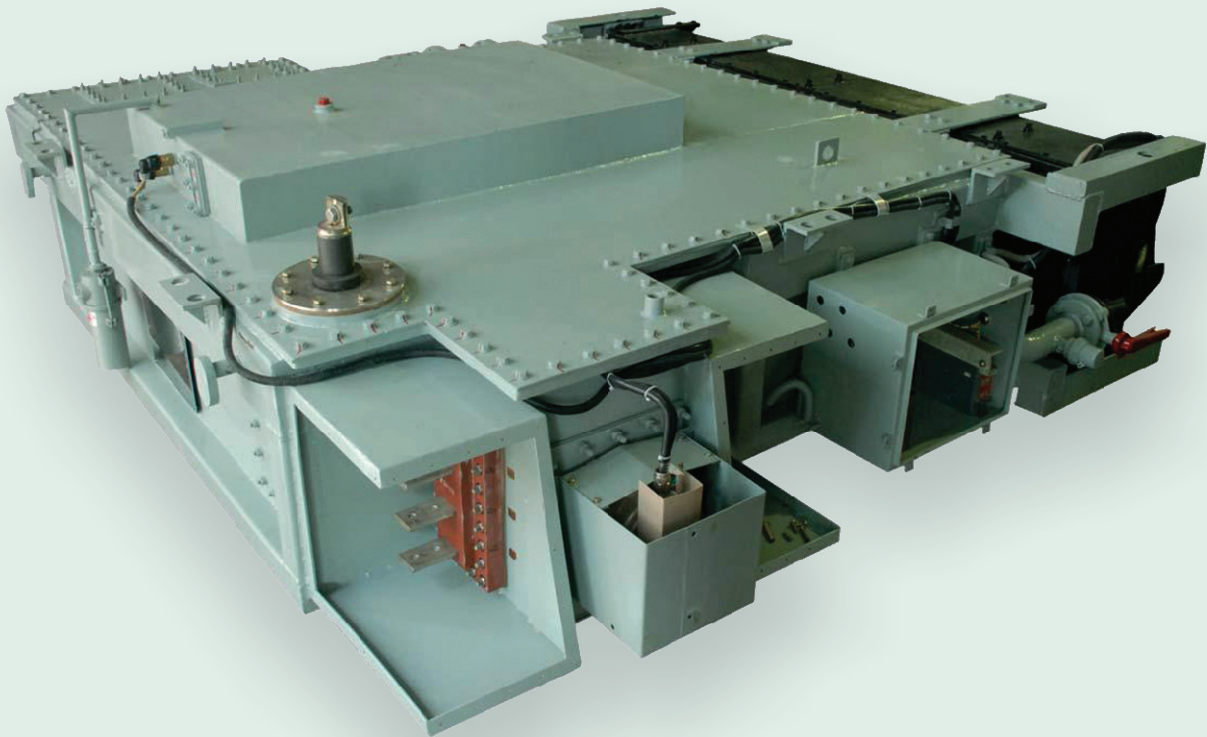




HIND RECTIFIERS LIMITED



51st
Annual Report
2008 - 2009

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REGISTERED OFFICE	:	Lake Road Bhandup (W) Mumbai - 400 078 (India)
WORKS		
	i)	Lake Road Bhandup (W) Mumbai - 400 078 (India)
	ii)	Plot No. 110/111 M.I.D.C., Satpur Nashik - 422 007 (India)
	iii)	Village Charba, Vikas Nagar Dehradun, Uttarakhand State (India)
REGIONAL OFFICES		
Eastern Region	:	Chatterjee International Centre 15th Floor, Flat No. 10, 33-A, J.N. Road, Kolkata - 700 071.
Western Region	:	Marketing Division Lake Road, Bhandup (W), Mumbai - 400 078.
Northern Region	:	62, Dayanand Road, Daryaganj, New Delhi - 110 002.
Southern Region	:	'Anna Mansion', 1st Floor, No. 7/1, Avenue Road, Nungambakkam, Chennai - 600 034.
BRANCH OFFICES		
Bangalore	:	'Srivenkatadri' No. 166, I Block, II Stage, Nagarabhavi, Bangalore - 560 072.
Secunderabad	:	Srinivas Apartment, Plot No.4, Flat No.1 1st Venture Malla Reddy Nagar, Trirumalgiri Post, Secunderabad - 500 015.

