88                  |
|                                     |      |                 | <b>811.39</b>           | 216.32                  |
| <b>(3) Current Liabilities</b>      |      |                 |                         |                         |
| (a) Short-term Borrowings           | 6    | <b>2,540.15</b> |                         | 2,518.68                |
| (b) Trade Payables                  | 7    | <b>2,333.33</b> |                         | 1,860.74                |
| (c) Other Current Liabilities       | 8    | <b>408.23</b>   |                         | 587.50                  |
| (d) Short-term Provisions           | 9    | <b>44.47</b>    |                         | 32.88                   |
|                                     |      |                 | <b>5,326.18</b>         | 4,999.80                |
| <b>TOTAL</b>                        |      |                 | <b>12,321.36</b>        | <b>11,550.89</b>        |
| <b>II. ASSETS</b>                   |      |                 |                         |                         |
| <b>(1) Non-current Assets</b>       |      |                 |                         |                         |
| (a) Fixed Assets                    | 10   |                 |                         |                         |
| (i) Tangible Assets                 |      | <b>1,647.80</b> |                         | 1,723.19                |
| (ii) Intangible Assets              |      | <b>409.04</b>   |                         | 91.65                   |
| (iii) Capital Work In Progress      |      | <b>194.75</b>   |                         | 132.92                  |
| (b) Non-current Investments         | 11   | <b>5.26</b>     |                         | —                       |
| (c) Deferred Tax Assets (Net)       | 12   | <b>449.92</b>   |                         | 386.32                  |
| (d) Long-term Loans and Advances    | 13   | <b>269.94</b>   |                         | 420.08                  |
| (e) Other Non-current Assets        | 14   | <b>338.05</b>   |                         | 338.05                  |
|                                     |      |                 | <b>3,314.76</b>         | 3,092.21                |
| <b>(2) Current Assets</b>           |      |                 |                         |                         |
| (a) Inventories                     | 15   | <b>3,262.98</b> |                         | 2,237.75                |
| (b) Trade Receivables               | 16   | <b>4,473.34</b> |                         | 5,692.85                |
| (c) Cash and Cash Equivalents       | 17   | <b>453.62</b>   |                         | 98.28                   |
| (d) Short-term Loans and Advances   | 18   | <b>816.66</b>   |                         | 429.80                  |
|                                     |      |                 | <b>9,006.60</b>         | 8,458.68                |
| <b>TOTAL</b>                        |      |                 | <b>12,321.36</b>        | <b>11,550.89</b>        |
| Other Notes on Financial Statements | 26   |                 |                         |                         |

The accompanying notes form integral part of the financial statements.

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

For and on behalf of the Board of Directors  
**S. K. NEVATIA,** Chairman & Managing Director  
**V. K. BHARTIA,** Director  
**SHYAM ASWANI,** Chief Financial Officer  
**MEENAKSHI ANCHLIA,** Company Secretary & Compliance Officer

**Premal Gandhi**  
Proprietor  
Membership No. 045462

Place : Mumbai  
Date : 27th May, 2016

Place : Mumbai  
Date : 27th May, 2016

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016 (₹ in lacs)

| Particulars                                                                                                                               | Note |                   | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|------------------------------|------------------------------|
| I. Revenue from Operations                                                                                                                | 19   |                   |                              |                              |
| Gross Operational Income                                                                                                                  |      | <b>9,947.53</b>   |                              | 9,895.73                     |
| Less: Excise Duty / Service Tax                                                                                                           |      | <b>553.94</b>     |                              | 498.91                       |
| Net Operational Income                                                                                                                    |      |                   | <b>9,393.59</b>              | 9,396.82                     |
| II. Other Income                                                                                                                          | 20   |                   | <b>61.16</b>                 | 37.09                        |
| III. <b>Total Revenue (I + II)</b>                                                                                                        |      |                   | <b>9,454.75</b>              | 9,433.91                     |
| IV. Expenses                                                                                                                              |      |                   |                              |                              |
| Cost of Materials Consumed                                                                                                                | 21   | <b>6,042.90</b>   |                              | 6,677.51                     |
| Purchases of Stock-in-Trade                                                                                                               |      | <b>1,741.30</b>   |                              | 51.76                        |
| Changes in Inventories of Finished Goods,<br>Work-in-Progress and Stock-in-Trade                                                          | 22   | <b>(1,181.37)</b> |                              | 239.25                       |
| Employee Benefits Expense                                                                                                                 | 23   | <b>1,651.09</b>   |                              | 1,634.19                     |
| Finance Costs                                                                                                                             | 24   | <b>327.47</b>     |                              | 234.91                       |
| Depreciation and Amortization Expense                                                                                                     |      | <b>157.53</b>     |                              | 146.98                       |
| Other Expenses                                                                                                                            | 25   | <b>934.20</b>     |                              | 1,041.17                     |
| <b>Total Expenses</b>                                                                                                                     |      |                   | <b>9,673.12</b>              | 10,025.77                    |
| V. <b>Profit / (Loss) Before Taxes (III - IV)</b>                                                                                         |      |                   | <b>(218.37)</b>              | (591.86)                     |
| VI. Tax Expenses                                                                                                                          |      |                   |                              |                              |
| Deferred Tax                                                                                                                              |      | <b>(63.60)</b>    |                              | (178.87)                     |
| (Excess) / Short Provision of Taxation for<br>Earlier Years                                                                               |      | <b>(3.79)</b>     |                              | (55.73)                      |
|                                                                                                                                           |      |                   | <b>(67.39)</b>               | (234.60)                     |
| VII. <b>Profit / (Loss) for the year (V - VI)</b>                                                                                         |      |                   | <b>(150.98)</b>              | (357.26)                     |
| VIII. Basic & Diluted Earnings Per Share of face value<br>of ₹ 2/- each. (Refer Note No. (xiv) of Other<br>Notes on Financial Statements) |      |                   | <b>(1.00)</b>                | (2.37)                       |
| Other Notes on Financial Statements                                                                                                       | 26   |                   |                              |                              |

The accompanying notes form integral part of the financial statements.

