HIND RECTIFIERS LIMITED
CIN: L28900MH1958PLCO11077
REGD. & H.O. LAKE ROAD, BHANDUP (W), MUMBAI - 400 078. □ TEL.: 25696789, 25968027-28-29-31
□ FAX: 022-25964114 □ WEBSITE: http://www.hirect.com □ E-MAIL: corporate@hirect.com, marketing@hirect.com

FORM A

1.	Name of the company	HIND RECTIFIERS LIMITED
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable
5.	Signed by- S. K. Nevatia Chairman & Managing Director A. K. Nemani CFO Uday J. Shah Auditor of the company V. K. Bhartia Audit Committee Chairman	

Hirect

HIND RECTIFIERS LIMITED

Lake Road, Bhandup (W), Mumbai - 400 078
Tel: +91 22 25696789 Fax: +91 22 25962461 Website: www.hirect.com E-Mail: corporate@hirect.com
CIN : L28900MH1958PLC011077

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 56th Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Thursday the 14th August , 2014 at 3.30 P.M. at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai - 400 021 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To consider declaration of Dividend on Equity Shares for the year ended March 31, 2014.

3. To appoint a Director in place of Shri. Pawan Kumar Golyan, who retires from office by rotation and being eligible offers himself for re-appointment.

4. To re-appoint, Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the third consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

   "**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Khandwala & Shah, Chartered Accountants having firm Registration No:105069W as Statutory Auditor, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

5. To appoint Branch Auditors for Nashik and Dehradun Plants to hold the office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** in supersession of the resolution passed by the shareholders in the AGM of the Company held on 05.08.2011, consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force) and the Articles of Association of the Company for borrowing, whether by way of Term Loan / Equipment Finance / Cash Credit facilities or the like, from time to time, any sum or sums at its discretion from Financial Institutions / Banks on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate at any time ₹ 50 Crores (Rupees Fifty Crores Only).

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

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

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Company in certain events in favour of the Financial Institutions / Banks / any other Investing Agencies / Trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by all or any other person(s) / bodies corporate by way of private placement or otherwise, to secure rupee / foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 50 Crores (Rupees Fifty Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid and also to delegate all or any of the above powers to the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Shri V. K. Bhartia, (DIN : 00019810), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years commencing from the date of this AGM till 13th August, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Shri D. R. Mehta, (DIN : 00337951), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years commencing from the date of this AGM till 13th August, 2019."

10. To consider and if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Shri Pradeep Goyal, (DIN : 00008370), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years commencing from the date of this AGM till 13th August, 2019."

11. To consider and if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act, Shri Binod Kumar Patodia, (DIN : 00003516), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 consecutive years commencing from the date of this AGM till 13th August, 2019."

12. To consider and if thought fit, to pass with or without modification the following resolution as **Ordinary Resolution:**

    "RESOLVED THAT pursuant to section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the remuneration of Rs. 60,000/- plus service tax as applicable for the financial year ending 31st March, 2014 as approved by the Board of Directors of the Company to be paid to M/s. N. Ritesh & Associates for conducting of cost audit of the Company be and is hereby ratified and confirmed."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. Members / Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
5. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
6. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
7. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
8. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
9. The Ministry of Corporate Affairs (MCA) under **"Green Initiative in the Corporate Governance"** allowed paperless compliances by the Companies. MCA had issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the Form and hand over the same along with Attendance Form at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice / documents including Annual Report.
10. Brief resume of all Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of the Companies in which they hold Directorships, Memberships / Chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from 08/08/2014 to 14/08/2014 (both days inclusive).
12. The dividend on Equity Shares, as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company will be paid on or after 14th August, 2014.
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:

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to the Investor Education and Protection Fund
2006 - 2007	28.07.2007	27.07.2014
2007 - 2008	25.08.2008	24.08.2015
2008 - 2009	10.09.2009	09.09.2016
2009 - 2010	12.08.2010	11.08.2017
2010 - 2011	05.08.2011	04.08.2018
2011 - 2012	07.08.2012	06.08.2019
2012 - 2013	12.08.2013	11.08.2020

    Members who have not encashed the dividend warrant(s) so far in respect of the above financial years, are therefore, and requested to make their claims to the Registrar 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]
19, Jafarbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059.
Tel No.: +91 22 28594060 / 28596060 Fax: +91 22 28503748 • E-mail: adroits@vsnl.net

16. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole / First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.

    (b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.

    (c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.

17. The Company has listed its shares on The Bombay Stock Exchange Limited & National Stock Exchange of India Limited.

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. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is attached herewith.

20. **VOTING THROUGH ELECTRONIC MEANS**

I. In compliance with provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of Fifty Sixth Annual General Meeting of the Company.

Instructions for shareholders voting electronically are as under:

(i) The shareholders should log on to the e-voting website i.e. https://www.evotingindia.co.in

(ii) Click on "Shareholders" tab.

(iii) Now, select the "HIND RECTIFIERS LIMITED" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

a) For CDSL: Enter 16 digits beneficiary ID,

b) For NSDL: Enter 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

Enter the Image Verification Code as displayed and click on Login.

(v) If you are holding shares in Demat form and had logged on to https://www.evotingindia.co.in and voted on an earlier voting of any Company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department
	(Applicable for both Demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company / Depository Participant are requested to use the default number <HRLEV9999Z> in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said Demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat account or in the Company records for the said Demat account or folio (any one).
	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <HIND RECTIFIERS LIMITED> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) The voting beings on 9th August, 2014 (9.30 a.m.) and ends on 11th August, 2014 (5.30 p.m.) During this period shareholders' of the Company holding shares either in physical form or in Demat form, as on the cut-off date (record date) of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

II. The voting rights of shareholders shall be in portion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 8th August, 2014.

III. A copy of this notice has been placed on the website of the Company i.e. www.hirect.com and the website of CDSL.

IV. Shri Mahesh Soni, Practising Company Secretary (Certificate of Practice No. 2324) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

VI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.hirect.com and on the website of CDSL within two (2) days of passing of the resolution at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

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

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

Place: Mumbai
Dated: 28th May, 2014.

S. K. Nevatia
Chairman & Managing Director

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

Item No. 6 & 7

The shareholders of the Company had by an Ordinary Resolution at the 53rd AGM of the Company held on 05.08.2011, authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹ 50 Crores for the business of the Company.

At the same AGM of the Company, the shareholders had accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings.

However, Section 180(1) of the Companies Act, 2013, provides that the Board of Directors of the Company shall exercise the said powers only with the consent of the Company by a Special Resolution. Hence, the Special Resolution at Item No. 6 and 7 is intended for this purpose.

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

Item No. 8 to 11

Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal, and Shri Binod Kumar Patodia are Non Executive Independent Directors of the Company and have held the office for more than five years. Section 149 of the Companies Act, 2013 and clause 49 of the listing agreements stipulates the conditions for the appointment of Independent director by listed Company.

The Company has received notices in writing along with the requisite amount under the provisions of Section 160 of the Companies Act, 2013 from members proposing the candidature of each of Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal, and Shri Binod Kumar Patodia for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

It is proposed to appoint Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal, and Shri Binod Kumar Patodia as Independent Directors under section 149 of the Companies Act, 2013 to hold the office for five consecutive years commencing from the date of this AGM till 13th August, 2019.

The Company has received from each of them (i) consent in writing to act as a director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal, and Shri Binod Kumar Patodia the Independent Directors proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and are independent of the Management. A copy of the draft letter for appointment of each of them, as an Independent Directors setting out the terms and conditions is available for inspection without any fee by the member at the Company's registered office during normal business hours on any working day.

The resolution seeks the approval of the members for the appointment of Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal, and Shri Binod Kumar Patodia as an Independent Directors of the Company upto 13th August, 2019 pursuant to the Section 149 of the Companies act, 2013 and Rules made thereunder.

None of Directors or Key Managerial Personnel or their relatives except Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal, and Shri Binod Kumar Patodia to whom the resolution relates, are interested or concerned.

Item No. 12

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee at its meeting held on 28th May, 2014, the Board has considered and approved appointment of M/s. N. Ritesh & Associates, Cost Accountants, for the conduct of the cost audit of the Company at a remuneration of ₹ 60,000/- plus service tax as applicable for the financial year ending 31st March, 2014.

The resolution at Item 12 of the Notice is set out as on Ordinary Resolution for approval and ratification by the members in terms of section 148 of the Companies Act, 2013.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested financial or otherwise, in the resolution set out at Item No. 12.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

1.	Name	:	Shri Pawan Kumar Golyan (DIN : 00356807)
	Age	:	57 years
	No. of shares held in the Company	:	Nil
	Brief Resume & Functional expertise	:	Shri Pawan Kumar Golyan, Commerce graduate (B.Com) from Kathmandu University and working with Golyan Group as a Director and having total experience of more than 30 years.
	Outside Directorships	:	Nepal Merchant Banking & Finance Ltd. Reliance Spinning Mills Ltd. Air Nepal International.
	Chairmanship / Membership of Board Committees	:	Dhanalaxmi Synthetics Ltd. Nepal Ind. & Commercial Bank Ltd. Nepal Life Insurance Co. Ltd.
2.	Name	:	Shri Vijay Kumar Bhartia (DIN : 00019810)
	Age	:	73 years
	No. of shares held in the Company	:	Nil
	Brief Resume & Functional expertise	:	Shri Vijay Kumar Bhartia, a graduate from Mumbai University and was formerly holding a senior position with Raymond Ltd., and is presently associated with the same company as an Advisor and having total experience of more than 47 years.
	Outside Directorships	:	Rainbow Weavers & Processors Pvt. Ltd. Uniconnect Sim Pvt. Ltd.
	Chairmanship / Membership of Board Committees	:	Nil
3.	Name	:	Shri D. R. Mehta (DIN : 00337951)
	Age	:	79 Years
	No. of shares held in the Company	:	430
	Brief Resume & Functional expertise	:	Shri D. R. Mehta, M.B.A. from Wharton School of Finance, University of Pennsylvania, Philadelphia, USA, has a varied background of more than 42 years experience in overseeing Corporate departments and functions at top Management with a total experience of 57 years.
	Outside Directorships	:	Vivan Investments Pvt. Ltd.
	Chairmanship / Membership of Board Committees	:	Nil

4.	Name	:	Shri Pradeep Vedprakash Goyal (DIN : 00008370)
	Age	:	59 years
	No. of shares held in the Company	:	Nil
	Brief Resume & Functional expertise	:	Shri Pradeep Vedprakash Goyal a Masters Engineering Graduate from MIT, USA and working with Pradeep Metals Ltd. as a Chairman & Managing Director and has got total experience of 35 years in different fields.
	Outside Directorships	:	Pradeep Metals Ltd. Uniphos Enterprises Ltd. United Phosphorous Ltd. Janakalyan Sahakari Bank Ltd. S. V. Shah Construction Pvt. Ltd. B. S. Metal Pvt. Ltd.
	Chairmanship / Membership of Board Committees	:	Uniphos Enterprises Ltd. United Phosphorus Ltd.
5.	Name	:	Shri Binod Kumar Patodia (DIN : 00003516)
	Age	:	69 years
	No. of shares held in the Company	:	Nil
	Brief Resume & Functional expertise	:	Shri Binod Kumar Patodia an Engineering Graduate from BITS, Pilani and he is working with M/s. GTN Textiles Ltd., as a Vice Chairman & Managing Director and has got total experience of 43 years.
	Outside Directorships	:	GTN Textiles Ltd. GTN Enterprises Ltd. Patspin India Ltd. The India Thermit Corporation Ltd. Patspin Apparels Pvt. Ltd. Patodia Exports & Investments Pvt. Ltd. Umang Finance Pvt. Ltd. Beekaypee Credit Pvt. Ltd.
	Chairmanship / Membership of Board Committees	:	Nil

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

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

Place: Mumbai
Dated: 28th May, 2014.