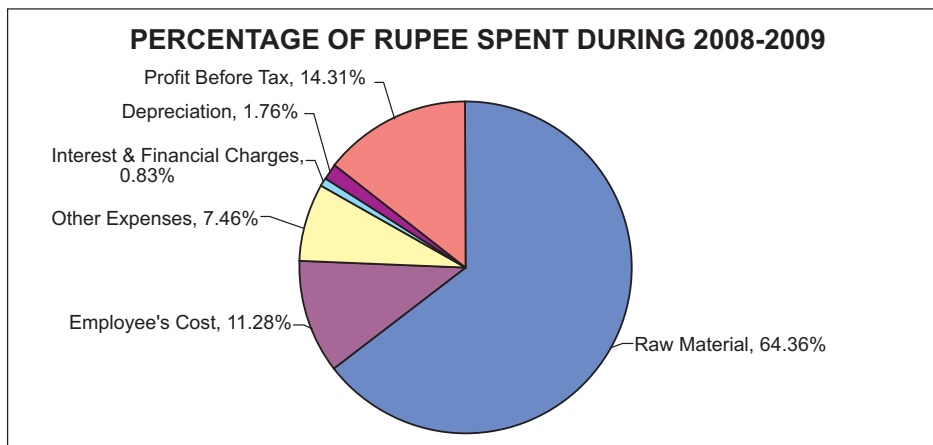
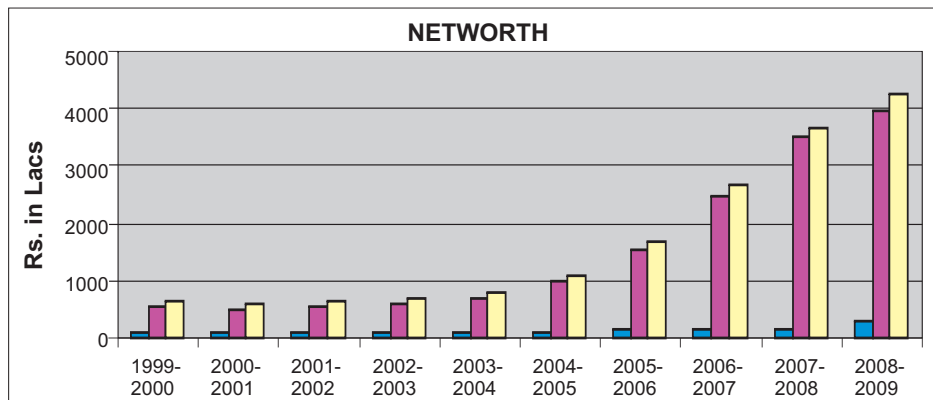
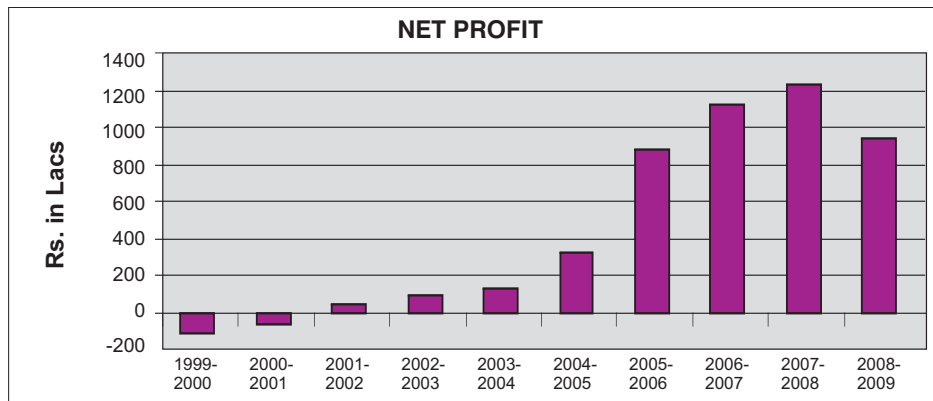
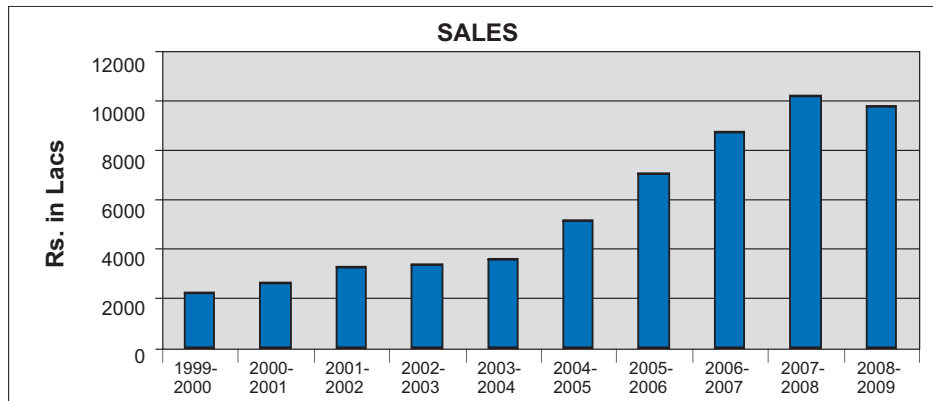
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BOARD OF DIRECTORS	:	S. K. Nevatia, Chairman & Managing Director Uma S. Nevatia, Executive Vice Chairperson Jayant H. Shah D. R. Mehta Niraj Ramkrishna Bajaj Bharat Swaroop Pawan Kumar Golyan V. K. Bhartia Binod Patodia Pradeep V. Goyal
MANAGEMENT TEAM	:	S. K. Nevatia - Chairman & Managing Director Uma S. Nevatia - Executive Vice Chairperson Vinod Maria - President Saurabh Nevatia - Chief Executive (Nashik) S. M. Kothari - Vice President (New Projects & Technical) A. K. Nemani - Vice President (Finance)
BANKERS	:	The Bank of Rajasthan Ltd. 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.