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

**Premal Gandhi**  
Proprietor  
Membership No. 045462

Place : Mumbai  
Date : 27th May, 2016

For and on behalf of the Board of Directors  
**S. K. NEVATIA,** Chairman & Managing Director  
**V. K. BHARTIA,** Director  
**SHYAM ASWANI,** Chief Financial Officer  
**MEENAKSHI ANCHLIA,** Company Secretary & Compliance Officer

Place : Mumbai  
Date : 27th May, 2016

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

(₹ in lacs)

| Particulars                                                 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>               |                              |                              |
| Net Profit / (Loss) Before Tax & Extra-Ordinary Items       | (218.37)                     | (591.86)                     |
| <b>Adjusted for</b>                                         |                              |                              |
| Depreciation                                                | 157.53                       | 146.98                       |
| Investment Income                                           | (14.12)                      | (15.86)                      |
| Interest Charged                                            | 327.46                       | 234.90                       |
| Operating Profit / (Loss) before Working Capital Changes    | 252.50                       | (225.84)                     |
| <b>Changes in</b>                                           |                              |                              |
| Trade & Other Receivables                                   | 1,018.42                     | (514.33)                     |
| Inventories                                                 | (1,025.23)                   | 768.92                       |
| Trade & Other Payables                                      | 305.97                       | 180.70                       |
|                                                             | 299.16                       | 435.29                       |
| Cash Generated from Operations                              | 551.66                       | 209.45                       |
| Direct Taxes Paid                                           | (31.04)                      | (14.67)                      |
| Cash Flow before Extra-Ordinary Items                       | 520.62                       | 194.78                       |
| Extra-Ordinary Items (Subsidy received from Govt. of India) | —                            | —                            |
| Net Cash from Operating Activities                          | 520.62                       | 194.78                       |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>               |                              |                              |
| Purchases of Fixed Assets                                   | (470.21)                     | (316.78)                     |
| Sale / Disposal of Fixed Assets                             | 8.86                         | 19.18                        |
| Purchases of Investments                                    | (5.26)                       | —                            |
| Sale of Investments                                         | —                            | —                            |
| Interest Received                                           | 12.68                        | 20.82                        |
| Dividend Received                                           | —                            | —                            |
| Net Cash used in Investing Activities                       | (453.93)                     | (276.78)                     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>               |                              |                              |
| Proceeds from issue of Share Capital                        | —                            | —                            |
| Proceeds from Borrowings                                    | 616.11                       | 308.66                       |
| Interest Paid                                               | (327.46)                     | (234.90)                     |
| Dividend Paid                                               | —                            | (30.11)                      |
| Tax on Distributed Profit                                   | —                            | (5.12)                       |
| Net Cash used in Financing Activities                       | 288.65                       | 38.53                        |
| Net Changes in Cash & Cash Equivalents (A+B+C)              | 355.34                       | (43.47)                      |
| Cash & Cash Equivalents - Opening Balance                   | 98.28                        | 141.75                       |
| Cash & Cash Equivalents - Closing Balance                   | 453.62                       | 98.28                        |

The accompanying notes form integral part of the financial statements.

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

For and on behalf of the Board of Directors  
**S. K. NEVATIA,** Chairman & Managing Director  
**V. K. BHARTIA,** Director  
**SHYAM ASWANI,** Chief Financial Officer  
**MEENAKSHI ANCHLIA,** Company Secretary & Compliance Officer

**Premal Gandhi**  
Proprietor  
Membership No. 045462

Place : Mumbai  
Date : 27th May, 2016

Place : Mumbai  
Date : 27th May, 2016

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 1. SHARE CAPITAL

(₹ In lacs)

| Particulars                                                              | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised Capital</b><br>5,00,00,000 Equity Shares of ₹ 2/- each     | <b>1,000.00</b>         | 1,000.00                |
| <b>Issued Capital</b><br>1,50,57,930 Equity Shares of ₹ 2/- each         | <b>301.16</b>           | 301.16                  |
| <b>Subscribed and Paid up</b><br>1,50,57,930 Equity Shares of ₹ 2/- each | <b>301.16</b>           | 301.16                  |
| <b>TOTAL</b>                                                             | <b>301.16</b>           | 301.16                  |

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

| Name of Shareholder    | As at March 31, 2016 |              | As at March 31, 2015 |        |
|------------------------|----------------------|--------------|----------------------|--------|
|                        | No of shares         | % held       | No of shares         | % held |
| Shri. S. K. Nevatia    | <b>18,56,138</b>     | <b>12.33</b> | 18,56,138            | 12.33  |
| Smt. Uma S. Nevatia    | <b>14,23,959</b>     | <b>9.46</b>  | 14,43,959            | 9.46   |
| Shri. Saurabh Nevatia  | <b>12,53,500</b>     | <b>8.32</b>  | 13,53,500            | 8.99   |
| BTR Industries Limited | <b>24,00,000</b>     | <b>15.94</b> | 24,00,000            | 15.94  |

b. Reconciliation of number of shares

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

## 2. RESERVES AND SURPLUS

(₹ in lacs)

| Particulars                                                                                                                                            | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>General Reserve</b>                                                                                                                                 |                         |                         |
| Opening Balance                                                                                                                                        | <b>6,333.65</b>         | 6,197.57                |
| Add: Adjustment of Earlier years Depreciation<br>(Net of Deferred Tax ₹ 65.35 lacs) pursuant to<br>enactment of Schedule II of the Companies Act, 2013 | —                       | 136.08                  |
| Closing Balance                                                                                                                                        | <b>6,333.65</b>         | 6,333.65                |
| <b>Capital Reserve</b>                                                                                                                                 |                         |                         |
| Opening Balance                                                                                                                                        | <b>34.82</b>            | 34.82                   |
| Closing Balance                                                                                                                                        | <b>34.82</b>            | 34.82                   |
| <b>Profit and Loss Account</b>                                                                                                                         |                         |                         |
| Opening balance                                                                                                                                        | <b>(334.86)</b>         | 22.40                   |
| Add: Profit for the year                                                                                                                               | <b>(150.98)</b>         | (357.26)                |
| Add: Transferred from General Reserve                                                                                                                  | —                       | —                       |
| Less: Appropriations                                                                                                                                   |                         |                         |
| Proposed Dividend                                                                                                                                      | —                       | —                       |
| [Dividend per Share ₹ Nil (previous year ₹ Nil)]                                                                                                       |                         |                         |
| Tax on Dividend                                                                                                                                        | —                       | —                       |
| Closing Balance                                                                                                                                        | <b>(485.84)</b>         | (334.86)                |
| <b>GRAND TOTAL</b>                                                                                                                                     | <b>5,882.63</b>         | 6,033.61                |

## 3. LONG-TERM BORROWINGS

(₹ in lacs)

| Particulars                                           | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>SECURED</b>                                        |                         |                         |
| Working Capital term Loan from Apna Sahakari Bank (*) | <b>500.00</b>           | —                       |
| Vehicle Loan from ICICI Bank Ltd. (**)                | <b>5.64</b>             | 14.58                   |
| Vehicle Loan from HDFC Bank Ltd. (**)                 | <b>1.68</b>             | 4.80                    |
| <b>UNSECURED</b>                                      |                         |                         |
| Fixed Deposits                                        | —                       | 18.30                   |
| Loan from Directors                                   | <b>125.00</b>           | —                       |
| <b>TOTAL</b>                                          | <b>632.32</b>           | 37.68                   |

(\*) Secured against mortgage of Land and Building situated at Plot No. 110/111, Satpur MIDC, Nashik. Repayable in 60 monthly instalments from 1st April, 2017.