S. K. Nevatia
Chairman & Managing Director

Hirect

HIND RECTIFIERS LIMITED

Registered Office : Lake Road, Bhandup (W), Mumbai 400 078
CIN: L28900MH1958PLC11077

ATTENDANCE SLIP

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

I /We hereby record my / our presence at the FIFTY SIXTH ANNUAL GENERAL MEETING held at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai - 400 021 (India) on Thursday, 14th August 2014 at 3.30 p.m.

Signature of Shareholder(s) 1.____________________ 2.____________________ 3.____________________

Name of the Proxy holder ________________________ Signature of the Proxy holder____________________

* Applicable for investors holding shares in electronic form.

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

HIND RECTIFIERS LIMITED

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

PROXY FORM

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

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

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

a) Name .... Address ....

E-Mail ID .... Signature ....or failing him;

b) Name .... Address ....

E-Mail ID .... Signature ....or failing him;

c) Name .... Address ....

E-Mail ID .... Signature ....or failing him;

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the FIFTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at 3.30 p.m. on Thursday, 14th August, 2014 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 financial statement, Report of the Board of Directors and Auditors.		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Shri Pawan Kumar Golyan, who retires by rotation.		
4.	Appointment of M/s. Khandwala & Shah, Chartered Accountants as Auditors and fixing their remuneration.		
5.	Appointment of M/s. Daga & Chaturmutha, Chartered Accountants as Branch Auditors for Nashik Plant and M/s. R. Gupta & Associates, Chartered Accountants, Branch Auditors for Dehradun Plants and fixing their remuneration.		
6.	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing monies upto ₹ 50 crore over and above the aggregate of the paid-up share capital and free reserves of the Company.		
7.	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security.		
8.	Appointment of Shri V. K. Bhartia as Independent Director.		
9.	Appointment of Shri D. R. Mehta as Independent Director.		
10.	Appointment of Shri Pradeep Goyal as Independent Director.		
11.	Appointment of Shri Binod Patodia as Independent Director.		
12.	Approval of remuneration of the Cost Auditor.		

Signed this .... day of 2014

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

56TH ANNUAL REPORT
2013-2014

Hirect

REGISTERED OFFICE : Lake Road,
Bhandup (W),
Mumbai - 400 078 (India)
CIN : L28900MH1958PLC011077

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

Eastern Region : Chatterjee International Centre
11th Floor, Flat No. 13,
33-A, J.N. Road, Kolkota - 700 071.

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

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

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

Contents

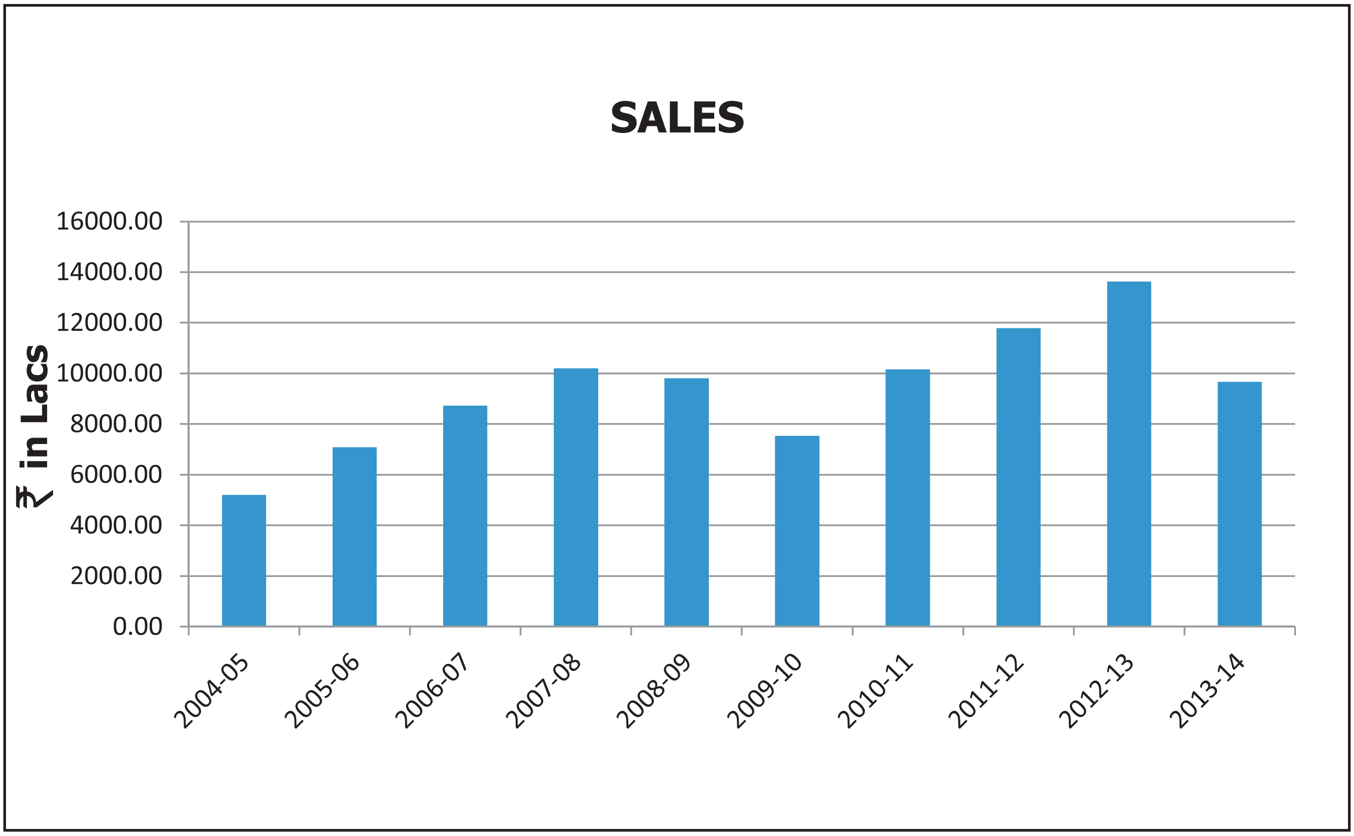
Directors' Report 4
Report on Corporate Governance 9
Secretarial Compliance Certificate 25
Auditors' Report 29
Balance Sheet 34
Statement of Profit & Loss 35
Cash Flow Statement 36
Notes on Financial Statements 37

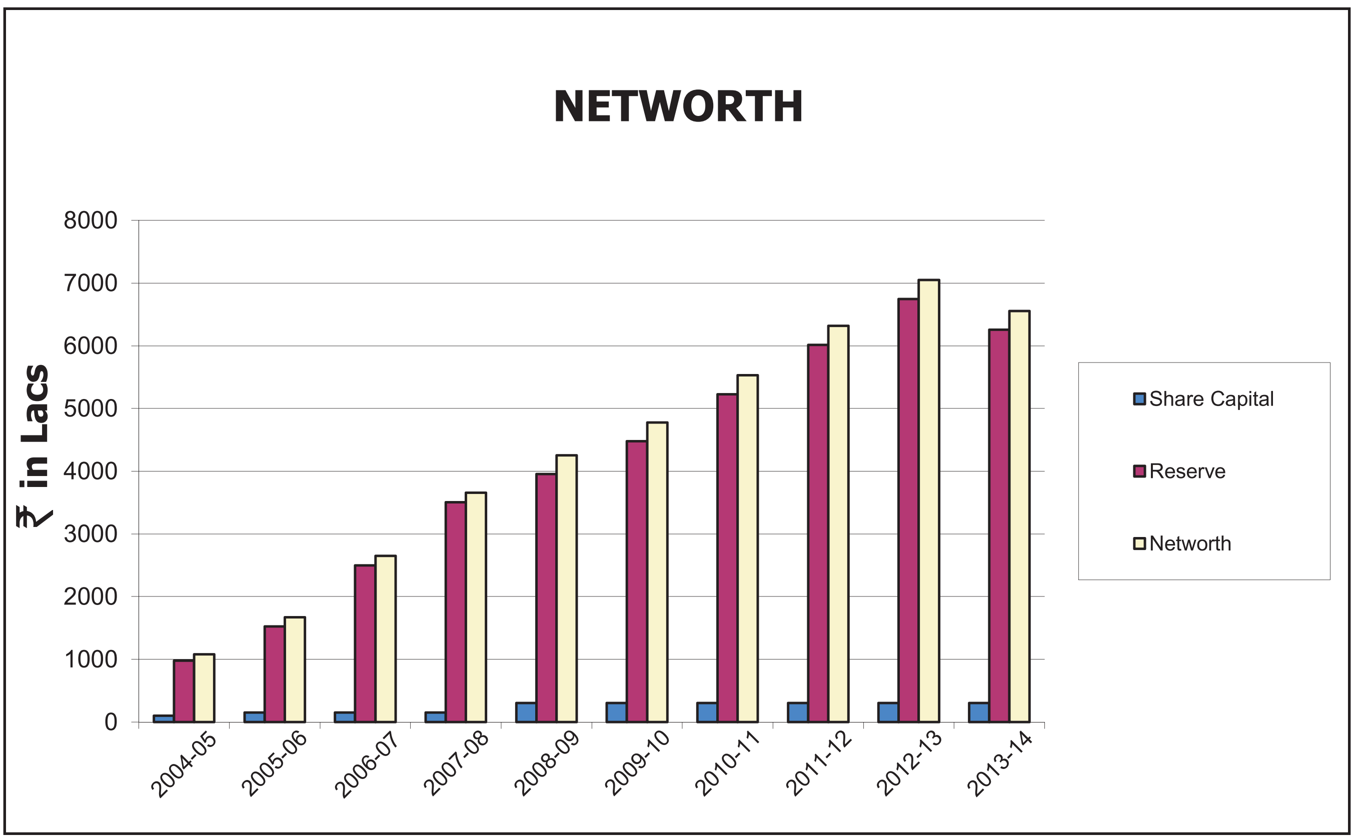
BOARD OF DIRECTORS	:	S. K. Nevatia, Chairman & Managing Director Uma S. Nevatia, Executive Vice Chairperson D. R. Mehta Niraj Ramkrishna Bajaj Bharat Swaroop Pawan Kumar Golyan V. K. Bhartia Binod Patodia Pradeep V. Goyal Parimal Marchant
MANAGEMENT TEAM	:	S. K. Nevatia - Chairman & Managing Director Uma S. Nevatia - Executive Vice Chairperson Saurabh Nevatia - Chief Executive (Nashik) A. K. Nemani - Chief Financial Officer K. R. Narayanan - Asst. Vice President (Corporate)
BANKERS	:	ICICI Bank Limited Union Bank of India
AUDITORS	:	M/s Khandwala & Shah Chartered Accountants
LEGAL ADVISORS	:	M/s Kanga & Co.
REGISTRAR AND TRANSFER AGENT	:	M/s ADROIT CORPORATE SERVICES PRIVATE LIMITED 19, Jafarbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059.

56th ANNUAL GENERAL MEETING

Date	:	14th August, 2014
Time	:	3.30 p.m.
Venue	:	Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai - 400 021.