51ST ANNUAL GENERAL MEETING

Date	:	Thursday, September 10, 2009
Time	:	3.30 p.m.
Venue	:	Kamalnayan Bajaj Hall & Art Gallery Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.



HIGHLIGHTS

			2008-09	2007-08	2006-07	2005-06	2004-05
INCOME:							
1	Gross Operational Income	Rs.	1,08,69,04,831	1,17,58,66,815	1,00,89,21,622	81,68,86,225	59,82,32,289
2	Net Operational Income	Rs.	98,14,85,589	1,02,01,06,313	87,31,74,468	70,79,79,299	52,02,53,756
3	Profit before Interest, Depreciation & Tax	Rs.	16,60,20,526	21,14,45,187	19,36,20,090	14,23,71,062	6,23,89,249
4	Interest	Rs.	81,95,458	83,86,625	83,52,854	84,27,301	78,06,532
5	Depreciation	Rs.	1,72,35,086	1,40,40,950	1,40,05,451	62,09,519	40,29,262
6	Gross Profit after Interest & Depreciation but before Tax	Rs.	14,05,89,982	18,90,17,612	17,12,61,785	12,77,34,242	5,05,53,455
7	Profit after Tax	Rs.	9,44,76,407	12,29,07,387	11,23,09,785	8,80,10,242	3,16,43,455
8	Dividends	Rs.	3,01,15,860	1,50,57,930	1,50,57,930	1,05,40,551	40,15,448
EQUITY SHARE DATA:							
9	Sales & other Income per equity share	Rs.	65	136	117	94	104
10	Earnings per equity share	Rs.	6.27	16.32	14.92	11.69	6.30
11	Book value of equity share	Rs.	28.25	48.57	35.18	22.22	21.55
12	Networth	Rs.	42,53,50,024	36,56,57,370	26,48,96,907	16,72,60,008	10,81,57,097
13	Market Price:						
	a) High	Rs.	188.00	298.25	226.00	225.40	51.20
	b) Low	Rs.	25.60	110.25	109.80	41.20	12.30
14	Dividend	(%)	100	100	100	70	40
15	Allotment of Bonus Shares	(Ratio)	1:1	–	–	1:2	–
RATIO:							
16	PBT/Net Operational Income	(%)	14.32	18.53	19.61	18.04	9.72
17	Profit after Tax/Networth	(%)	22.21	33.61	42.40	52.62	29.26
18	Total Liabilities/Total Assets	Times	0.35	0.45	0.49	0.55	0.59
19	Total Debt/Equity	Times	0.18	0.33	0.35	0.49	0.68
20	Total Outside Liability/Total Networth	Times	0.54	0.80	0.96	1.20	1.42
21	Current Ratio	Times	2.58	1.99	1.72	1.63	1.80
22	PBDIT/Finance Costs	Times	20.26	25.21	23.18	16.90	7.99

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 51st Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Thursday the 10th September, 2009 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 audited Profit and Loss Account for the year ended March 31, 2009 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To sanction the declaration and payment of Dividend on Equity Shares for the year ended March 31, 2009.
3. To appoint a Director in place of Mr. D. R. Mehta, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bharat Swaroop, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. V. K. Bhartia, who retires from office by rotation, and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
7. To appoint Branch Auditors for Nashik and Dehradun Plants to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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. The Register of Members and the Share Transfer Books of the Company will remain closed from 02/09/2009 to 10/09/2009 (both days inclusive).
3. 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 10th September, 2009.
4. Members are hereby informed that dividends which remain unclaimed/unencashed over a period of 7 years have 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 Investors Protection and Education Fund
2001 - 2002	31.07.2002	30.07.2009
2002 – 2003	30.08.2003	29.08.2010
2003 – 2004	17.08.2004	16.08.2011
2004 – 2005	29.07.2005	28.07.2012
2005 – 2006	30.08.2006	29.08.2013
2006 – 2007	28.07.2007	27.07.2014
2007 - 2008	25.08.2008	24.08.2015

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

5. 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.
6. Members/Proxies are requested to please bring their copies of the Annual Report to the meeting.
7. The Company has listed its shares on The Bombay Stock Exchange Limited & National Stock Exchange of India Limited.
8. 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 PRIVATE LIMITED

[Unit: Hind Rectifiers Limited]

19, Jafarbhoy Industrial Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri [East], Mumbai - 400 059.

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

9. (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 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 dematerialised 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.

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10. 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. upto the date of the Annual General Meeting.
11. 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.
12. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
13. 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.