(\*\*) Secured against hypothecation of Motor Car Nos. MH-03-BS-7225, WB-02-AG-0842.

## 4. OTHER LONG-TERM LIABILITIES

(₹ in lacs)

| Particulars        | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------|-------------------------|-------------------------|
| Dealership Deposit | 16.76                   | 16.76                   |
| TOTAL              | 16.76                   | 16.76                   |

## 5. LONG-TERM PROVISIONS

(₹ in lacs)

| Particulars                     | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---------------------------------|-------------------------|-------------------------|
| Provision for Employee Benefits |                         |                         |
| Gratuity                        | 107.99                  | 105.70                  |
| Leave Encashment                | 54.32                   | 56.18                   |
| TOTAL                           | 162.31                  | 161.88                  |

## 6. SHORT-TERM BORROWINGS

(₹ in lacs)

| Particulars                                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>SECURED</b>                             |                         |                         |
| <b>Loan from Consortium Banks (*)</b>      |                         |                         |
| i) Cash Credit                             | 1,728.29                | 2,518.68                |
| ii) Preshipment Credit in Foreign Currency | 300.18                  | —                       |
| iii) Foreign Currency Non Residential Loan | 511.68                  | —                       |
| TOTAL                                      | 2,540.15                | 2,518.68                |

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

## 7. TRADE PAYABLES

(₹ in lacs)

| Particulars                         | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------------------------------|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | 16.07                   | 17.80                   |
| Others                              | 2,317.26                | 1,842.94                |
| TOTAL                               | 2,333.33                | 1,860.74                |

## 8. OTHER CURRENT LIABILITIES

(₹ in lacs)

| Particulars                              | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|------------------------------------------|-------------------------|-------------------------|
| Current maturities of long term debt (*) | 12.06                   | 18.09                   |
| Advance from Customers                   | 89.60                   | 183.17                  |
| Unclaimed Dividend                       | 19.76                   | 22.78                   |
| Other payables (**)                      | 286.81                  | 363.46                  |
| TOTAL                                    | 408.23                  | 587.50                  |

(\*) Includes

i) Loan for vehicles ₹ 12.06 lacs (previous year ₹ 17.69 lacs)

ii) Fixed Deposits ₹ NIL (previous year ₹ 0.40 lacs)

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

## 9. SHORT-TERM PROVISIONS

(₹ in lacs)

| Particulars                            | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|----------------------------------------|-------------------------|-------------------------|
| <b>Provision for Employee Benefits</b> |                         |                         |
| Provision for Gratuity                 | 32.65                   | 22.11                   |
| Provision for Leave encashment         | 11.82                   | 10.14                   |
|                                        | 44.47                   | 32.25                   |
| <b>Others</b>                          |                         |                         |
| Provision for Wealth Tax               | —                       | 0.63                    |
| Proposed Dividend                      | —                       | —                       |
| Tax on Proposed Dividend               | —                       | —                       |
|                                        | —                       | 0.63                    |
| <b>TOTAL</b>                           | <b>44.47</b>            | <b>32.88</b>            |

## 10. FIXED ASSETS

(₹ in lacs)

| PARTICULARS                      | GROSS BLOCK         |                |                        |                     | DEPRECIATION        |                 |                                                |                                  |                     | NET BLOCK           |                     |
|----------------------------------|---------------------|----------------|------------------------|---------------------|---------------------|-----------------|------------------------------------------------|----------------------------------|---------------------|---------------------|---------------------|
|                                  | As at<br>01-04-2015 | Since<br>Added | Deduction/<br>Adjusted | As at<br>31-03-2016 | As at<br>01-04-2015 | For the<br>Year | Amount<br>transferred<br>to/from<br>Reserve(*) | Recouped,<br>Sold or<br>Adjusted | As at<br>31-03-2016 | As at<br>31-03-2016 | As at<br>31-03-2015 |
| <b>Tangible Assets</b>           |                     |                |                        |                     |                     |                 |                                                |                                  |                     |                     |                     |
| Land - Owned                     | 229.99              | —              | —                      | 229.99              | —                   | —               | —                                              | —                                | —                   | 229.99              | 229.99              |
| Land - Leasehold                 | 21.01               | —              | —                      | 21.01               | 8.03                | 0.22            | —                                              | —                                | 8.25                | 12.76               | 12.98               |
| Roads                            | 51.24               | —              | —                      | 51.24               | 41.06               | 4.82            | —                                              | —                                | 45.88               | 5.36                | 10.18               |
| Buildings                        | 866.36              | —              | —                      | 866.36              | 181.59              | 20.17           | —                                              | —                                | 201.76              | 664.60              | 684.77              |
| Plant & Machinery                | 917.08              | 52.45          | 0.15                   | 969.38              | 377.57              | 59.60           | —                                              | —                                | 437.17              | 532.21              | 539.51              |
| Motor Cars & Vehicles            | 235.03              | 4.49           | 18.99                  | 220.53              | 97.65               | 24.61           | —                                              | 10.29                            | 111.97              | 108.56              | 137.38              |
| Furniture & Fixtures             | 273.96              | 4.05           | —                      | 278.01              | 187.29              | 15.11           | —                                              | —                                | 202.40              | 75.61               | 86.67               |
| Computers                        | 61.30               | 6.05           | —                      | 67.35               | 39.59               | 9.05            | —                                              | —                                | 48.64               | 18.71               | 21.71               |
| <b>Total</b>                     | <b>2655.97</b>      | <b>67.04</b>   | <b>19.14</b>           | <b>2703.87</b>      | <b>932.78</b>       | <b>133.58</b>   | <b>—</b>                                       | <b>10.29</b>                     | <b>1056.07</b>      | <b>1647.80</b>      | <b>1723.19</b>      |
| <b>Previous Year</b>             | 3044.41             | 154.77         | 543.21                 | 2655.97             | 1554.61             | 129.32          | (227.11)                                       | 524.04                           | 932.78              | 1723.19             | —                   |
| <b>Intangible Assets</b>         |                     |                |                        |                     |                     |                 |                                                |                                  |                     |                     |                     |
| Technical Knowhow & Licence Fees | 400.21              | 173.48         | —                      | 573.69              | 326.61              | 13.03           | —                                              | —                                | 339.64              | 234.05              | 73.60               |
| Computer Software                | 66.15               | 4.67           | —                      | 70.82               | 48.10               | 6.56            | —                                              | —                                | 54.66               | 16.16               | 18.05               |
| Product Development Cost         | —                   | 163.19         | —                      | 163.19              | —                   | 4.36            | —                                              | —                                | 4.36                | 158.83              | —                   |
| <b>Total</b>                     | <b>466.36</b>       | <b>341.34</b>  | <b>—</b>               | <b>807.70</b>       | <b>374.71</b>       | <b>23.95</b>    | <b>—</b>                                       | <b>—</b>                         | <b>398.66</b>       | <b>409.04</b>       | <b>91.65</b>        |
| <b>Previous Year</b>             | 436.08              | 30.28          | —                      | 466.36              | 331.36              | 17.67           | 25.68                                          | —                                | 374.71              | 91.65               | —                   |
| <b>Capital Work in Progress</b>  | 132.92              | 225.02         | 163.19                 | 194.75              | —                   | —               | —                                              | —                                | —                   | 194.75              | 132.92              |