Cover	:	Static Exciter Unit with redundant Controller for A/c Synchronous Motor


SALES
₹ in Lacs
16000.00
14000.00
12000.00
10000.00
8000.00
6000.00
4000.00
2000.00
0.00
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14


NETWORTH
₹ in Lacs
8000
7000
6000
5000
4000
3000
2000
1000
0
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14
Share Capital
Reserve
Networth

HIGHLIGHTS

			2013-14	2012-13	2011-12	2010-11	2009-10
INCOME:							
1	Gross Operational Income	(₹ in lacs)	10,187.09	14,539.64	12,653.29	10,853.67	7,970.92
2	Net Operational Income	(₹ in lacs)	9,671.66	13,621.65	11,793.96	10,163.88	7,534.46
3	Profit before Finance Costs, Depreciation & Tax	(₹ in lacs)	(306.72)	1,440.74	1,606.08	1,483.76	1,215.28
4	Finance Cost	(₹ in lacs)	170.78	95.38	158.30	82.10	54.57
5	Depreciation	(₹ in lacs)	228.67	234.67	239.83	239.68	156.40
6	Gross Profit / (Loss) after Finance Costs & Depreciation but before Tax	(₹ in lacs)	(706.17)	1,110.69	1,207.95	1,161.98	1,004.31
7	Profit / (Loss) after Tax	(₹ in lacs)	(492.54)	1,012.77	1,068.18	1,014.41	777.41
8	Dividends	(₹ in lacs)	30.11	240.93	240.93	225.87	210.81
EQUITY SHARE DATA:							
9	Sales & other Income per equity Share	(₹)	65	91	78	68	50
10	Earnings per equity share	(₹)	(3.27)	6.73	7.09	6.74	5.16
11	Book value of equity share	(₹)	43.54	46.81	41.96	36.72	31.73
12	Networth	(₹ in lacs)	6,555.95	7,048.90	6,318.00	5,529.83	4,777.92
13	Market Price :						
	a) High	(₹)	61.95	70.50	56.70	78.95	91.80
	b) Low	(₹)	28.30	36.00	36.00	39.05	33.90
14	Dividend	(%)	10	80	80	75	70
RATIO:							
15	PBT / Net Operational Income	(%)	(7.30)	8.15	10.24	11.43	13.33
16	Profit after Tax / Networth	(%)	(7.51)	14.37	16.91	18.34	16.27
17	Total Liabilities / Total Assets	Times	0.42	0.38	0.39	0.32	0.27
18	Total Debt / Equity	Times	0.35	0.27	0.24	0.13	0.08
19	Total Outside Liability / Total Networth	Times	0.71	0.61	0.63	0.47	0.37
20	Current Ratio	Times	1.95	2.21	2.18	2.52	3.20
21	PBDIT / Finance Costs	Times	(1.80)	15.11	10.15	18.07	22.27

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the 56th Annual Report together with the Audited accounts for the year ended March 31, 2014.

(₹ In Lacs)

FINANCIAL RESULTS:	Year ended 31.03.2014	Year ended 31.03.2013
Gross Operational Income	**10,187.09**	14,539.64
Less: Excise Duty / Service Tax	**515.43**	917.99
Net Operational Income	**9,671.66**	13,621.65
Gross Profit / (Loss)	**(477.50)**	1,345.36
Less : Depreciation	**228.67**	234.67
Profit / (Loss) before tax	**(706.17)**	1,110.69
Less : Provision for Taxation - Current **-**		222.50
- MAT Credit Entitlement **-**		(125.00)
- Deferred **(213.30)**		0.43
- For Earlier Years **(0.33)**		(0.01)
	(213.63)	97.92
Profit / (Loss) after taxes	**(492.54)**	1,012.77
Add: Surplus of previous year	**125.17**	94.27
Add: Transferred from General Reserve	**425.00**	-
Surplus / Deficit available for appropriation	**57.63**	1,107.04
Appropriations :		
Transferred to General Reserve	**-**	400.00
Transferred to Reserve for Capital Expenditure	**-**	300.00
Proposed Dividend	**30.11**	240.93
Tax on Dividend	**5.12**	40.94
Surplus Carried to Balance Sheet	**22.40**	125.17

OPERATIONS:

During the year under review the performance of the Company was adversely affected due to overall recession in the infrastructure and capital goods sector. The turnover of the Company during the year was ₹ 9,671.66 lacs as compared to ₹ 13,621.65 lacs in the previous year. Per unit realisation was also lower due to increased competition on account of limited business in the market. This resulted in to loss of ₹ 706.17 lacs.

Performance of the Company was also affected due to the wide fluctuations in the foreign exchange in the first half of the current financial year.

Efforts are being made to improve the performance of the Company during the current year by commercialisation of new products and cost reduction by way of value engineering. For increasing the business, Company is participating in various exhibitions in India and abroad. More emphasis is being given on development of new products and a separate team is being prepared for development for various products.

During the year under review the Semi-conductor division of the Company has been accredited with UL certification and Semi-conductor division of the Company has been accredited with CE certification. During the year Company has successfully supplied 3 phase Transformer for WAP5, WAP7 and WAG9 for Indian Railways.

There are positive signs of improvement in the general economy which is likely to further improve in view of the stable Government at centre.

The Company expects the turnaround in the infrastructure and capital goods sector and accordingly expects improvement in the turnover and overall performance at the end of the current financial year.

DIVIDEND:

The Directors recommend for consideration of the shareholders at the Annual General Meeting, payment of dividend @ 10% (₹ 0.20 per share) amounting to ₹ 30.11 lacs for the year ended 31st March, 2014 (previous year ₹ 240.93 lacs)

DEPOSITS:

There were no unclaimed deposits as on 31st March, 2014.

BOARD OF DIRECTORS:

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

The Companies Act, 2013 provides for appointment of Independent Directors. Section 149 (10) of the Companies Act, 2013 states that Independent Directors shall hold office for a term of upto 5 consecutive years on the Board of a Company, and shall be eligible for re-appointment on passing of an Ordinary Resolution by the shareholders of the Company.

Shri V. K. Bhartia, Shri D. R. Mehta, Shri Pradeep Goyal and Shri Binod Patodia, all Non Executive Independent Directors of the Company retire at the ensuing AGM and seek re-appointment for a term of 5 consecutive years.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

AUDITORS:

M/s. Khandwala & Shah, Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as Auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 139 of the Companies Act, 2013, for re-appointment as Auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM. Members are requested to consider their re-appointment and fix their remuneration.

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

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

AUDITORS' OBSERVATIONS:

The observations of the auditors contained in their Report have been adequately dealt with in Other Notes on Financial Statements which are self explanatory and therefore, do not call for any further comments.

SECRETARIAL COMPLIANCE REPORT:

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

DEPOSITORY SERVICES:

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

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

CORPORATE GOVERNANCE:

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

CODE OF CONDUCT:

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

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

The information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "I" to this report.

PARTICULARS OF EMPLOYEES:

Particulars required under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 are not applicable as no employee of the Company was in receipt of the remuneration exceeding the limits prescribed therein.

LISTING:

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

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

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

ACKNOWLEDGMENT:

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

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

Place: Mumbai
Dated: 28th May, 2014

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

S. K. Nevatia
Chairman & Managing Director

ANNEXURE "I" TO THE DIRECTORS' REPORT

Information under section 217 (1) (e) of the Companies Act, 1956 with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2014.

I. CONSERVATION OF ENERGY

1. Regular audit is being conducted to identify areas of energy wastage.

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. 6500 KVA Transformer for 3 phase Locomotive supplied and successfully commissioned.
2. 7475 KVA Transformer for 3 phase Locomotive is under testing.
3. Transformer Rectifier set and Controller for 3 phase Electrostatic Precipitators developed and successfully commissioned.
4. 1050 KVA EMU Transformer developed and supplied to Indian Railways.
5. Developed new generation indigenous control card with LCD display for 25 KVA Inverter required by Indian Railways.
6. Developed compact high voltage rectifier stack for Electrostatic Precipitators.

III. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

Place: Mumbai
Dated: 28th May, 2014

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

S. K. Nevatia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AND STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meets its stakeholder's aspirations and social expectations. Good Corporate Governance practices stem from the culture and mindset of the organization.

We are committed to meet the aspirations of all our stakeholders.

Hind Rectifiers Ltd. is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company's Governance process include independence, integrity, accountability, transparency, responsibility and fairness.

The Company is focused towards its Vision of:

- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment.

The Corporate Governance structure specifies the distribution of rights, responsibilities and owners among different participants in the organization. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are proceeded ahead after approval of the Board.

The Company is committed to enhance shareholder's value in the fair and transparent manner and has been in the forefront for bench marking itself with the best business practices globally.

Strong Governance has indeed helped the Company to deliver wealth to its shareholders in the form of uninterrupted dividends.

The Secretarial Audit Report placed before the Board is included in the Annual Report.

BOARD OF DIRECTORS:

The Company as on 31st March, 2014 consists of ten Directors. There are two Executive Directors and the remaining eight directors are Non Executive Directors. The Executive Directors consist of one Chairman & Managing Director and the other as Executive Vice Chairperson. There are three Non Independent Non Executive Directors. The remaining five Non Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per clause 49 of the Listing Agreement, the Board should have an optimum combination of both Executive and Non Executive Directors. The Board of your Company has 4/5th of the Directors as Non Executive Directors. Five out of the Eight Non Executive Directors are Independent Directors which is equal to one half of the total size of the Board.

The Company is also having one Woman Director.

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

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

Name of the Director	Category	No. of Other Directorships held as on 31.03.2014*		Outside Committee position held as on 31.03.2014**	
		Public	Private	Member	Chairman
Shri S. K. Nevatia (Chairman & Managing Director)	Non Independent Executive	—	—	—	—
Smt. Uma Nevatia (Executive Vice Chairperson)	Non Independent Executive	—	—	—	—

Name of the Director	Category	No. of Other Directorships held as on 31.03.2014*		Outside Committee position held as on 31.03.2014**	
		Public	Private	Member	Chairman
Shri D. R. Mehta	Independent non Executive	—	1	—	—
Shri Niraj Ramkrishna Bajaj	Non Independent non Executive	10	10	1	—
Shri Bharat Swaroop	Non Independent non Executive	1	1	—	—
Shri Pawan Kumar Golyan	Non Independent non Executive	—	—	—	—
Shri V. K. Bhartia	Independent non Executive	1	1	—	—
Shri Binod Patodia	Independent non Executive	4	4	—	—
Shri Pradeep Goyal	Independent non Executive	3	3	3	3
Shri Parimal Merchant	Independent non Executive	—	—	—	—

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

** Committee positions only of the Audit Committee and Shareholders' / Investors' Grievance Committees in Public Limited Companies have been considered.

BOARD MEETING:

The Board of Directors met 4 times during the financial year 2013 - 2014 i.e. on 31.05.2013, 12.08.2013, 14.11.2013 and 11.02.2014.