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

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

Place: Mumbai
Date : 29th June,2009

S. K. Nevatia
Chairman & Managing Director

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

1. Name : Mr. D. R. Mehta
Age : 74 years
No. of shares held in the Company : 300
Brief Resume & Functional expertise : Mr. D. R. Mehta working as a Director with M/s. Vivant Investments Pvt. Ltd., and having total experience of more than 52 years.
Outside Directorships : Vivant Investments Pvt. Ltd.
Chairmanship/Membership of Board Committees : Nil
Date of Appointment : 29/05/1992

2. Name : Mr. Bharat Swaroop
Age : 56 years
No. of shares held in the Company : 17,500
Brief Resume & Functional expertise : Mr. Bharat Swaroop a Commerce graduate from Mumbai University and working with M/s. L. H. Sugar Factories Ltd., as a Promoter Executive Director and having total experience of more than 32 years.
Outside Directorships : L. H. Sugar Factories Ltd.
Sushev Agriculture Pvt. Ltd.
Chairmanship/Membership of Board Committees : Nil
Date of Appointment : 04/12/1990

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3. Name	:	Mr. V. K. Bhartia
Age	:	68 Years
No. of shares held in the Company	:	Nil
Brief Resume & Functional expertise	:	Mr. V. K. Bhartia a Graduate from Mumbai University and was formerly holding a senior position with Raymond Ltd., and presently associated with the same company as an Advisor and he has got total experience of 42 years.
Outside Directorships	:	Color Plus Fashions Ltd. J. K. Ansell Ltd. Celebrations Apparel Ltd. Everblue Apparel Ltd. Vijesh Marketing Pvt. Ltd. Rainbow Weavers & Processors Pvt. Ltd.
Chairmanship/Membership of Board Committees	:	1
Date of Appointment	:	18/04/2007

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting 51st Annual Report together with the Audited Accounts for the year ended March 31, 2009.

(Rs. In Lacs)

FINANCIAL RESULTS:	Year ended 31.03.2009	Year ended 31.03.2008
Gross Operational Income	10,869.05	11,758.67
Less: Excise Duty	1,054.19	1,557.61
Net Operational Income	9,814.86	10,201.06
Gross Profit	1,578.25	2,030.59
Less: Depreciation	172.35	140.41
Profit before Tax	1,405.90	1,890.18
Less: Provision for Taxation		
- Current	442.00	667.50
- Deferred	5.89	(18.25)
- Fringe benefit	13.25	11.85
	461.14	
Profit after Taxes	944.76	1,229.08
Excess/(Short) Provision for taxation of earlier years	0.62	(1.38)
Adjustment in respect of earlier years	3.88	(2.01)
Surplus of previous year	42.85	38.33
Profit available for appropriation	992.11	1,264.02
Appropriations:		
Transferred to General Reserve	590.00	1,045.00
Proposed Dividend	301.16	150.58
Tax on Dividend	51.18	25.59
Surplus Carried to Balance Sheet	49.77	42.85

OPERATIONS:

The Company's working is affected due to the slow-down in the economy. There were no enquiries at all for certain applications and for the remaining business there was keen competition resulting in lowering of the selling prices. With decrease in turnover combined with the fall in the value of the rupee which led to increase in costs of imported items, coupled with rising prices of copper and steel etc. had its impact on the profit margins.

The company expects the working in the current year also to be adversely affected. There are signs of improvement in the economy but this would be reflected in better orders and despatches in the next financial year.

The Company is making all out efforts to increase the turnover from the Dehradun Plant to improve its bottom line.

DIVIDEND:

After careful thinking and taking in view the liquidity position, Directors are pleased to recommend for consideration of the Shareholders at the Annual General Meeting payment of dividend @ 100% (Rs. 2/- per Share) amounting to Rs. 3,01,15,860/- for the year ended 31st March, 2009 (Previous year Rs. 1,50,57,930/-).

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DEPOSITS:

Deposits amounting to Rs. 50,000/- due for payment on or before 31st March, 2009 remained unclaimed by the depositor on that date. Letter has been sent reminding him to claim the deposits.

BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. D. R. Mehta, Mr. Bharat Swaroop and Mr. V. K. Bhartia, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In 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, 2009.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

AUDITORS:

M/s. Khandwala & Shah, Chartered Accountants, Auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as Auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1B) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment and fix their remuneration.

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

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

AUDITORS' OBSERVATIONS:

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

SECRETARIAL COMPLIANCE REPORT:

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

DEPOSITORY SERVICES:

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories. The Company has been allotted ISIN No. INE835D01023.

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

CORPORATE GOVERNANCE:

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

CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors 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 given in the prescribed format as an Annexure "II" to the Directors' Report.

LISTING:

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

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SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

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

ACKNOWLEDGMENT:

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

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

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

Place: Mumbai
Date : 29th June,2009

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, 2009.

I. CONSERVATION OF ENERGY

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

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Modular type 1550 KVA EMU Transformer for Railways developed and executed successfully as per Customer's Specification.
2. High Current Rectifier 240V/16000 Amps power source with fine and coarse control in 6 x 35 steps, designed, developed and executed.
3. High Current DC Power 83 Volts/52800 Amps 12 Pulse indigenously designed and is under execution.
4. Developed PC based Centralized Monitoring System to control and monitor multiple Electro Static Precipitators from remote control room.
5. Rectifiers for GM Loco commercialised.