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

## 11. NON-CURRENT INVESTMENTS

(₹ in lacs)

| Particulars                         | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Trade Investments (At cost)</b>  |                         |                         |
| Fully paid equity shares (unquoted) |                         |                         |
| Apna Sahakari Bank Ltd.             | 0.26                    | —                       |
| Thane Janata Sahakari Bank Ltd.     | 5.00                    | —                       |
| TOTAL                               | 5.26                    | —                       |

## 12. DEFERRED TAX ASSET (NET)

(₹ in lacs)

| Particulars                                        | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Deferred Tax Assets</b>                         |                         |                         |
| Disallowance under the Income Tax Act, 1961        | 79.40                   | 74.98                   |
| Carried forward losses and unabsorbed depreciation | 480.00                  | 400.00                  |
|                                                    | 559.40                  | 474.98                  |
| <b>Deferred Tax Liability</b>                      |                         |                         |
| Related to Fixed Assets                            | 109.48                  | 88.66                   |
| TOTAL                                              | 449.92                  | 386.32                  |

## 13. LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars                       | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-----------------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b> |                         |                         |
| Capital Advances                  | 145.32                  | 311.40                  |
| Security Deposits                 | 58.54                   | 57.52                   |
| Earnest Money Deposits            | 66.08                   | 51.16                   |
| Staff Loans                       | —                       | —                       |
| TOTAL                             | 269.94                  | 420.08                  |

## 14. OTHER NON-CURRENT ASSETS

(₹ in lacs)

| Particulars            | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|------------------------|-------------------------|-------------------------|
| MAT Credit Entitlement | 338.05                  | 338.05                  |
| TOTAL                  | 338.05                  | 338.05                  |

## 15. INVENTORIES

(₹ in lacs)

| Particulars                  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|------------------------------|-------------------------|-------------------------|
| Raw Materials and Components | <b>1,344.80</b>         | 1,505.41                |
| Work-in-Progress             | <b>1,785.98</b>         | 581.44                  |
| Finished Goods               | <b>45.82</b>            | 44.10                   |
| Stock-In-Trade               | <b>53.14</b>            | 76.11                   |
| Stores and Spares            | <b>0.58</b>             | 1.27                    |
| Loose Tools and Instruments  | <b>28.57</b>            | 27.10                   |
| Scrap                        | <b>4.09</b>             | 2.32                    |
| <b>TOTAL</b>                 | <b>3,262.98</b>         | 2,237.75                |

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

## 16. TRADE RECEIVABLES

(₹ in lacs)

| Particulars                                                            | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Trade receivables outstanding for a period less than six months</b> |                         |                         |
| Secured, considered good <b>3.77</b>                                   |                         | 3.10                    |
| Unsecured, considered good <b>3,498.81</b>                             |                         | 4,845.11                |
|                                                                        | <b>3,502.58</b>         | 4,848.21                |
| <b>Trade receivables outstanding for a period exceeding six months</b> |                         |                         |
| Secured, considered good <b>10.74</b>                                  |                         | 4.65                    |
| Unsecured, considered good <b>960.02</b>                               |                         | 839.99                  |
|                                                                        | <b>970.76</b>           | 844.64                  |
| <b>TOTAL</b>                                                           | <b>4,473.34</b>         | 5,692.85                |

## 17. CASH AND CASH EQUIVALENTS

(₹ in lacs)

| Particulars                          | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------------------------|-------------------------|-------------------------|
| Balances with banks                  |                         |                         |
| In Current Account (*) <b>147.20</b> |                         | 28.27                   |
| In Margin Account (**) <b>300.21</b> |                         | 62.13                   |
| In Fixed Deposit <b>0.60</b>         |                         | 3.20                    |
|                                      | <b>448.01</b>           | 93.60                   |
| Cash on hand <b>5.61</b>             |                         | 4.68                    |
| <b>TOTAL</b>                         | <b>453.62</b>           | 98.28                   |

(\*) Balance with banks in current account includes Unclaimed Dividend of ₹ 19.76 lacs (previous year ₹ 22.78 lacs)

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

## 18. SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

| Particulars                                                           | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>                                     |                         |                         |
| Advances recoverable in cash or kind or for value to be received      | <b>359.79</b>           | 107.90                  |
| Earnest Money Deposits                                                | <b>39.17</b>            | 46.09                   |
| Balance with Excise, Customs and Port Trust                           | <b>264.20</b>           | 157.96                  |
| Taxes Paid in Advance / Deducted at Source (Net of Provision for Tax) | <b>147.89</b>           | 113.69                  |
| Interest Income accrued but not due                                   | <b>5.61</b>             | 4.16                    |
| <b>TOTAL</b>                                                          | <b>816.66</b>           | 429.80                  |

## 19. REVENUE FROM OPERATIONS

(₹ in lacs)

| Particulars                                        | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------------------------|------------------------------|------------------------------|
| Gross Sales                                        | <b>8,698.22</b>              | 8,902.10                     |
| Less: Excise Duty                                  | <b>433.80</b>                | 416.05                       |
|                                                    | <b>8,264.42</b>              | 8,486.05                     |
| Gross Reconditioning, Repairing & Servicing Income | <b>1,249.31</b>              | 993.63                       |
| Less: Excise Duty and Service Tax                  | <b>120.14</b>                | 82.86                        |
|                                                    | <b>1,129.17</b>              | 910.77                       |
| <b>TOTAL</b>                                       | <b>9,393.59</b>              | 9,396.82                     |

## 20. OTHER INCOME

(₹ in lacs)

| Particulars                       | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-----------------------------------|------------------------------|------------------------------|
| Interest Income                   | <b>14.13</b>                 | 15.86                        |
| Credit Balances Written Back      | <b>4.12</b>                  | 6.29                         |
| Exchange Fluctuation              | —                            | 7.08                         |
| Duty Drawback                     | <b>3.27</b>                  | 7.31                         |
| Compensation received from vendor | <b>39.64</b>                 | —                            |
| Miscellaneous Income              | —                            | 0.55                         |
| <b>TOTAL</b>                      | <b>61.16</b>                 | 37.09                        |