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

The details of attendance of Directors at Board Meetings held during the financial year 2013- 2014 and at the last Annual General Meeting held on 12.08.2013 are as follows:

NO. OF BOARD MEETINGS HELD - 4

Name of the Director	No. of Board Meetings held during the tenure of the Director in 2013 - 2014	No. of Board Meetings Attended	Whether attended last AGM
Shri S. K. Nevatia	4	4	Yes
Smt. Uma S. Nevatia	4	4	Yes
Shri D. R. Mehta	4	4	Yes
Shri Niraj Ramkrishna Bajaj	4	4	Yes
Shri Bharat Swaroop	4	2	No
Shri Pawan Kumar Golyan	4	3	Yes
Shri V. K. Bhartia	4	3	Yes
Shri Binod Patodia	4	–	No
Shri Pradeep Goyal	4	1	Yes
Shri Parimal Merchant	4	3	Yes

INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information 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' services, such as non-payment of dividend, delay in share transfer etc.
- Details of investment of surplus funds available with the Company.
- Details of commercial dealings by firms / companies in which members of the Board / senior management or their relatives hold shares with the Company.
- Any materially, significant effluent or pollution problem.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Detailed status on the business risks being faced by the Company and their mitigation plan.
- Details of transactions with Related Parties.

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

As mandated by the revised Clause 49, the Independent Directors on the Board of the Company.

- Apart from receiving Director's fees, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates that may affect independence of the Director.

- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners of the firm or executives of the Company or were not partners of the firm or executives of the Company during the preceding three years.
- Statutory audit firm or the internal audit firm that is associated with the Company.
- Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.
- Are not less than 21 years of age.

COMMITTEES OF DIRECTORS:

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

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

AUDIT COMMITTEE:

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

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

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

Shri S. K. Nevatia, Chairman & Managing Director and Shri A. K. Nemani, Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meeting. In addition to this representative of the statutory & internal auditors and other executives as are considered necessary attend these meetings.

The Committee met Four times during the year on 31.05.2013, 12.08.2013, 14.11.2013 and 11.02.2014.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2013 - 2014:

NO. OF MEETINGS HELD - 4

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

REMUNERATION COMMITTEE:

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

Present composition of the Remuneration Committee is as under:

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

During the year ended March 31, 2014, no meeting of the Committee was held.

SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

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

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

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

The following table shows the nature of complaints received from the shareholders during the year 2013-14.

Nature of complaints	No. of complaints received during the year 2013 - 2014
Non receipt of Dividend Warrant	2
Non receipt of Annual Report	—
Non receipt of Share Certificate	—

There were no complaints pending as on 31st March, 2014.

Attendance record at the meetings of the Shareholders' Grievance Committee of Directors during financial year 2013 - 2014:

NO. OF MEETINGS HELD - 2

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

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 / Board Committee.

The details of remuneration / sitting fees paid during the financial year 2013-2014 to the Directors of the Company are as under:

(₹ in lacs)

Name of the Director	Salary	Benefits	Bonus / Commission	Sitting Fees	Total
Shri S. K. Nevatia	24.00	19.07	—	—	43.07
Smt. Uma S. Nevatia	18.00	6.21	—	—	24.21
Shri D. R. Mehta	—	—	—	0.60	0.60
Shri Niraj Ramkrishna Bajaj	—	—	—	0.30	0.30
Shri Bharat Swaroop	—	—	—	0.15	0.15
Shri Pawan Kumar Golyan	—	—	—	0.23	0.23
Shri V. K. Bhartia	—	—	—	0.42	0.42
Shri Binod Patodia	—	—	—	—	—
Shri Pradeep Goyal	—	—	—	0.13	0.13
Shri Parimal Merchant	—	—	—	0.47	0.47

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

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

SHAREHOLDING OF NON EXECUTIVE DIRECTORS :

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

Sr. No.	Name of the Director	No. of shares held
1.	Shri D. R. Mehta	430
2.	Shri Niraj Ramkrishna Bajaj	61230
3.	Shri Bharat Swaroop	15000
4.	Shri Pawan Kumar Golyan	—
5.	Shri V. K. Bhartia	—
6.	Shri Binod Patodia	—
7.	Shri Pradeep Goyal	—
8.	Shri Parimal Merchant	—

CODE OF CONDUCT:

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

MANAGEMENT DISCUSSIONS & ANALYSIS:

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

STEPS FOR PREVENTION OF INSIDER TRADING:

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

DISCLOSURES:

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

NON-COMPLIANCES:

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

DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT AND ADOPTION OF NON MANDATORY REQUIREMENT.

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

1. **Remuneration Committee:**

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

2. **Audit Qualification:**

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

3. **Training of Board Members:**

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

MEANS OF COMMUNICATION:

1. Quarterly results are published in prominent daily newspapers in English and Regional Language.

2. The Company has its own website i.e www.hirect.com. All the vital information relating to the Company including the Quarterly & Annual financial results and its products are displayed on the web site.

CEO / CFO CERTIFICATION:

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

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

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

Place: Mumbai
Date : 28th May, 2014

S. K. Nevatia
Chairman & Managing Director

SHAREHOLDER INFORMATION:

56th ANNUAL GENERAL MEETING:

DAY & DATE	:	Thursday, 14th August, 2014
TIME	:	3.30 P. M.
VENUE	:	Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.

GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
53rd AGM	31.03.2011	05.08.2011	3.30 P.M.	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001.
54th AGM	31.03.2012	07.08.2012	3.30 P.M.	-- As above --
55th AGM	31.03.2013	12.08.2012	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. No special resolution was required to be put through postal ballot last year.

53rd AGM

Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
1.	Appointment of Shri Akhil Marfatia as a Director of the Company	Ordinary	Implemented
2.	Creation of Mortgage	Ordinary	Implemented
3.	Appointment of Shri Suramya Nevatia as an Assistant General Manager	Special	Implemented

54th AGM

No Special Resolution was passed.

55th AGM

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

FINANCIAL CALENDAR:

* Financial year 2014 - 2015	:	April 1, 2014 to March 31, 2015
* Financial reporting for the quarter ended June 30, 2014	:	Before August 15, 2014.
* Financial reporting for the quarter ended Sept.30, 2014	:	Before November 15, 2014.
* Financial reporting for the quarter ended Dec. 31, 2014	:	Before February 15, 2015.
* Financial reporting for the year ended March 31, 2015	:	Audited Results by end of May, 2015.

DATE OF BOOK CLOSURE: 08/08/2014 to 14/08/2014 [Both days inclusive].

DIVIDEND PAYMENT DATE: On or after 14th August, 2014.

PAYMENT OF DIVIDEND:

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

SHARE TRANSFER SYSTEM:

Share Transfer Requests are received at the registered office of the Company as well as directly at RTA's office. RTA does the verification and processing of documents. In order to comply with the requirement of SEBI circular No. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within 15 days, the Share Transfer Committee has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 15 days+.

REGISTRAR & TRANSFER AGENT:

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

M/S. ADROIT CORPORATE SERVICES PVT. LTD.
[Unit : Hind Rectifiers Limited]
19, Jafarbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059
Tel: +91 22 28594060 / +91 22 28596060 Fax: +91 22 28503748
Email : adroits@vsnl.net

COMPLIANCE OFFICER:

Shri A. K. Nemani, Chief Financial Officer

ADDRESS FOR CORRESPONDENCE:

HIND RECTIFIERS LIMITED
Lake Road, Bhandup (West),
Mumbai - 400 078.
CIN : L28900MH1958PLC011077
E-mail: corporate@hirect.com
Telephone No. +91 22 25696789

LISTING ON STOCK EXCHANGES:

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

Listing fees has been paid to above Stock Exchanges for the year 2014 - 2015.

STOCK CODE:

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

DEMATERIALISATION OF SHARES:

As on March 31, 2014, 1,18,82,500 Shares representing 78.91% of total Equity Shares were held in dematerialised form with NSDL and CDSL.

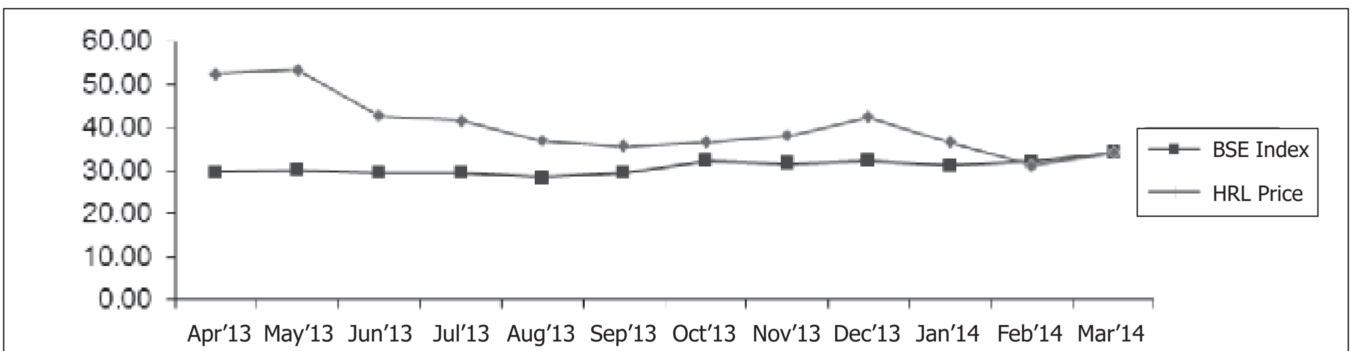
Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

STOCK PRICE DATA:

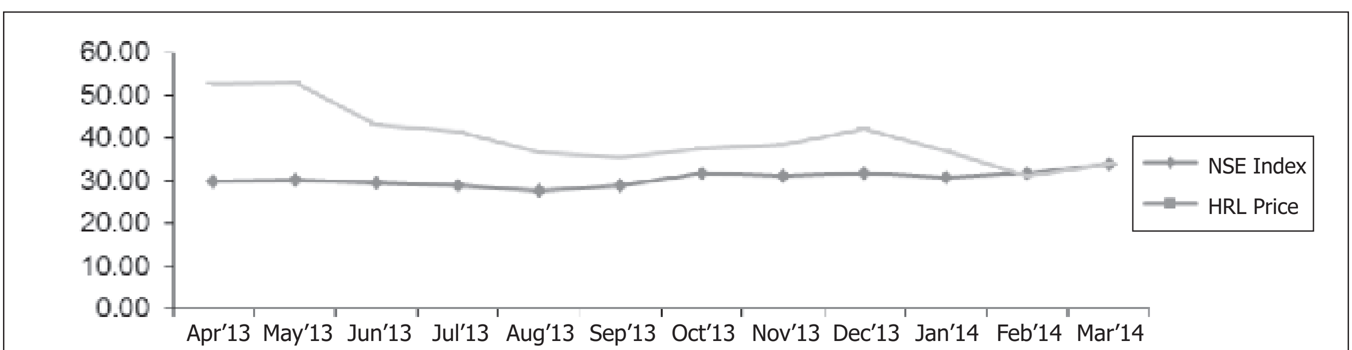
Monthly High / Low Market Price of Equity Shares of Hind Rectifiers Ltd., during the Financial Year 2013 - 2014:

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	57.95	49.50	57.10	49.20
May, 2013	61.60	51.20	61.95	50.85
June, 2013	52.50	41.15	52.00	41.50
July, 2013	47.75	40.15	47.95	39.30
August,2013	42.50	35.60	44.30	35.65
September, 2013	38.60	35.00	44.80	35.10
October, 2013	40.00	35.30	39.90	35.45
November, 2013	42.20	36.15	42.30	35.75
December, 2013	45.45	36.65	45.25	35.90
January, 2014	46.25	35.75	46.25	35.60
February, 2014	40.05	28.50	37.90	28.30
March, 2014	36.80	30.50	37.00	31.00

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX:



SHAREHOLDING PATTERN AS ON MARCH 31, 2014:

Category	No. of shares held	% of shareholding
Promoters & Associates	67,05,657	44.53
Mutual Funds & UTI	1,500	0.01
Banks / Financial Institutions	10,500	0.07
Private Bodies Corporate	3,95,268	2.63
NRI / OCBs	25,37,993	16.85
Others	54,07,012	35.91
Total	**1,50,57,930**	**100.00**

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	5,482	8,52,136	5.66
501-1000	726	5,89,136	3.91
1001-2000	491	7,43,723	4.94
2001-3000	214	5,82,493	3.87
3001-4000	52	1,81,893	1.21
4001-5000	44	2,07,192	1.37
5001-10000	77	5,37,364	3.57
10001 & above	74	1,13,63,993	75.47
Total	**7,160**	**1,50,57,930**	**100.00**

NOMINATIONS:

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

PLANT LOCATIONS:

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

DECLARATION:

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

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

The code of conduct has been complied with.