III. FOREIGN EXCHANGE EARNING AND OUTGO

To avoid repetition, Members are kindly requested to refer Note Nos. 20,21,22 & 23 to the accounts where such information is furnished.

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

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

Place: Mumbai
Date : 29th June,2009

S. K. Nevatia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Over the years governance process and system have been strengthened, the Company recognises that good corporate governance is a continuous process and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of all the stakeholders.

To implement the Corporate Governance practice, the Company has a well defined policy consisting of the following.

- Compliance not only as per law but also in its true spirit.
- The protection of the rights and interests of all stakeholders.
- Equality in treating all shareholders.
- Timely and proper disclosures of all material information concerning the Company to the Board of Directors and all the stakeholders.
- Transparency and accountability in all business dealings.

BOARD OF DIRECTORS:

The Company presently has ten Directors. There are two Executive Directors, one is Chairman & Managing Director and the other is 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, if the Chairman is an Executive Chairman at least half of the Board should consist of Non Executive Directors and also half of the Board shall comprise of Independent Directors. In case of Hind Rectifiers Ltd., four fifth of the Directors are Non Executive. Five out of the eight Non Executive Directors are Independent Directors which is equal to one half of the total size of the Board.

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

The details of composition of the Board, category, number of other Directorships and other Committee Memberships are as follows:

Name of the Director	Category	No. of Other Directorships held (excluding Private & Foreign Companies) as on 31.03.2009	Outside Committee position held as on 31.03.2009	
			Member	Chairman
Mr. S. K. Nevatia (Chairman & Managing Director)	Non Independent Executive	-	-	-
Mrs. Uma Nevatia (Executive Vice Chairperson)	Non Independent Executive	-	-	-

Name of the Director	Category	No. of Other Directorships held (excluding Private & Foreign Companies) as on 31.03.2009	Outside Committee position held as on 31.03.2009	
			Member	Chairman
Mr. Jayant H. Shah	Independent Non Executive	2	-	2
Mr. D. R. Mehta	Independent Non Executive	-	-	-
Mr. Niraj Ramkrishna Bajaj	Non Independent Non Executive	11	2	-
Mr. Bharat Swaroop	Non Independent Non Executive	1	-	-
Mr. Pawan Kumar Golyan	Non Independent Non Executive	-	-	-
Mr. V. K. Bhartia	Independent Non Executive	4	1	-
Mr. Binod Patodia	Independent Non Executive	5	-	-
Mr. Pradeep Goyal	Independent Non Executive	4	3	3

BOARD MEETING:

The Board of Directors met 6 times during the year on 07.04.2008, 24.06.2008, 25.07.2008, 25.08.2008, 23.10.2008 and 31.01.2009.

The maximum time gap between any two meetings is much less compared to the requirement of not more than four month 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 2008-09 and at the last Annual General Meeting held on 25.08.2008 are as follows:

NO. OF BOARD MEETINGS HELD - 6

Name of the Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. S. K. Nevatia	6	Yes
Mrs. Uma S. Nevatia	4	Yes
Mr. Jayant H. Shah	6	Yes
Mr. D. R. Mehta	6	Yes
Mr. Niraj Ramkrishna Bajaj	3	Yes
Mr. Bharat Swaroop	3	Yes
Mr. Pawan Kumar Golyan	3	No
Mr. V. K. Bhartia	5	Yes
Mr. Binod Patodia	1	No
Mr. Pradeep Goyal	6	Yes

INFORMATION SUPPLIED TO THE BOARD:

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

Among others, this includes:

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

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

COMMITTEES OF DIRECTORS:

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Independent Directors with specific terms of reference/scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers. The Minutes of the Meeting of the all Committees are placed before the Board for discussions/noting and approval.

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

A) AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of three Non-Executive Directors. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focus 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 and internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

Mr. S.K. Nevatia, Chairman & Managing Director and Mr. Vinod Maria, President of the Company are permanent invitees to the Audit Committee Meeting. In addition to this head of the finance department, representative of the statutory and internal auditors and other executives as are considered necessary to attend these meetings.

The Committee met five times during the year on 07.04.2008, 24.06.2008, 25.07.2008, 23.10.2008 and 31.01.2009.

Attendance record at the meetings of the Audit Committee of Directors during Financial Year 2008–09:

NO. OF MEETINGS HELD - 5

Name of Committee Members	Position	Meetings attended
Mr. Jayant H. Shah, Chairman	Independent Non Executive	5
Mr. V. K. Bhartia	Independent Non Executive	4
Mr. D. R. Mehta	Independent Non Executive	5

B) 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
Mr. Jayant H. Shah, Chairman	Independent Non Executive
Mr. Binod Patodia	Independent Non Executive
Mr. D. R. Mehta	Independent Non Executive

During the year ended March 31, 2009 a meeting was held on 7th April, 2008 and all the members were present.

C) 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.