## 21. COST OF MATERIALS CONSUMED

(₹ in lacs)

| Particulars                            | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------------|------------------------------|------------------------------|
| Opening Stock of Raw Materials         | 1,505.41                     | 2,022.82                     |
| Add: Purchases of Raw Materials        | 5,519.99                     | 5,797.07                     |
| Add: Conversion and Processing Charges | 362.30                       | 363.03                       |
| Total                                  | 5,882.29                     | 6,160.10                     |
| Less: Closing Stock of Raw Materials   | 1,344.80                     | 1,505.41                     |
| TOTAL                                  | 6,042.90                     | 6,677.51                     |

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

(₹ in lacs)

| Particulars                                | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|--------------------------------------------|------------------------------|------------------------------|
| Opening Inventory                          |                              |                              |
| Finished Goods                             | 44.10                        | 173.87                       |
| Work-In-Progress                           | 581.44                       | 678.22                       |
| Stock-In-Trade                             | 76.11                        | 97.07                        |
|                                            | 701.65                       | 949.16                       |
| Closing Inventory                          |                              |                              |
| Finished Goods                             | 45.82                        | 44.10                        |
| Work-In-Progress                           | 1,785.98                     | 581.44                       |
| Stock-In-Trade                             | 53.14                        | 76.11                        |
|                                            | 1,884.94                     | 701.65                       |
| Add / (Less) Excise duty on Finished Goods | 1.92                         | (8.26)                       |
| (INCREASE) / DECREASE                      | (1,181.37)                   | 239.25                       |

## 23. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

| Particulars                                                                      | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Salaries, Wages, Gratuity and Bonus etc.                                         | 1,444.79                     | 1,406.12                     |
| Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme | 106.40                       | 109.41                       |
| Staff Welfare Expenses                                                           | 99.90                        | 118.66                       |
| TOTAL                                                                            | 1,651.09                     | 1,634.19                     |

## 24. FINANCE COSTS

(₹ in lacs)

| Particulars                                  | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------------------|------------------------------|------------------------------|
| Interest on Bank Borrowings                  | 267.42                       | 212.77                       |
| Interest on Deposits & Loans                 | 1.50                         | 2.09                         |
| Other Interest                               | 9.20                         | 6.02                         |
| Interest on Term Loan                        | 2.37                         | —                            |
| Exchange Fluctuation (FCNR / Buyer's Credit) | 11.68                        | (12.40)                      |
| Bank Charges                                 | 35.30                        | 26.43                        |
| TOTAL                                        | 327.47                       | 234.91                       |

## 25. OTHER EXPENSES

(₹ in lacs)

| Particulars                                        | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------------------------------|------------------------------|------------------------------|
| Consumable Stores, Tools and Instruments           | 31.25                        | 28.20                        |
| Electricity, Water and Fuel Charges                | 147.99                       | 152.28                       |
| Packing                                            | 82.11                        | 87.98                        |
| Repairs                                            |                              |                              |
| To Machinery                                       | 5.58                         | 6.90                         |
| To Building                                        | 26.76                        | 46.80                        |
| To Other Assets                                    | 18.55                        | 20.62                        |
| Repairing and Servicing Expenses                   | 3.64                         | 1.61                         |
| Rent                                               | 21.03                        | 14.39                        |
| Rates and Taxes                                    | 9.24                         | 7.26                         |
| Insurance                                          | 7.91                         | 8.79                         |
| Travelling, Conveyance and Vehicle Expenses        | 178.98                       | 221.99                       |
| Director's Travelling, Conveyance and Sitting Fees | 4.72                         | 8.30                         |
| Printing and Stationery                            | 14.16                        | 15.46                        |
| Postage, Telegram and Telex                        | 33.36                        | 38.43                        |
| Advertisement and Publicity                        | 10.84                        | 25.65                        |
| Liquidity Damages                                  | 7.60                         | 22.30                        |
| Commission                                         | 25.49                        | 16.40                        |
| Legal and Professional Charges                     | 108.59                       | 102.62                       |
| Payment to Auditors                                | 4.13                         | 4.69                         |
| Transit Insurance and Freight                      | 91.63                        | 102.88                       |
| Bad Debts                                          | 8.43                         | 8.69                         |
| Exchange Rate Fluctuation                          | 2.61                         | —                            |
| Miscellaneous Expenses                             | 89.60                        | 98.93                        |
| TOTAL                                              | 934.20                       | 1,041.17                     |

## 26. OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2016

### i) Significant Accounting Policies

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

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

#### b) Use of estimates

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

#### c) Fixed Assets / Intangible Assets

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

#### d) Depreciation

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

#### e) Valuation of Inventories

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

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

#### f) Revenue Recognition

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

## Sales

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

## Other Income

Interest income is accounted on accrual basis.

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

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

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

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

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

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

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

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

- i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws),

is recognised as an asset by way of credit to the Statement of Profit & Loss only if there is convincing evidence of its realisation. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

- ii) Deferred tax resulting from 'timing difference' between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. However, in case of deferred tax assets (representing unabsorbed depreciation or carry forward losses) are recognised, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised, or to the extent of deferred tax liabilities.

## k) Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

## l) Earnings Per Share

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

- ii) Estimated amount of contract remaining to be executed and not provided on account of Technical Know-How ₹ 94.28 lacs (previous year ₹ 192.85 lacs) and on account of Capital Purchase ₹ 271.54 lacs (previous year ₹ 245.76 lacs).

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

(₹ in lacs)

| Particulars                                                                           | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Letters of credit opened by the bankers of the Company in favour of the third parties | 233.85                  | 47.76                   |
| Guarantee given by the banks to the third parties on behalf of the Company            | 1,013.39                | 766.66                  |
| Letter of Credit discounted with bank                                                 | —                       | 54.00                   |
| Claims of Excise disputed by the Company (*)                                          | 122.06                  | 99.32                   |
| Claims of Sales Tax disputed by the Company (*)                                       | 141.36                  | 141.36                  |

- (\*) The amount shown represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of future cashflow will determinable on only receipt of judgement / decisions pending with various forums / authorities. The Company does not expect any reimbursements against the above.