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

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

Place: Mumbai
Date : 28th May, 2014

S. K. Nevatia
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

To the Members of **Hind Rectifiers Limited**

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Limited ('the Company'), for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

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

(UDAY J. SHAH)
Partner
Membership No. 033038

Place: Mumbai
Date : 28th May, 2014

CEO / CFO CERTIFICATION:

The Board of Directors
Hind Rectifiers Limited,
Mumbai

Re: Financial Statements for the year 2013 - 2014 - Certification by CEO & CFO

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

(a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2014 and to the best of our knowledge and belief:

  i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

  ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) They are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that:

  i. there have been no significant changes in internal control over financial reporting during the year;

  ii. there have been no significant changes in accounting policies during the year; and

  iii. there have been no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai	**S. K. Nevatia**	**A. K. Nemani**
Date : 28th May, 2014	Chairman & Managing Director	Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Company continues to be in the niche of power electronics and DC wound business. Although the market size of the industry is not as large as the general industry, it still has a good mix of small, medium, large and multinational place in the market. The customers of the Company including Indian Railways are large and medium Indian companies and multinational organizations. The customers of the Company continue to ask for higher technologies although the plans and implementation have various barriers.

OPPORTUNITY AND THREATS:

Since the Company caters to the Railway segment as well as power generation and pollution control equipments the opportunity look good due to large outlet expected from the new Government.

Due to onetime tender for the full year by the Railways, there is increased competition from the existing manufacturers and the new entrants which may affect the orders.

OUTLOOK:

Demand from Railways is likely to grow. In view of the various policies likely to be announced by Government of India, Company is expecting improvement in the economy.

Company continues to focus on niche products and will expand continuously in its field. Company is making all efforts to increase the turnover from Dehradun Plant to improve the bottom line.

RISKS AND CONCERNS:

Indian Railways represents a large percentage in the Company's net sales and hence political, financial and operational difficulties could affect the Company's performance.

Fluctuation of the currencies also affect the Company's performance.

Company is focusing on new products so that if overall business reduces still Company's performance is not affected adversely.

SEGMENTWISE AND PRODUCTWISE PERFORMANCE:

The equipment division of the Company is having products like Rectifiers, Inverters, Converters and Traction Transformers. All these products cater to Railways and capital goods industry.

Semiconductor devices such as Diodes, Thyristors, Modules etc. are used for manufacturing Rectifier Equipments and also used captively. Segmentwise performance is given as a part of the accounts.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

Internal audits and checks are ongoing process within the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Performance of the Company was adversely affected due to overall recession in infrastructure and capital goods sector. Due to delay / non allotment of funds, calling of tenders, finalisation of the orders by Company's main customer i.e. Indian Railways, business has reduced substantially.

In view of reduction of total business in the market, there was keen competition which has affected the margin of Company adversely.

In the current year, there are signs of improvement in the Indian economy as well as the demands from the Railways are likely to increase.

Company is putting all efforts for increasing the exports in the non Railway sector so that in case, in any year, if there is less demand from Indian Railways, Company's performance is not affected adversely.

DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company recognizes that human resources are extremely important and critical long term investment. The top management honours the dignity of each individual irrespective of the position and highly values the feelings and emotions of the people.

The Company continues to get good response from fresh Engineers to start their Engineering career in the Company and many of them stay in the Company for a long period.

Industrial relations with the Union are cordial and peaceful.

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

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

Place: Mumbai
Dated: 28th May, 2014

S. K. Nevatia
Chairman & Managing Director

SECRETARIAL COMPLIANCE CERTIFICATE
(Under Proviso to Sub-Section (1) of Section 383A of the Companies Act, 1956)

COMPANY NO. 11-011077.
AUTHORISED SHARE CAPITAL : Rs. 10,00,00,000/-
PAID UP SHARE CAPITAL: Rs. 3,01,15,860/-

The Members,
M/s. **HIND RECTIFIERS LIMITED**
Lake Road,
Bhandup (West),
MUMBAI - 400 078.

We have examined the registers, records, books and papers of M/s. HIND RECTIFIERS LIMITED as required to be maintained under the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified), and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1) The Company has kept and maintained all registers as stated in **ANNEXURE - 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2) The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable as per **ANNEXURE - 'B'**.
3) The Company being a Limited Company, Comments not required.
4) The Board of Directors duly met 4 [FOUR] times during the aforesaid Financial Year i.e. on 31.05.2013, 12.08.2013, 14.11.2013 and 11.02.2014 and in respect of each meeting proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5) The Company closed its Register of Members during the financial year.
6) The Company held its Annual General Meeting during the year in time i.e. on 12th August, 2013 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
7) No Extra Ordinary General Meeting was held during the financial year.
8) The provisions of Section 295 relating to Loans to Director under the Companies Act, 1956 was applicable to the Company till 11.09.2013. Thereafter the provisions of Section 185 of the Companies Act, 2013 were made applicable with effect from 12.09.2013. The Company has not advanced any loans to its Directors and / or persons or firms or Companies referred as per the provisions of the Act.
9) The Company has entered into contract falling within the purview of Section 297 of the Act, during the year under review.
10) The Company has entered necessary particulars in the register maintained under Section 301 of the Companies Act, 1956.
11) Wherever necessary, the Company has obtained necessary approval from the Board of Directors / Shareholders under Section 314 of the Companies Act, 1956.
12) The Company has issued duplicate share certificates during the financial year and necessary compliances of the Act were made.
13) The Company has:
    i) delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act.
    ii) deposited dividend amount in a separate Bank Account.
    iii) paid dividends to all the members within a period of 30 (Thirty) days from the date of declaration.

iv) amounts unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years have been transferred to the Investor Education and Protection Fund.

v) duly complied with the requirements of Section 217 of the Act.

14) The Board of Directors of the Company is duly constituted and there was no appointment of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year under scrutiny.

15) The appointment of Managing Director and Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. However, there is no new appointment during the financial year under scrutiny.

16) The Company has not appointed any Sole Selling Agents during the financial year.

17) The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.

18) The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19) The Company has not issued any shares / debentures / other securities during the financial year under scrutiny.

20) The Company has not bought back any shares during the financial year.

21) The Company has not issued any preference shares / debentures and hence the question of redemption of preference shares / debentures does not arise during the financial year under review.

22) There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.

23) The Company has accepted deposits during the financial year within the meaning of provisions of Section 58A of the Companies Act, 1956 and necessary compliances of the Act were made.

24) The amounts borrowed by the company from banks are within the borrowing limits of the Company and in compliance with the provisions of Section 180(1)(c) of the Companies Act, 2013.

25) The Company has not made any loans or investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from the one state to another during the year under scrutiny.

27) The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.

28) The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.

29) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.

30) The Company has not altered its Articles of Association during the year under scrutiny.

31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has imposed on the Company during the financial year, for offences under the Act.

32) The Company has not received any money as security from its employees during the financial year.

33) The Company has been generally regular in depositing both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
Partner
FCS : 3706 ; COP : 2324.

Place : Mumbai.
Date : 28th May, 2014.

ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE :

Name of the Company: M/s. HIND RECTIFIERS LIMITED

DETAILS OF REGISTERS MAINTAINED:

1. Register of Charges U/S. 143.
2. Register of Members U/S. 150.
3. Attendance Register for General Meetings U/S. 174.
4. Minutes Books of General Meetings and Board Meetings U/S. 193.
5. Attendance Register for Board Meetings U/S. 287.
6. Register of Contracts U/S. 301.
7. Register of Directors U/S. 303.
8. Register of Directors Shareholding U/S. 307.
9. Register of Share Transfer U/S. 108.
10. Books of Accounts U/S. 209.

ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company: M/s. HIND RECTIFIERS LIMITED.

DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No.
01.	Form No. 8	125	For creation of charge on movable property & Book Debts in favour of Union Bank of India, Bhandup (West) Branch, Ground Floor, 100, Bhaichand Textile Mills Compound, Building "B", Mumbai - 400 078 for ₹ 3.00 Crore created on 16th April, 2013.	11th May, 2013	Yes	–
02.	Form No. 23D	233B	Information by Cost Auditor of his appointment to the Central Government for the year ended 31st March, 2013	29th May, 2013	–	–
03.	Form No. 25C	269(2)	Re-appointment of Mr. Sushil Kumar Nevatia as Managing Director w.e.f. 1st April, 2013	30th May, 2013	Yes	–
04.	Form No. 32	303(2)	For retirement of Mr. Akhil Marfatia as Director of the Company w.e.f. 31st May, 2013	13th June, 2013	Yes	–
05.	Form No. 23C	223B(2)	Appointment of Cost Auditor for the year ended 31st March, 2014	13th June, 2013	Yes	–
06.	Form No. 23D	233B	Information by Cost Auditor of his appointment to the Central Government for the year ended 31st March, 2014	24th July, 2013	–	–
07.	Form No. 17	138	Satisfaction of charge in full on 1st August, 2013 amounting to ₹ 3.00 crores.	10th August, 2013	Yes	–

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no	If delay in filing whether requisite additional fee paid Yes/No.
08.	Compliance Certificate in Form No. 66	383A	The year ended 31st March, 2013	16th August , 2013	Yes	–
09.	Form No. 23B	224(1A)	Appointment of Auditor for the year ended 31st March, 2014	16th August , 2013	Yes	–
10.	Form No. 32	303(2)	Change in Designation of Shri Parimal Merchant from Additional Director to Director w.e.f. 12th August, 2013	21st August, 2013	Yes	–
11.	Form No. 23	192	Appointment of Mr. Parimal Merchant as a Director of the Company and appointment of Mr. S. K. Nevatia as Chairman & Managing Director of the Company	21st August, 2013	Yes	–
12.	Form No. 17	138	Satisfaction of charge in full on 10th August, 2013 amounting to ₹ 3.00 Lacs.	2nd September, 2013	Yes	–
13.	Form No. 17	138	Satisfaction of charge in full on 10th August, 2013 amounting to ₹ 5.00 Lacs.	2nd September, 2013	Yes	–
14.	Form 5 INV	Rule 3 of IEPF	Statement of unpaid & unclaimed amounts as on 12.08.2013 (AGM)	3rd September, 2013	–	–
15.	Balance Sheet and Profit & Loss Account in Form No. 23AC XBRL and 23ACA XBRL	220	The year ended 31st March, 2013	11th September, 2013	Yes	–
16.	Form 1 INV	Rule 3 of IEPF	Statement of amounts credited to Investor Education and Protection Fund	12th September, 2013	Yes	–
17.	Annual Return in Form No. 20B	159	As on the date of the Annual General Meeting held on 12th August, 2013	13th September, 2013	Yes	–
18.	Form 8	125	For modification of charges, originally created in favour of ICICI Bank, Limited Alkapuri Branch for ₹ 35.50 crores	17th October, 2013	Yes	–
19.	Form 62	44	For submission of documents with the registrar	27th February, 2014	Yes	–

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
Partner
FCS : 3706 ; COP : 2324.