Mr. Vinod Maria, President, is designated as the Compliance Officer.

The Company has designated the e-mail ID **investors@hirect.com** exclusively for the purpose of registering complaint 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 2008-09.

Nature of complaints	No. of complaints received during the year 2008 - 09
Non receipt of Dividend Warrant	2
Non receipt of Annual Report	5
Non receipt of Share Certificate	Nil

There were no complaints pending as on 31st March, 2009.

Attendance record at the meetings of the Shareholders' Grievance Committee of Directors during the Financial Year 2008–09:

NO. OF MEETINGS HELD - 2

Name of Committee Members	Position	Meetings attended
Mr. Jayant H. Shah, Chairman	Independent Non Executive	2
Mr. V. K. Bhartia	Independent Non Executive	1
Mr. D. R. Mehta	Independent Non Executive	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 meeting of the Board/Board Committee.

The details of remuneration/sitting fees paid during the Financial Year 2008-09 to the Directors of the Company are as under:

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Bonus/ Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. S.K. Nevatia	24,00,000	50,80,907	–	–	74,80,907
Mrs. Uma S. Nevatia	8,40,000	4,25,525	–	–	12,65,525
Mr. Jayant H. Shah	–	–	–	50,000	50,000
Mr. D. R. Mehta	–	–	–	50,000	50,000
Mr. Niraj Ramkrishna Bajaj	–	–	–	15,000	15,000
Mr. Bharat Swaroop	–	–	–	15,000	15,000
Mr. Pawan Kumar Golyan	–	–	–	15,000	15,000
Mr. V. K. Bhartia	–	–	–	37,500	37,500
Mr. Binod Patodia	–	–	–	7,500	7,500
Mr. Pradeep Goyal	–	–	–	30,000	30,000

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

Company does not have any stock option plans and hence such instrument does not fall part of the remuneration package payable to any Executive Director and/or Non Executive Director.

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

As mandated by the revised Clause 49, the Independent Directors on the Board of Hind Rectifiers Ltd:

- 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 apart from receiving Directors Sitting Fees.
- 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 or executives or were not partners or executives during the preceding three years of the:
 - i) Statutory audit firm or the internal audit firm that is associated with the Company.
 - ii) Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, services 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.

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.	Mr. Jayant H. Shah	34500
2.	Mr. D. R. Mehta	300
3.	Mr. Niraj Ramkrishna Bajaj	61230
4.	Mr. Bharat Swaroop	17500
5.	Mr. Pawan Kumar Golyan	--
6.	Mr. V. K. Bhartia	--
7.	Mr. Binod Patodia	--
8.	Mr. Pradeep V. Goyal	--

CODE OF CONDUCT:

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

MANAGEMENT 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 INSIDE TRADING:

In compliance of the SEBI (Prevention of inside 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 notes to the accounts. There were no transactions of the material value with related parties viz., Promoters, Directors or the Management or Relatives having any potential conflict with the interest of the Company.

NON-COMPLIANCES:

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

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

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

1. Remuneration Committee:

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

2. Audit Qualification:

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

3. **Training of Board Members:**

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

MEANS OF COMMUNICATION:

1. Quarterly results are published in prominent daily newspapers viz., Economic Times and Maharashtra Times.
2. The Company has its own website i.e **www.hirect.com**. All the vital information relating to the Company including the quarterly and annual financial results and its products are displayed on the website.

CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Mr. S.K. Nevatia, Chairman & Managing Director (CMD) and Mr. A.K. Nemani, Vice President (Finance) 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.

SHAREHOLDER INFORMATION:**51ST ANNUAL GENERAL MEETING**

DAY & DATE	:	Thursday, 10 th September, 2009
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
48 th AGM	31.03.2006	30.08.2006	3.30 p.m.	Kamalnayan Bajaj Hall & Art Gallery, Gr. Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.
49 th AGM	31.03.2007	28.07.2007	3.30 p.m.	- As above -
50 th AGM	31.03.2008	25.08.2008	3.30 p.m.	- As above -

NO EXTRA ORDINARY GENERAL MEETING WAS HELD DURING THE PERIOD.

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 3 Annual General Meeting and status of implementation thereof is reproduced below.

48TH AGM

No Special Resolution was passed.

49TH AGM

Sr. No.	Subject matter of the resolutions	Type of Resolution	Status of implementation
1.	Sub Division of the Company equity shares having the face value of Rs.10/- into 5 equity shares of Rs.2/- each.	Ordinary	Implemented
2.	Change of Authorised Capital from Rs.3 crores to Rs.10 crores	Ordinary	Implemented
3.	Changing of the Clause V of the Memorandum and Articles of Association for sub division of the equity shares and increase in the Authorised Capital.	Ordinary	Implemented
4.	Change of the Article 3 of the Articles of Association for sub division of the equity shares.	Special	Implemented

50TH AGM

Sr. No.	Subject matter of the resolutions	Type of Resolution	Status of implementation
1.	Sanction of Bonus Shares	Ordinary	Implemented

FINANCIAL CALENDAR:

- * Financial year 2009-10 : April 1, 2009 to March 31, 2010.
- * Financial reporting for the quarter ended June 30, 2009 : End of July, 2009.
- * Financial reporting for the quarter ended Sept.30, 2009 : End of Oct., 2009.
- * Financial reporting for the quarter ended Dec. 31, 2009 : End of Jan., 2010.
- * Financial reporting for the year ended March 31, 2010 : Audited Results by end of June, 2010 tentatively.