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

(₹ in lacs)

| Particulars                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|----------------------------|-------------------------|-------------------------|
| As Auditor                 | 2.25                    | 2.25                    |
| For Tax Audit              | 0.60                    | 0.60                    |
| For Certification etc.     | 0.80                    | 0.94                    |
| For out of pocket expenses | 0.39                    | 0.38                    |
| TOTAL                      | 4.04                    | 4.17                    |

## v) Employee Benefits:

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

### **Defined Contribution Plan:**

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

(₹ in lacs)

| Particulars                                    | 2015-2016    | 2014-2015 |
|------------------------------------------------|--------------|-----------|
| Employer's Contribution to Provident Fund      | <b>43.56</b> | 47.00     |
| Employer's Contribution to Superannuation Fund | <b>22.52</b> | 25.12     |
| Employer's Contribution to Pension Fund        | <b>36.30</b> | 29.34     |

### **Defined Benefit Plan:**

(₹ in lacs)

| Particulars                                                                     | Gratuity       |           | Leave Encashment |           |
|---------------------------------------------------------------------------------|----------------|-----------|------------------|-----------|
|                                                                                 | 2015-2016      | 2014-2015 | 2015-2016        | 2014-2015 |
| i) Reconciliation of opening and closing balances of Defined Benefit obligation |                |           |                  |           |
| Defined Benefit obligation at beginning of the year                             |                |           |                  |           |
| Funded                                                                          | <b>375.91</b>  | 401.67    | —                | —         |
| Non-Funded                                                                      | <b>101.95</b>  | 100.93    | <b>66.32</b>     | 94.94     |
|                                                                                 | <b>477.86</b>  | 502.60    | <b>66.32</b>     | 94.94     |
| Current Service Cost                                                            |                |           |                  |           |
| Funded                                                                          | <b>20.98</b>   | 22.24     | —                | —         |
| Non-Funded                                                                      | <b>4.20</b>    | 4.63      | <b>15.44</b>     | 22.68     |
|                                                                                 | <b>25.18</b>   | 26.87     | <b>15.44</b>     | 22.68     |
| Interest Cost                                                                   |                |           |                  |           |
| Funded                                                                          | <b>30.07</b>   | 36.55     | —                | —         |
| Non-Funded                                                                      | <b>2.95</b>    | 3.44      | <b>4.85</b>      | 7.81      |
|                                                                                 | <b>33.02</b>   | 39.99     | <b>4.85</b>      | 7.81      |
| Actuarial (gain) / loss                                                         |                |           |                  |           |
| Funded                                                                          | <b>(22.33)</b> | (0.83)    | —                | —         |
| Non-Funded                                                                      | <b>5.61</b>    | (5.10)    | <b>10.92</b>     | (14.44)   |
|                                                                                 | <b>(16.72)</b> | (5.93)    | <b>10.92</b>     | (14.44)   |
| Benefits paid                                                                   |                |           |                  |           |
| Funded                                                                          | <b>52.43</b>   | 83.72     | —                | —         |
| Non-Funded                                                                      | <b>0.36</b>    | 1.95      | <b>31.40</b>     | 44.66     |
|                                                                                 | <b>52.79</b>   | 85.67     | <b>31.40</b>     | 44.66     |
| Defined Benefit obligation at year end                                          |                |           |                  |           |
| Funded                                                                          | <b>352.20</b>  | 375.91    | —                | —         |
| Non-Funded                                                                      | <b>114.35</b>  | 101.95    | <b>66.14</b>     | 66.32     |
|                                                                                 | <b>466.55</b>  | 477.86    | <b>66.14</b>     | 66.32     |

| Particulars                                                                                     | Gratuity       |           | Leave Encashment |           |
|-------------------------------------------------------------------------------------------------|----------------|-----------|------------------|-----------|
|                                                                                                 | 2015-2016      | 2014-2015 | 2015-2016        | 2014-2015 |
| ii) <u>Reconciliation of opening and closing balances of fair value of plan assets (Funded)</u> |                |           |                  |           |
| Fair value of plan assets at beginning of the year                                              | <b>350.05</b>  | 387.52    | —                | —         |
| Expenses deducted from the fund                                                                 | <b>(0.35)</b>  | —         | —                | —         |
| Expected return on plan assets                                                                  | <b>33.53</b>   | 36.70     | —                | —         |
| Actuarial (gain) / loss                                                                         | <b>(6.25)</b>  | (5.39)    | —                | —         |
| Employer contribution                                                                           | <b>1.37</b>    | 14.94     | —                | —         |
| Benefits paid                                                                                   | <b>52.43</b>   | 83.72     | —                | —         |
| Fair value of plan assets at year end                                                           | <b>325.91</b>  | 350.05    | —                | —         |
| Actual return on plan assets                                                                    | <b>27.28</b>   | 31.31     | —                | —         |
| iii) <u>Expense recognised during the year</u>                                                  |                |           |                  |           |
| Current Service Cost                                                                            |                |           |                  |           |
| Funded                                                                                          | <b>20.98</b>   | 22.24     | —                | —         |
| Non-Funded                                                                                      | <b>4.21</b>    | 4.63      | <b>15.44</b>     | 22.68     |
|                                                                                                 | <b>25.19</b>   | 26.87     | <b>15.44</b>     | 22.68     |
| Interest Cost                                                                                   |                |           |                  |           |
| Funded                                                                                          | <b>30.07</b>   | 36.55     | —                | —         |
| Non-Funded                                                                                      | <b>2.95</b>    | 3.44      | <b>4.84</b>      | 7.80      |
|                                                                                                 | <b>33.02</b>   | 39.99     | <b>4.84</b>      | 7.80      |
| Expected return on plan assets                                                                  |                |           |                  |           |
| Funded                                                                                          | <b>33.53</b>   | 36.70     | —                | —         |
| Non-Funded                                                                                      | —              | —         | —                | —         |
|                                                                                                 | <b>33.53</b>   | 36.70     | —                | —         |
| Actuarial (gain) / loss                                                                         |                |           |                  |           |
| Funded                                                                                          | <b>(16.08)</b> | 4.56      | —                | —         |
| Non-Funded                                                                                      | <b>5.61</b>    | (5.10)    | <b>10.92</b>     | (14.44)   |
|                                                                                                 | <b>(10.47)</b> | (0.54)    | <b>10.92</b>     | (14.44)   |
| Net Cost                                                                                        |                |           |                  |           |
| Funded                                                                                          | <b>1.44</b>    | 26.65     | —                | —         |
| Non-Funded                                                                                      | <b>12.77</b>   | 2.97      | <b>31.21</b>     | 16.04     |
|                                                                                                 | <b>14.21</b>   | 29.62     | <b>31.21</b>     | 16.04     |