Place : Mumbai.
Date : 28th May, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hind Rectifiers Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Hind Rectifiers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated 13th September, 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 227(3) of the Act, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report, comply with the Accounting Standards notified under the Act read with the General Circular number 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
   e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

(UDAY J. SHAH)
Partner
Membership No.033038

Place: Mumbai
Dated: 28th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our report of even date.)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;

   (b) As informed the fixed assets have been physically verified by the management at reasonable intervals; and discrepancies noticed on such verification were not material and the same have been properly dealt with in the books of account;

   (c) The disposal of fixed assets during the year cannot be regarded as substantial and do not affect the going concern assumption;

2. (a) As explained to us, Inventories (except stock lying with third parties, for which confirmations obtained in respect of such inventory) have been physically verified during the year by the management;

   (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

   (c) In our opinion, the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification were not material, and the same have been properly dealt with in the books of account;

3. According to information and explanations given to us, the Company has neither granted nor taken loans, secured or unsecured, from parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(iii) of the Order, are not applicable to the Company.

4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods & services. We have not come across any major weakness in internal control;

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered;

   (b) According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services exceeding Rs.5,00,000/- during the year in respect of each party made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956;

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules made thereunder .

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

8. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate;

9. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Investor Education & Protection Fund, Employees' State Insurance (ESI), Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other statutory dues with the Appropriate Authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period of more than six months from the day they become payable;

(b) The disputed statutory dues aggregating ₹ 119.24 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	79.83 (net of advance of ₹ 5.44 lacs)	2005-2011	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	5.02	2010-2013	Departmental Authorities
Central Sales Tax and Local Sales Tax Act	Central Sales Tax and Local Sales Tax	28.90 (Net advance of ₹ 6.77 lacs)	2006-2007 and 2008-2009	Departmental Authorities
Cental Sales Tax and Local Sales Tax Act	Cental Sales Tax and Local Sales Tax	5.49 (Net advance of ₹ 2.74 lacs)	2011-2012	Sales Tax Appellate Tribunal

10. The Company does not have accumulated losses. The Company has incurred cash losses during the financial year covered by our audit but not incurred cash losses in the immediately preceding financial year;
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks;
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provision of clause 4(xii) of the order are not applicable to the Company;
13. The provisions of any special statute applicable to Chit Funds, Nidhis or Mutual Benefit Funds / Societies are not applicable to the Company;
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company;
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions;
16. The Company has not taken any term loans during the year;
17. According to the Cash Flow Statement and other records examined by us and on the basis of information and explanations given to us, on and overall basis, funds raised on short term basis have, prima facie, not been used during the year for Long Term Investment;
18. The Company has not made any preferential allotment of shares during the year;
19. The Company has not issued any debentures during the year;
20. The Company has not raised any money by way of public issue during the year;
21. As per the information and explanations given to us, no material fraud on or by the Company has been noticed during the year.

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

(UDAY J. SHAH)
Partner
Membership No.033038

Place: Mumbai
Dated: 28th May, 2014

AUDITORS' CERTIFICATE

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

To the Members of Hind Rectifiers Limited

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Limited ('the Company'), for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

(UDAY J. SHAH)
Partner
Membership No.033038

Place: Mumbai
Dated: 28th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

Particulars	Note		As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	**301.16**		301.16
(b) Reserves and Surplus	2	**6,254.79**		6,747.74
			6,555.95	7,048.90
(2) Non-current Liabilities				
(a) Long-term Borrowings	3	**7.30**		25.08
(b) Other Long-term Liabilities	4	**19.26**		19.26
(c) Long-term Provisions	5	**182.33**		176.52
			208.89	220.86
(3) Current Liabilities				
(a) Short-term Borrowings	6	**2,240.41**		1,877.60
(b) Trade Payables	7	**1,820.68**		1,456.28
(c) Other Current Liabilities	8	**428.45**		497.94
(d) Short-term Provisions	9	**63.60**		318.76
			4,553.14	4,150.58
TOTAL			**11,317.98**	11,420.34
II. ASSETS				
(1) Non-current Assets				
(a) Fixed Assets	10			
(i) Tangible Assets		**1,489.80**		1,582.12
(ii) Intangible Assets		**104.72**		145.13
(iii) Capital Work In Progress		**1.19**		–
(b) Deferred Tax Assets (Net)	11	**272.80**		59.50
(c) Long-term Loans and Advances	12	**263.49**		212.98
(d) Other Non-current Assets	13	**286.69**		267.00
			2,418.69	2,266.73
(2) Current Assets				
(a) Inventories	14	**3,006.69**		2,603.05
(b) Trade Receivables	15	**5,290.96**		5,722.21
(c) Cash and Cash Equivalents	16	**141.75**		440.35
(d) Short-term Loans and Advances	17	**459.89**		388.00
			8,899.29	9,153.61
TOTAL			**11,317.98**	11,420.34
Other Notes on Financial Statements	25			

The accompanying notes form integral part of the financial statements.

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

Uday J. Shah
Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

For and on behalf of the Board of Directors
S. K. NEVATIA, Chairman & Managing Director
V. K. BHARTIA, Director

Place : Mumbai
Date : 28th May, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lacs)

Particulars	Note		Year ended March 31, 2014	Year ended March 31, 2013
I. Revenue from Operations	18			
Gross Operational Income		**10,187.09**		14,539.64
Less: Excise Duty / Service Tax		**515.43**		917.99
Net Operational Income			**9,671.66**	13,621.65
II. Other Income	19		**45.93**	24.25
III. **Total Revenue (I + II)**			**9,717.59**	13,645.90
IV. Expenses				
Cost of Materials Consumed	20	**7,177.56**		9,734.45
Purchases of Stock-in-Trade		**218.20**		355.38
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	**65.63**		(545.55)
Employee Benefits Expense	22	**1,564.00**		1,583.19
Finance Costs	23	**170.78**		95.38
Depreciation and Amortization Expense		**228.67**		234.67
Other Expenses	24	**998.92**		1,077.69
Total Expenses			**10,423.76**	12,535.21
V. **Profit / (Loss) Before Taxes (III - IV)**			**(706.17)**	1,110.69
VI. Tax Expenses				
(1) Current Tax		**–**		222.50
(2) Mat Credit Entitlement		**–**		(125.00)
(3) Deferred Tax		**(213.30)**		0.43
(4) (Excess) / Short Provision of Taxation for Earlier Years		**(0.33)**	**(213.63)**	(0.01) 97.92
VII. **Profit /(Loss) for the year (V - VI)**			**(492.54)**	1,012.77
VIII. Basic & Diluted Earnings Per Share of face value of ₹ 2/- each. (Refer Note No. (xii) of Other Notes on Financial Statements)			**(3.27)**	6.73
Other Notes on Financial Statements	25			

The accompanying notes form integral part of the financial statements.

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

Uday J. Shah
Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

For and on behalf of the Board of Directors
S. K. NEVATIA, Chairman & Managing Director
V. K. BHARTIA, Director

Place : Mumbai
Date : 28th May, 2014

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lacs)

Particulars	**Year ended March 31, 2014**	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax & Extra-Ordinary Items	**(706.17)**	1,110.69
Adjusted for		
Depreciation	**228.67**	234.67
Investment Income	**(30.37)**	(20.07)
Interest Charged	**170.78**	95.38
Operating Profit / (Loss) before Working Capital Changes	**(337.09)**	1,420.67
Changes in		
Trade & Other Receivables	**352.10**	182.89
Inventories	**(403.64)**	(687.32)
Trade & Other Payables	**292.01**	4.19
	240.47	(500.24)
Cash Generated from Operations	**(96.62)**	920.43
Direct Taxes Paid	**(62.17)**	(294.49)
Cash Flow before Extra-Ordinary Items	**(158.79)**	625.94
Extra-Ordinary Items (Subsidy received from Govt. of India)	**34.82**	–
Net Cash from Operating Activities	**(123.97)**	625.94
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	**(97.63)**	(375.43)
Sale / Disposal of Fixed Assets	**1.69**	6.89
Purchases of Investments	**–**	–
Sale of Investments	**–**	–
Interest Received	**28.94**	16.00
Dividend Received	**–**	–
Net Cash used in Investing Activities	**(67.00)**	(352.54)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	**–**	–
Proceeds from Borrowings	**345.03**	422.61
Interest Paid	**(170.78)**	(97.27)
Dividend Paid	**(240.93)**	(240.93)
Tax on Distributed Profit	**(40.95)**	(39.08)
Net Cash used in Financing Activities	**(107.63)**	45.33
Net Changes in Cash & Cash Equivalents (A+B+C)	**(298.60)**	318.73
Cash & Cash Equivalents - Opening Balance	**440.35**	121.62
Cash & Cash Equivalents - Closing Balance	**141.75**	440.35

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants
(Registration No. 105069W)

Uday J. Shah
Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : 28th May, 2014

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SHARE CAPITAL

(₹ In lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each	**1,000.00**	1,000.00
Issued Capital		
1,50,57,930 Equity Shares of ₹ 2/- each	**301.16**	301.16
Subscribed and Paid up		
1,50,57,930 Equity Shares of ₹ 2/- each	**301.16**	301.16
TOTAL	**301.16**	301.16

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

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No of shares	**% held**	No of shares	% held
Shri Sushil Kumar Nevatia	**18,56,138**	**12.33**	18,56,138	12.33
Smt. Uma Nevatia	**14,43,959**	**9.59**	15,43,959	10.25
Shri Saurabh Nevatia	**13,53,500**	**8.99**	13,53,300	8.99
Westing House Brake & Signals Holdings Ltd.	**–**	**–**	24,00,000	15.94
BTR Industries Limited	**24,00,000**	**15.94**	–	–

b. Reconciliation of number of shares

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

2. RESERVES AND SURPLUS

(₹ in lacs)

Particulars		As at March 31, 2014	As at March 31, 2013
General Reserve			
Opening Balance		**6,222.57**	5,572.57
Add: Transferred from Reserve for Capital Expenditure		**400.00**	250.00
Add: Transferred from Statement of Profit & Loss		**–**	400.00
Less: Transferred to Statement of Profit & Loss		**425.00**	–
Closing Balance		**6,197.57**	6,222.57
Reserve for Capital Expenditure			
Opening Balance		**400.00**	350.00
Less: Transferred to General Reserve		**400.00**	250.00
Add: Transferred from Statement of Profit & Loss		**–**	300.00
Closing Balance		**–**	400.00
Capital Reserve			
Opening Balance		**–**	–
Add: Subsidy received from Government of India in terms of CCIS'2003		**34.82**	–
Closing Balance		**34.82**	–
Profit and Loss Account			
Opening balance		**125.17**	94.27
Add: Profit / (Loss) for the year		**(492.54)**	1,012.77
Add: Transferred from General Reserve		**425.00**	–
Less: Appropriations			
Transferred to Reserve for Capital Expenditure	**–**		300.00
Transferred to General Reserve	**–**		400.00
Proposed Dividend	**30.11**		240.93
[Dividend per Share ₹ 0.20 (Previous Year ₹ 1.60)]			
Tax on Dividend	**5.12**		40.94
		35.23	981.87
Closing Balance		**22.40**	125.17
GRAND TOTAL		**6,254.79**	6,747.74

3. LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
SECURED		
Vehicle Loan from ICICI Bank Ltd.*	**7.30**	25.08
TOTAL	**7.30**	25.08

* Secured against hypothecation of Motor Car Nos. MH-03-AZ-6558, MH-03-AZ-6559, MH-03-AZ-6560, MH-03-AZ-6561, TN-01-AP-8368, MH-03-AZ-6531, MH-03-AZ-6589, MH-03-AZ-6590, MH-03-AZ-6724, MH-03-AZ-6725, MH-03-AZ-6726, MH-03-BH-0341, MH-03-BH-1218, MH-03-BH-1225, MH-03-BH-1223, MH-03-BH-1217, MH-03-BH-1219, WB-02-AB-4068, WB-02-AB-3840, UK-07-AT-5290 and UK-07-AT-5321.