DATE OF BOOK CLOSURE: 02/09/2009 to 10/09/2009 [Both days inclusive].

DIVIDEND PAYMENT DATE: On or after 10th September, 2009.

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 RTAs office. RTA does the verification and processing of documents. In order to comply with the requirement of SEBI circular Nos. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within one month, the Share Transfer Committee has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

REGISTRAR & TRANSFER AGENT:

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

M/S. ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit: Hind Rectifiers Limited]
19, Jafarbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka,
Andheri [East], Mumbai-400 059
Tel: 28594060/28596060 Fax : 28503748
Email: adroits@vsnl.net

COMPLIANCE OFFICER:

Mr. Vinod Maria, President

ADDRESS FOR CORRESPONDENCE:

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

LISTING ON STOCK EXCHANGES:

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

Listing fee has been paid to above Stock Exchanges for the year 2008 – 09.

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, 2009, 69,54,055 Shares representing 46.18% 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.

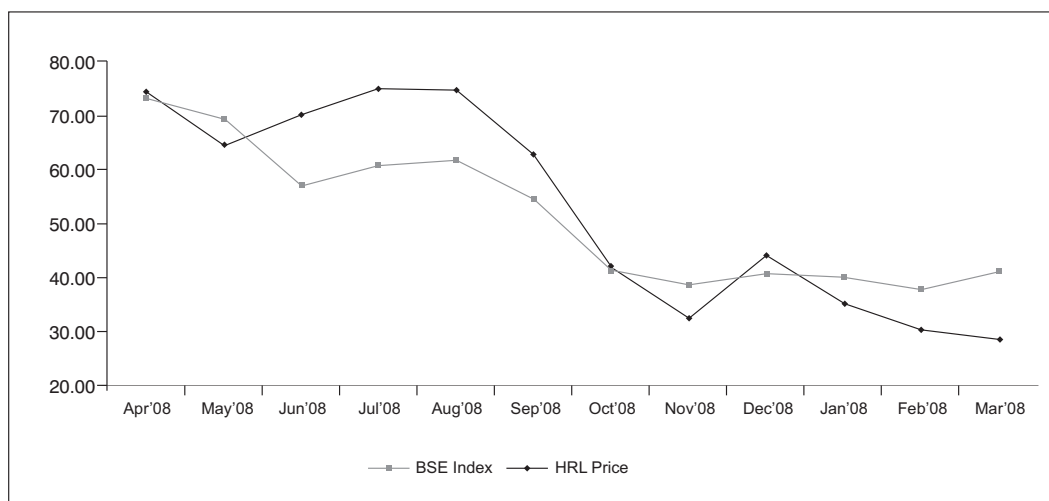
STOCK PRICE DATA:

Monthly High/Low Market Price of Equity Shares of Hind Rectifiers Ltd., during the Financial Year 2008–2009:

Month	BSE		NSE	
	High	Low	High	Low
April, 2008	160.00	129.60	161.00	126.30
May, 2008	153.90	128.00	161.00	125.00
June, 2008	179.60	110.00	188.00	118.50
July, 2008	154.90	119.00	155.00	118.20
August, 2008	157.50	140.55	169.40	125.25
September, 2008	157.00	115.60	176.00	117.00
October, 2008 (Up to 03.10.2008)	132.00	120.50	138.00	120.00
October, 2008 (From 04.10.2008)	64.80	34.25	63.00	34.60
November, 2008	49.50	31.60	52.95	32.95
December, 2008	49.20	29.20	49.00	29.60
January, 2009	47.80	32.20	51.75	32.40
February, 2009	43.30	29.50	43.20	29.30
March, 2009	32.90	26.00	33.45	25.60

During the Financial Year the Company has declared the Bonus Shares in the ratio of 1:1 and Market price of the Equity Shares of the Company has become ex-bonus w.e.f. 04.10.2008.

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:



SHAREHOLDING PATTERN AS ON MARCH 31, 2009:

Category	No. of shares held	% of shareholding
Promoters & Associates	6549834	43.50
Mutual Funds & UTI	1500	0.01
Banks/Financial Institutions	10500	0.07
Private Bodies Corporate	372081	2.47
NRI/OCBs	2493856	16.56
Others	5630159	37.39
Total	15057930	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2009:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	5053	810593	5.38
501-1000	638	517763	3.44
1001-2000	506	770669	5.12
2001-3000	206	559313	3.71
3001-4000	44	159340	1.06
4001-5000	48	221901	1.47
5001-10000	95	662371	4.40
10001 & above	79	11355980	75.42
Total	6669	15057930	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 by-laws and business rules applicable to NSDL and CDSL.