| Particulars                                                       | Gratuity              |        | Leave Encashment   |       |
|-------------------------------------------------------------------|-----------------------|--------|--------------------|-------|
|                                                                   | As at 31st March      |        | As at 31st March   |       |
|                                                                   | 2016                  | 2015   | 2016               | 2015  |
| iv) <u>Reconciliation of fair value of assets and obligations</u> |                       |        |                    |       |
| Fair value of plan assets                                         |                       |        |                    |       |
| Funded                                                            | <b>325.91</b>         | 350.05 | —                  | —     |
| Non-Funded                                                        | —                     | —      | —                  | —     |
|                                                                   | <b>325.91</b>         | 350.05 | —                  | —     |
| Present value of obligation                                       |                       |        |                    |       |
| Funded                                                            | <b>352.20</b>         | 375.91 | —                  | —     |
| Non-Funded                                                        | <b>114.35</b>         | 101.95 | <b>66.14</b>       | 66.32 |
|                                                                   | <b>466.55</b>         | 477.86 | <b>66.14</b>       | 66.32 |
| Amount recognised in Balance Sheet                                |                       |        |                    |       |
| Funded                                                            | <b>26.29</b>          | 25.86  | —                  | —     |
| Non-Funded                                                        | <b>114.35</b>         | 101.95 | <b>66.14</b>       | 66.32 |
|                                                                   | <b>140.64</b>         | 127.81 | <b>66.14</b>       | 66.32 |
| v) <u>Investment Details</u>                                      | Insurer Managed Funds |        | N.A.               |       |
| vi) <u>Actuarial assumptions</u>                                  |                       |        |                    |       |
| Mortality Table (LIC)                                             | 1994-96 (Ultimate)    |        | 1994-96 (Ultimate) |       |
| Discount rate (per annum)                                         | <b>8.00%</b>          | 8.00%  | <b>8.00%</b>       | 8.00% |
| Expected rate of return on plan assets (per annum)                | <b>9.30%</b>          | 9.30%  | —                  | —     |
| Rate of escalation in salary (per annum)                          | <b>4.00%</b>          | 4.00%  | <b>4.00%</b>       | 4.00% |

- vi)** Trade Receivables over six months comprises of ₹ 774.20 lacs (previous year ₹ 629.36 lacs) due from Government concerns and ₹ 195.56 lacs (previous year ₹ 215.38 lacs) due from commercial parties.
- vii)** In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and all provisions for liabilities are adequate and not in excess of the amount considered necessary.
- viii)** In the opinion of the Management, no provision is required against contingent liabilities referred hereinabove.
- ix)** Advance and deposits from customers reflected under 'Other Long Term Liabilities' and 'Other Current Liabilities' represent advance / dealership deposit received by the Company for supply of capital goods.
- x)** Balance of Trade Receivables and Trade Payables are subject to confirmation.
- xi)** During the year, the Company has incurred an expenditure of ₹ 219.62 lacs on the development of various products and completed the development process of the products of ₹ 163.19 lacs (including ₹ 49.90 lacs incurred upto 31st March, 2015) and balance of ₹ 170.81 lacs (including ₹ 64.48 lacs incurred upto 31st March, 2015) related to the products still under development is shown under Capital Work in Progress.

# Hirect

- xii) The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

(₹ in lacs)

| Particulars                                                              | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| Principal amount due and remaining unpaid                                | —                       | —                       |
| Interest due on above and unpaid interest                                | —                       | —                       |
| Interest paid                                                            | —                       | —                       |
| Payment made beyond the appointed day during the year                    | —                       | —                       |
| Interest due and payable for the period of delay                         | —                       | —                       |
| Interest accrued and remaining unpaid                                    | —                       | —                       |
| Amount of further interest remaining due and payable in succeeding years | —                       | —                       |

- xiii) The recurring expenditure of ₹ 59.74 lacs (previous year ₹ 71.54 lacs) and Capital Expenditure of ₹ 114.45 lacs (previous year ₹ Nil) spent in respect of Research and Development during the year have been debited to respective account.

- xiv) **Earnings per Share :**

(₹ in lacs)

| Particulars                                             | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|---------------------------------------------------------|------------------------------|------------------------------|
| Profit after taxation as per Statement of Profit & Loss | <b>(150.98)</b>              | (357.26)                     |
| Weighted average number of equity shares outstanding    | <b>1,50,57,930</b>           | 1,50,57,930                  |
| Basic and diluted earnings per share                    | <b>(1.00)</b>                | (2.37)                       |

- xv) **Segment Information :**

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

Primary Segment Information :

(₹ in lacs)

| Particulars                        | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|------------------------------------|------------------------------|------------------------------|
| <b>A. Segment Revenue</b>          |                              |                              |
| Electronic Components              | <b>2,784.19</b>              | 1,216.37                     |
| Equipments                         | <b>6,831.71</b>              | 8,647.00                     |
| Total                              | <b>9,615.90</b>              | 9,863.37                     |
| Less : Inter-Segment Revenue       | <b>222.31</b>                | 466.55                       |
| Net Sales / Income from Operations | <b>9,393.59</b>              | 9,396.82                     |

(₹ in lacs)

| Particulars                                               | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-----------------------------------------------------------|------------------------------|------------------------------|
| <b>B. Segment Results - Profit / (Loss)</b>               |                              |                              |
| Electronic Components                                     | <b>4.45</b>                  | (137.74)                     |
| Equipments                                                | <b>428.07</b>                | 113.82                       |
| Total                                                     | <b>432.52</b>                | (23.92)                      |
| Less : Interest & Financial Charges                       | <b>327.46</b>                | 234.90                       |
| Other Unallocable Expenditure (Net of unallocable Income) | <b>323.43</b>                | 333.04                       |
| Profit / (Loss) Before Tax                                | <b>(218.37)</b>              | (591.86)                     |
| <b>C. Capital Employed</b>                                |                              |                              |
| Electronic Components                                     | <b>247.93</b>                | 281.84                       |
| Equipments                                                | <b>3,514.97</b>              | 3,750.12                     |

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

a) List of related parties

| Name of Related Party       | Relationship                                        |
|-----------------------------|-----------------------------------------------------|
| Shri S. K. Nevatia          | Key Management Personnel                            |
| Smt. Uma S. Nevatia         | Key Management Personnel                            |
| Shri Saurabh Nevatia        | Relative of Key Management Personnel                |
| Shri Suramya Nevatia        | Relative of Key Management Personnel                |
| Smt. Akshada Nevatia        | Relative of Key Management Personnel                |
| Shri Bharat Swaroop         | Relative of Key Management Personnel                |
| Shri Pawan Kumar Golyan     | Relative of Key Management Personnel                |
| Force Motion Technology LLP | Enterprises of Relative of Key Management Personnel |

b) Transactions during the year

(₹ in lacs)

| S.No.       | Nature of transaction  | Key Management Personnel | Relative of Key Management Personnel | Total                     |
|-------------|------------------------|--------------------------|--------------------------------------|---------------------------|
| 1.          | Loan Received          | <b>125.00</b><br>—       | —<br>—                               | <b>125.00</b><br>—        |
| Expenditure |                        |                          |                                      |                           |
| 2. i.       | Remuneration           | <b>70.73</b><br>(66.37)  | <b>48.75</b><br>(38.31)              | <b>119.48</b><br>(104.68) |
| ii.         | Directors Sitting Fees | —<br>—                   | <b>0.22</b><br>(0.53)                | <b>0.22</b><br>(0.53)     |
| iii.        | Rent                   | —<br>—                   | <b>3.90</b><br>(3.90)                | <b>3.90</b><br>(3.90)     |
| iv.         | Purchase               | —<br>—                   | 0.93<br>—                            | 0.93<br>—                 |