4. OTHER LONG-TERM LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Dealership Deposit	**19.26**	19.26
TOTAL	**19.26**	19.26

5. LONG-TERM PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		
Gratuity	**100.09**	95.93
Leave Encashment	**82.24**	80.59
TOTAL	**182.33**	176.52

6. SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
SECURED		
Loan from Consortium Banks (*)		
i) Cash Credit	**2,074.17**	1,537.17
ii) Foreign Currency Loans - Buyer's Credit	**166.24**	340.43
TOTAL	**2,240.41**	1,877.60

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

7. TRADE PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Micro, Small and Medium Enterprises	**21.30**	163.11
Others	**1,799.38**	1,293.17
TOTAL	**1,820.68**	1,456.28

8. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term debt (*)	**38.92**	30.51
Advance from Customers	**101.97**	81.37
Unclaimed Dividend	**24.19**	23.19
Other payables (**)	**263.37**	362.87
TOTAL	**428.45**	497.94

(*) Includes

i) Loan for vehicles ₹ 17.78 lacs (Previous year ₹ 30.51 lacs)

ii) Fixed Deposits ₹ 21.14 lacs (Previous year NIL)

(**) Includes statutory dues and outstanding expenses

9. SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars		**As at March 31, 2014**	As at March 31, 2013
Provision for Employee Benefits			
Provision for Gratuity	**14.99**		22.72
Provision for Leave encashment	**12.71**		13.69
		27.70	36.41
Others			
Provision for Taxation	**–**		–
Provision for Wealth Tax	**0.67**		0.48
Proposed Dividend	**30.11**		240.93
Tax on Proposed Dividend	**5.12**		40.94
		35.90	282.35
TOTAL		**63.60**	318.76

10. FIXED ASSETS

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-2013	Since Added	Deduction/ Adjusted	As at 31-03-2014	As at 01-04-2013	For the Year	Recouped, sold or Adjusted	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
Tangible Assets										
Land - Owned	229.99	–	–	**229.99**	–	–	–	–	**229.99**	229.99
Land - Leasehold	21.01	–	–	**21.01**	7.59	0.22	–	**7.81**	**13.20**	13.42
Roads	54.24	–	–	**54.24**	16.35	1.89	–	**18.24**	**36.00**	37.89
Buildings	866.36	–	–	**866.36**	239.04	54.58	–	**293.62**	**572.74**	627.32
Plant & Machinery	1,065.98	38.49	–	**1,104.47**	621.39	71.42	–	**692.81**	**411.66**	444.59
Motor Cars & Vehicles	233.90	14.00	8.47	**239.43**	106.87	34.47	7.97	**133.37**	**106.06**	127.03
Furniture & Fixtures	319.74	39.01	–	**358.75**	236.12	17.18	–	**253.30**	**105.45**	83.62
Computers	165.69	4.47	–	**170.16**	147.43	8.03	–	**155.46**	**14.70**	18.26
Total	**2,956.91**	**95.97**	**8.47**	**3,044.41**	**1,374.79**	**187.79**	**7.97**	**1,554.61**	**1,489.80**	**1,582.12**
Previous Year	2,693.62	296.50	33.21	2,956.91	1,207.53	194.77	27.51	1,374.79	1,582.12	–
Intangible Assets										
Technical Knowhow & Licence Fees	375.11	–	–	**375.11**	260.37	28.68	–	**289.05**	**86.06**	114.74
Computer software	60.50	0.47	–	**60.97**	30.11	12.20	–	**42.31**	**18.66**	30.39
Total	**435.61**	**0.47**	**–**	**436.08**	**290.48**	**40.88**	**–**	**331.36**	**104.72**	**145.13**
Previous Year	356.67	78.94	–	435.61	250.58	39.90	–	290.48	145.13	–
Capital Work in Progress	–	1.19	–	**1.19**	–	–	–	**–**	**1.19**	–

11. DEFERRED TAX ASSET (NET)

(₹ in lacs)

Particulars	**As at March 31, 2014**	As at March 31, 2013
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	**75.50**	76.53
Carried forward losses and unabsorbed depreciation	**200.00**	–
	275.50	76.53
Deferred Tax Liability		
Related to Fixed Assets	**2.70**	17.03
TOTAL	**272.80**	59.50

12. LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, Considered Good		
Capital Advances	**169.03**	126.41
Security Deposits	**39.83**	29.39
Earnest Money Deposits	**53.32**	49.58
Staff Loans	**1.31**	7.39
Others	**–**	0.21
TOTAL	**263.49**	212.98

13. OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
MAT Credit Entitlement	**286.69**	267.00
TOTAL	**286.69**	267.00

14. INVENTORIES

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Raw Materials and Components	**2,022.82**	1,529.81
Work-in-Progress	**678.22**	783.79
Finished Goods	**173.87**	145.22
Stock-In-Trade	**97.07**	87.35
Stores and Spares	**1.32**	1.35
Loose Tools and Instruments	**33.37**	34.63
Scrap	**0.02**	20.90
TOTAL	**3,006.69**	2,603.05

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

15. TRADE RECEIVABLES

(₹ in lacs)

Particulars		As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period less than six months			
Secured, considered good	**5.86**		6.42
Unsecured, considered good	**4,454.85**		4,951.18
		4,460.71	4,957.60
Trade receivables outstanding for a period exceeding six months			
Secured, considered good	**3.53**		2.67
Unsecured, considered good	**826.72**		761.94
		830.25	764.61
TOTAL		**5,290.96**	5,722.21

16. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars		As at March 31, 2014	As at March 31, 2013
Balances with banks			
In Current Account *	**51.95**		46.14
In Margin Account **	**84.73**		89.95
In Fixed Deposit	**–**		300.00
		136.68	436.09
Cash on hand		**5.07**	4.26
TOTAL		**141.75**	440.35

* Balance with banks in current account includes Unclaimed Dividend of ₹ 24.19 lacs (Previous year ₹ 23.19 lacs)
** Balance in Margin money towards security for Letter of Credit and Letter of Guarantee

17. SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	**187.82**	182.36
Earnest Money Deposits	**57.16**	44.89
Balance with Excise, Customs and Port Trust	**111.10**	100.19
Taxes Paid in Advance / Deducted at Source (Net of Provision for Tax)	**94.69**	51.68
Interest Income accrued but not due	**9.12**	8.88
TOTAL	**459.89**	388.00

18. REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars		Year Ended March 31, 2014	Year Ended March 31, 2013
Gross Sales	**9,164.23**		13,452.09
Less: Excise Duty	**426.28**		820.42
		8,737.95	12,631.67
Gross Reconditioning, Repairing & Servicing Income	**1,022.86**		1,087.55
Less: Excise Duty and Service Tax	**89.15**		97.57
		933.71	989.98
TOTAL		**9,671.66**	13,621.65

19. OTHER INCOME

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Income	**29.18**	18.87
Credit Balances Written Back	**8.42**	2.63
Bad Debts Recovered	**2.94**	–
Profit on Sale of Assets	**1.19**	1.19
Duty Drawback	**4.20**	1.56
TOTAL	**45.93**	24.25

20. COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars		Year Ended March 31, 2014	Year Ended March 31, 2013
Opening Stock of Raw Materials		**1,529.81**	1,416.12
Add: Purchases of Raw Materials	**7,326.31**		9,505.03
Add: Conversion and Processing Charges	**344.26**		343.11
		7,670.57	9,848.14
Less: Closing Stock of Raw Materials		**2,022.82**	1,529.81
TOTAL		**7,177.56**	9,734.45

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

(₹ in lacs)

Particulars		Year Ended March 31, 2014	Year Ended March 31, 2013
Opening Inventory			
Finished Goods	**145.22**		123.20
Work-In-Progress	**783.79**		242.45
Stock-In-Trade	**87.35**		96.56
		1,016.36	462.21
Closing Inventory			
Finished Goods	**173.87**		145.22
Work-In-Progress	**678.22**		783.79
Stock-In-Trade	**97.07**		87.35
		949.16	1,016.36
Add / (Less) Excise duty on Finished Goods		**(1.57)**	8.60
(INCREASE) / DECREASE		**65.63**	(545.55)

22. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Salaries, Wages, Gratuity and Bonus etc.	**1,339.94**	1,364.18
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	**108.92**	108.90
Staff Welfare Expenses	**115.14**	110.11
TOTAL	**1,564.00**	1,583.19

23. FINANCE COSTS

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest on Bank Borrowings	**134.72**	57.83
Interest on Deposits & Loans	**–**	0.71
Other Interest	**6.12**	11.14
Exchange Fluctuation (Buyer's Credit)	**13.92**	–
Bank Charges	**16.02**	25.70
TOTAL	**170.78**	95.38

24. OTHER EXPENSES

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Consumable Stores, Tools and Instruments	**19.08**	28.40
Electricity, Water and Fuel Charges	**154.79**	175.13
Packing	**82.80**	97.77
Repairs		
To Machinery	**8.35**	8.89
To Building	**42.11**	36.29
To Other Assets	**25.20**	19.00
Repairing and Servicing Expenses	**1.38**	3.98
Rent	**11.00**	15.33
Rates and Taxes	**6.51**	8.75
Insurance	**9.71**	11.07
Travelling, Conveyance and Vehicle Expenses	**202.15**	186.29
Director's Travelling, Conveyance and Sitting Fees	**5.15**	7.70
Printing and Stationery	**22.85**	22.72
Postage, Telegram and Telex	**33.76**	38.06
Advertisement and Publicity	**35.86**	9.13
Liquidity Damages	**20.65**	31.28
Commission	**29.09**	53.94
Legal and Professional Charges	**91.52**	74.21
Payment to Auditors	**4.14**	4.07
Transit Insurance and Freight	**91.21**	115.23
Bad Debts	**11.16**	24.22
Exchange Rate Fluctuation	**5.80**	5.42
Miscellaneous Expenses	**84.65**	100.81
TOTAL	**998.92**	1,077.69

25. OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2014

i) Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The financial statements are prepared and presented in the form set out in Part I and Part II of Revised Schedule VI of the Act, so far as they are applicable thereto.