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

**xvii) Particulars of Sales:**

(₹ in lacs)

| Particulars                          | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|--------------------------------------|------------------------------|------------------------------|
| <b>a) Manufactured Goods</b>         |                              |                              |
| Convertor & Invertor Equipments      | <b>2,151.72</b>              | 4,579.17                     |
| Diodes, Thyristors, Modules, Bridges | <b>549.92</b>                | 566.76                       |
| High Voltage Rectifiers              | <b>1,394.89</b>              | 1,822.09                     |
| High Current Rectifiers              | <b>1,289.79</b>              | 764.73                       |
| Transformers                         | <b>416.82</b>                | 188.80                       |
| Others                               | <b>566.04</b>                | 475.72                       |
| Total                                | <b>6,369.18</b>              | 8,397.27                     |
| <b>b) Traded Goods</b>               |                              |                              |
| Capacitors                           | <b>335.84</b>                | 81.24                        |
| Others                               | <b>1,559.40</b>              | 7.54                         |
| Total                                | <b>1,895.24</b>              | 88.78                        |
| <b>TOTAL</b>                         | <b>8,264.42</b>              | 8,486.05                     |

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

(₹ in lacs)

| Particulars  | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|--------------|------------------------------|------------------------------|
| Capacitors   | <b>242.71</b>                | 67.34                        |
| Others       | <b>1,536.01</b>              | 6.86                         |
| <b>TOTAL</b> | <b>1,778.72</b>              | 74.20                        |

(\*) Includes purchases for manufacturing ₹ 37.42 lacs (previous year ₹ 22.44 lacs)

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

(₹ in lacs)

| Particulars                                          | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|------------------------------------------------------|------------------------------|------------------------------|
| Non-ferrous metals                                   | <b>1,394.30</b>              | 822.18                       |
| CRGO lamination                                      | <b>43.08</b>                 | 134.97                       |
| Electrical accessories and semi conductor components | <b>3,308.18</b>              | 3,812.71                     |
| Others                                               | <b>1,297.34</b>              | 1,907.65                     |
| <b>TOTAL</b>                                         | <b>6,042.90</b>              | 6,677.51                     |

(\*) Raw materials consumed:

i) Includes material used for service activities

ii) Excludes sale and stock of scrap

iii) Includes Conversion and Processing charges ₹ 362.30 lacs (previous year ₹ 363.03 lacs)

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

(₹ in lacs)

| Particulars  | Year ended March 31, 2016 |               | Year ended March 31, 2015 |            |
|--------------|---------------------------|---------------|---------------------------|------------|
|              | Amount                    | Percentage    | Amount                    | Percentage |
| Imported     | <b>788.55</b>             | <b>13.05</b>  | 1,454.93                  | 21.79      |
| Indigenous   | <b>5,254.35</b>           | <b>86.95</b>  | 5,222.58                  | 78.21      |
| <b>TOTAL</b> | <b>6,042.90</b>           | <b>100.00</b> | 6,677.51                  | 100.00     |

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

(₹ in lacs)

| Particulars                | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|----------------------------|------------------------------|------------------------------|
| Raw Materials & Components | 722.39                       | 1,082.13                     |
| Capital goods              | —                            | —                            |
| TOTAL                      | 722.39                       | 1,082.13                     |

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

(₹ in lacs)

| Particulars                                                   | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| Travelling Expenses                                           | 3.89                         | 14.65                        |
| Technical Know-How, Licence Fee (shown under Capital advance) | —                            | 19.43                        |
| Royalty                                                       | —                            | —                            |
| Others                                                        | 0.04                         | 21.68                        |
| TOTAL                                                         | 3.93                         | 55.76                        |

**xxiii) Earnings in foreign currency:**

(₹ in lacs)

| Particulars            | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|------------------------|------------------------------|------------------------------|
| Export on F.O.B. basis | 651.75                       | 155.26                       |
| Others                 | —                            | —                            |
| TOTAL                  | 651.75                       | 155.26                       |

**xxiv) Dividend paid abroad:**

| Particulars                                               | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 |
|-----------------------------------------------------------|------------------------------|------------------------------|
| Remittance of foreign exchange on account of dividend (₹) | —                            | 4.80                         |
| Number of non-resident shareholders                       | —                            | 1                            |
| Number of shares on which remittance was made             | —                            | 2400000                      |
| Year for which the dividend was remitted                  | —                            | 2013-2014                    |

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

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

The accompanying notes form integral part of the financial statements.

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

**Premal Gandhi**  
Proprietor  
Membership No. 045462

Place : Mumbai  
Date : 27th May, 2016

For and on behalf of the Board of Directors  
**S. K. NEVATIA,** Chairman & Managing Director  
**V. K. BHARTIA,** Director  
**SHYAM ASWANI,** Chief Financial Officer  
**MEENAKSHI ANCHLIA,** Company Secretary & Compliance Officer

Place : Mumbai  
Date : 27th May, 2016

# Hirect

## NOTES

[illegible]



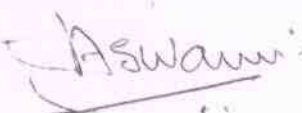
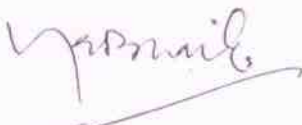
**12 Pulse Water Cooled Thyristor Controlled  
Rectifier System for production of Chloro-alkali Products**



**12 Pulse Forced Aircooled Thyristor Controlled Rectifier  
System for Department of Atomic Energy**

**Form A**  
**(For Audit Report with Unmodified Opinion)**

[Pursuant to Regulation 33 of SEBI LODR, 2015]

| No. | Particulars                                                                                                                                        | Details                                                                                                                                                                       |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Name of the Company                                                                                                                                | Hind Rectifiers Limited                                                                                                                                                       |
| 2.  | Annual Standalone Financial Statements for the Year ended                                                                                          | 31 <sup>st</sup> March, 2016                                                                                                                                                  |
| 3.  | Type of Audit Observation                                                                                                                          | Un-modified                                                                                                                                                                   |
| 4.  | Frequency of Observation                                                                                                                           | N.A.                                                                                                                                                                          |
| 5.  | To be Signed by:-                                                                                                                                  |                                                                                                                                                                               |
|     | S. K. Nevatia<br>Chairman and Managing Director                                                                                                    | <br>     |
|     | Shyam Aswani<br>Chief Financial Officer                                                                                                            | <br>   |
|     | Auditors of the Company<br>Khandwala & Shah<br>Chartered Accountants,<br>Firm Registration<br>No.105069W<br>Premal Gandhi<br>Membership No. 045462 | <br> |
|     | V.K. Bhartia<br>Audit Committee Chairman                                                                                                           | <br> |