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 recognised prospectively in current and future periods.

c) Fixed Assets / Intangible Assets

i) Fixed assets are carried at cost of acquisition less depreciation. Cost of fixed assets includes interest of directly related loans upto the date of commissioning / installation.

ii) Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended upto the date of Balance Sheet.

iii) Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably.

d) Depreciation

i) Depreciation on fixed assets is provided on written down value in the manner and at the rates as per schedule XIV of the Companies Act, 1956.

ii) Technical know-how is amortized from the year in which commercial production commences on the written down value method.

iii) Leasehold Land is amortised 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 Recongnition

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 recognised 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) Transaction denominated in foreign currency are recorded at the rate of exchange prevailing at the time of transaction.
ii) Current Liabilities / Assets not covered by forward contract are stated at the rates ruling at the year end and any exchange difference arising on such transaction is dealt with in the 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 recognised during the period when the employee renders the services.

vi) Terminal Benefits:

Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme and termination of services of the employees by the Company is charged to the Statement Profit & Loss in the year on actual basis.

vii) Actuarial gains / losses are recognised immediately to the Statement of Profit & Loss.

j) Provision for Current and Deferred Tax

i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognised as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable 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 on carry forward losses) are recognised, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised, or to the extent of deferred tax liabilities.

k) Impairment of Assets

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

l) Earnings Per Share

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

ii) Estimated amount of contract remaining to be executed on account of Technical Know-How not provided for ₹ 130.07 lacs (Previous Year ₹ 152.95 lacs).

iii) Contingent Liabilities in respect of the following:

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Letters of credit opened by the bankers of the Company in favour of the third parties	–	90.74
Guarantee given by the banks to the third parties on behalf of the Company	**734.67**	817.77
Letter of Credit discounted with bank	**101.07**	–
Claims of Excise disputed by the Company	**90.29**	99.39
Claims of Sales Tax disputed by the Company	**43.90**	13.75
Claims of Income Tax disputed by the Company	–	18.48
Non-performance of Export obligation	–	4.96

iv) Payment to Auditors:

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
As Auditor	**2.25**	2.25
For Tax Audit	**0.60**	0.60
For Certification etc.	**0.92**	0.88
For out of pocket expenses	**0.37**	0.34
TOTAL	**4.14**	4.07

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	2013-2014	2012-2013
Employer's Contribution to Provident Fund	**53.25**	50.08
Employer's Contribution to Superannuation Fund	**21.25**	22.41
Employer's Contribution to Pension Fund	**19.83**	20.26

Defined Benefit Plan:

(₹ in lacs)

	Gratuity		Leave Encashment	
	2013-2014	2012-2013	**2013-2014**	2012-2013
i) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation at beginning of the year				
Funded	**393.33**	389.05	**–**	–
Non-Funded	**92.66**	91.92	**94.28**	76.19
	485.99	480.97	**94.28**	76.19
Current Service Cost				
Funded	**20.37**	21.85	**–**	–
Non-Funded	**5.79**	4.43	**24.17**	27.00
	26.16	26.28	**24.17**	27.00
Interest Cost				
Funded	**29.81**	30.33	**–**	–
Non-Funded	**2.64**	2.86	**6.26**	5.24
	32.45	33.19	**6.26**	5.24
Actuarial (gain) / loss				
Funded	**(0.35)**	16.60	**–**	–
Non-Funded	**(0.16)**	(5.64)	**6.02**	22.55
	(0.51)	10.96	**6.02**	22.55
Benefits paid				
Funded	**41.49**	64.50	**–**	–
Non-Funded	**–**	0.91	**35.78**	36.70
	41.49	65.41	**35.78**	36.70
Defined Benefit obligation at year end				
Funded	**401.67**	393.33	**–**	–
Non-Funded	**100.93**	92.66	**94.95**	94.28
	502.60	485.99	**94.95**	94.28
ii) Reconciliation of opening and closing balances of fair value of plan assets (Funded)				
Fair value of plan assets at beginning of the year	**367.34**	378.77	**–**	–
Expected return on plan assets	**33.56**	32.03	**–**	–
Actuarial (gain) / loss	**0.48**	(2.40)	**–**	–
Employer contribution	**28.59**	18.64	**–**	–
Benefits paid	**41.49**	64.50	**–**	–
Fair value of plan assets at year end	**387.52**	367.34	**–**	–
Actual return on plan assets	**33.08**	34.43	**–**	–

(₹ in lacs)

	Gratuity		Leave Encashment	
	2013-2014	2012-2013	**2013-2014**	2012-2013
iii) Expense recognised during the year				
Current Service Cost				
Funded	**20.37**	21.85	**–**	–
Non-Funded	**5.79**	4.43	**24.96**	27.00
	26.16	26.28	**24.96**	27.00
Interest Cost				
Funded	**29.81**	30.33	**–**	–
Non-Funded	**2.64**	2.86	**6.25**	5.24
	32.45	33.19	**6.25**	5.24
Expected return on plan assets				
Funded	**33.56**	32.03	**–**	–
Non-Funded	**–**	–	**–**	–
	33.56	32.03	**–**	–
Actuarial (gain) / loss				
Funded	**0.13**	14.20	**–**	–
Non-Funded	**(0.16)**	(5.64)	**6.02**	22.55
	(0.03)	8.56	**6.02**	22.55
Net Cost				
Funded	**16.75**	34.35	**–**	–
Non-Funded	**8.27**	1.65	**37.23**	54.79
	25.02	36.00	**37.23**	54.79
	As at 31st March		**As at 31st March**	
	2014	2013	**2014**	2013
iv) Reconciliation of fair value of assets and obligations				
Fair value of plan assets				
Funded	**387.52**	367.34	**–**	–
Non-Funded	**–**	–	**–**	–
	387.52	367.34	**–**	–
Present value of obligation				
Funded	**401.67**	393.33	**–**	–
Non-Funded	**100.93**	92.66	**94.95**	94.28
	502.60	485.99	**94.95**	94.28
Amount recognised in Balance Sheet				
Funded	**14.15**	25.99	**–**	–
Non-Funded	**100.93**	92.66	**94.95**	94.28
	115.08	118.65	**94.95**	94.28

(₹ in lacs)

	Gratuity		Leave Encashment	
	As at 31st March		**As at 31st March**	
	2014	2013	**2014**	2013
v) Investment Details	Insurer Managed Funds		N.A.	
vi) Actuarial assumptions				
Mortality Table (LIC)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (per annum)	**9.10%**	8.00%	**9.10%**	8.00%
Expected rate of return on plan assets (per annum)	**9.30%**	9.00%	**–**	–
Rate of escalation in salary (per annum)	**8.50%**	8.00%	**8.50%**	8.00%

vi) Trade Receivables over six months comprises of ₹ 614.35 lacs (Previous year ₹ 599.49 lacs) due from Government concerns and ₹ 215.90 lacs (Previous year ₹ 165.12 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 laibilities 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) Balance of Trade Receivables and Trade Payables are subject to confirmation.

x) 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 March 31, 2014**	As at March 31, 2013
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	**–**	–

xi) The recurring expenditure of ₹ 49.11 lacs (Previous year ₹ 39.38 lacs) and Capital Expenditure of ₹ 0.65 lacs (Previous Year Nil) spent in respect of Research and Development during the year have been debited to respective account.

xii) Earnings per Share :

(₹ in lacs)

Particulars	**Year Ended March 31, 2014**	Year Ended March 31, 2013
Profit after taxation as per Statement of Profit & Loss	**(492.54)**	1,012.77
Weighted average number of equity shares outstanding	**1,50,57,930**	1,50,57,930
Basic and diluted earnings per share	**(3.27)**	6.73

xiii) Segment Information :

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

Primary Segment Information :

(₹ in lacs)

Particulars	**Year Ended March 31, 2014**	Year Ended March 31, 2013
A. Segment Revenue		
Electronic Components	**1,538.46**	2,150.37
Equipments	**8,612.24**	12,338.00
Total	**10,150.70**	14,488.37
Less : Inter-Segment Revenue	**479.04**	866.72
Net Sales / Income from Operations	**9,671.66**	13,621.65
B. Segment Results - Profit / (Loss)		
Electronic Components	**(52.24)**	189.19
Equipments	**(125.61)**	1,432.23
Total	**(177.85)**	1,621.42
Less : Interest & Financial Charges	**170.78**	95.38
Other Unallocable Expenditure (Net of unallocable Income)	**357.54**	415.35
Profit / (Loss) Before Tax	**(706.17)**	1,110.69
C. Capital Employed		
Electronic Components	**343.92**	519.60
Equipments	**4,543.37**	5,068.92

xvi) Related Party disclosures under Accounting Standard-18:

a) List of related parties

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

b) Transactions during the year

(₹ in lacs)

S.No.	Nature of transaction	Key Management	Relative of Key Management	Total
	Expenditure			
i.	Remuneration	**67.28** (78.62)	**27.87** (27.80)	**95.15** (106.42)
ii.	Directors Sitting Fees	**–** –	**0.15** (0.23)	**0.15** (0.23)
iii.	Rent	**–** –	**3.90** (3.90)	**3.90** (3.90)

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

xv) Particulars of Sales:

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
a) Manufactured Goods		
Convertor & Invertor Equipments	**4,524.74**	6,349.84
Diodes, Thyristors, Modules, Bridges	**644.80**	673.01
High Voltage Rectifiers	**915.00**	1,417.09
High Current Rectifiers	**719.81**	967.77
Transformers	**1,080.60**	2,067.82
Others	**642.10**	660.77
Total	**8,527.05**	12,136.30
b) Traded Goods		
Capacitors	**198.15**	481.59
Others	**12.75**	13.78
Total	**210.90**	495.37
TOTAL	**8,737.95**	12,631.67

xvi) Particulars of Purchase of Stock-In-Trade: (*)

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Capacitors	**251.11**	364.03
Others	**10.59**	12.40
TOTAL	**261.70**	376.43

(*) Includes purchases for manufacturing ₹ 43.50 lacs (Previous year ₹ 21.05 lacs)

xvii) Particulars of Consumption of Raw Materials: (*)

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Non-ferrous metals	**1,064.06**	1,851.78
CRGO lamination	**185.45**	469.21
Electrical accessories and semi conductor components	**4,115.45**	4,168.33
Others	**1,812.60**	3,245.13
TOTAL	**7,177.56**	9,734.45

* Raw materials consumed:

i) Includes material used for service activities.

ii) Excludes sale and stock of scrap.

iii) Includes Conversion and Processing charges ₹ 344.26 lacs (Previous Year ₹ 343.11 lacs)

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

(₹ in lacs)

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013	
	Amount	Percentage	Amount	Percentage
Imported	**1,823.79**	**25.41**	2,087.91	21.45
Indigenous	**5,353.77**	**74.59**	7,646.54	78.55
TOTAL	**7,177.56**	**100.00**	9,734.45	100.00

xix) Value of Imports on C.I.F Basis:

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Raw Materials & Components	**1,705.82**	1,991.58
Capital goods	**–**	–
TOTAL	**1,705.82**	1,991.58

xx) Expenditure in foreign currency (on payment basis):

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Travelling Expenses	**8.36**	7.53
Technical Know-How, Licence Fee (shown under Capital advance)	**46.76**	–
Royalty	**–**	–
Others	**35.10**	0.03
TOTAL	**90.22**	7.56

xxi) Earnings in foreign currency:

(₹ in lacs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Export on F.O.B. basis	**99.04**	227.05
Others	**–**	–
TOTAL	**99.04**	227.05

xxii) Dividend paid abroad:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Remittance of foreign exchange on account of dividend (₹ in lacs)	**38.40**	38.40
Number of non-resident shareholders	**1**	1
Number of shares on which remittance was made	**24,00,000**	24,00,000
Year for which the dividend was remitted	**2012-2013**	2011-2012

xxiii) 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.

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

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants
(Registration No. 105069W)

Uday J. Shah
Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : 28th May, 2014

NOTES

Hirect Thyristorised
Battery Formation Rectifier

12 Pulse Electro Dip coating Rectifier for Automobile Industries