PLANT LOCATIONS:

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

DECLARATION:

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

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

The code of conduct has been complied with.

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

Place: Mumbai
Date : 29th June,2009

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, 2009, 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 above mentioned 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,

(PREMAL P. GANDHI)
Partner
Membership No. F 45462

Place: Mumbai
Date : 29th June,2009

CEO/CFO CERTIFICATION:

The Board of Directors
Hind Rectifiers Limited,
Mumbai

Re: Financial Statements for the year 2008 - 09 – Certification by CEO & CFO

We, Sushil Kumar Nevatia, Chairman & Managing Director and A.K. Nemani, Vice President-Finance (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, 2009 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year; and
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : 29th June,2009

S. K. Nevatia
Chairman & Managing Director

A. K. Nemani
Vice President (Finance)

MANAGEMENT DISCUSSION & ANALYSIS

(1) BUSINESS ENVIRONMENT:

The global economy has faced unprecedented turmoil due to financial meltdown starting with USA and thereafter spreading across the entire world. Our economy was no exception, however, impact has been minimised due to our sound banking system. Being exposed to global economy, the slow down and adversities of recession could not be totally averted, which has impacted liquidity and business sentiments.

The year 2008-09 was a mix of good period till August 2008 but slow down effects surfaced since September 2008 onward.

(2) COMPETITION:

The good economic growth in the last few years resulted into entry of many new competitors in an all product groups, thereby increasing the intensity of competition leading to pressure on selling prices. The current slow down has further increased the intensity on price realisation with surplus capacity amongst manufacturers. It will be difficult to hold our high market share with remunerative prices in the current economic scenario unless consolidation takes place in the industry. It is likely to be difficult for small and new entrants to survive since most of the products require high gestation period from design to manufacturing while maintaining high standards of workmanship. Scenario augurs well for consolidation within industry for healthy growth.

(3) OUTLOOK:

Your company has maintained market share in most of its products. Demand from railways is likely to remain in growth mode. In view of the various policies announced by the Government of India, both on the monetary and fiscal front there are signs of improvement in the economy, but this will be reflected in better orders and dispatches in the next financial year.

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

Company expects to benefit gradually from the end of the current year from the efforts made to introduce new products.

(4) RISKS & CONCERNS:

During the year, the Company could manage raw-material procurement cost in relation to declining selling prices, however, certain degree of uncertainty prevails on raw-material prices vis-a-vis selling prices remaining under pressure.

(5) PERFORMANCE:

There has been demand shrinkage in some product lines with the exception of products catering to requirements of the Railways. The component business has suffered due to slow down in end user industries and also offloading of cheap imports into India.

Current year operating margin had setback as compared to last year owing to factors enumerated earlier. The commissioning of Dehradun Plant should have positive effect on operating margin during current year onward owing to fiscal benefits available for its location.

(6) INTERNAL CONTROL:

Effective budgetary control system has been used to monitor performance of each business division. The Company has clearly defined authority system for various kinds of expenditure at each level in the hierarchy

The internal controls through various systems, procedures and regular internal audits have proved to be satisfactory.

The finding of the audit report with the comments from respective Department Head is reviewed by the Audit Committee.

(7) HUMAN RESOURCE DEVELOPMENT:

The Company continues to employ young engineers as trainees for developing them for taking bigger responsibilities in future. The ITI Apprentices have also been inducted at the shop floor level to improve quality, productivity and workmanship of the products of the Company. Industrial relations with our recognised Union have been cordial and peaceful.

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

Place: Mumbai
Date : 29th June,2009

S. K. Nevatia
Chairman & Managing Director

SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-11077.

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

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

The Members,

M/s. HIND RECTIFIERS LIMITED

Lake Road,

Bhandup [West],

MUMBAI - 400 078.

I have examined the registers, records, books and papers of **M/s. HIND RECTIFIERS LIMITED** [the Company] as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on **MARCH 31, 2009**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in **ANNEXURE-‘A’** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable as per **ANNEXURE – ‘B’**.
- 3) The Company being a Limited Company, Comments not required.
- 4) The Board of Directors duly met 6 [SIX] times during the aforesaid Financial Year i.e. on 07/04/2008, 24/06/2008, 25/07/2008, 25/08/2008, 23/10/2008 and 31/01/2009 and in respect of each meeting proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 5) The Company closed its Register of Members during the financial year.
- 6) The Company held its Annual General Meeting during the year in time i.e. on AUGUST 25, 2008 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has complied with the provisions of 293 (1) (d) of the Act.
- 9) The Company has not entered into contracts falling within the purview of Section 297 of the Act.
- 10) The Company has entered necessary particulars in the register maintained under Section 301 of the Companies Act, 1956.
- 11) As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
- 12) The Company has issued duplicate share certificates during the financial year and necessary compliances of the Act were made.
- 13) The Company has:
 - i) delivered all the certificates on allotment of Shares in accordance with the provisions of the Companies Act, 1956.
 - ii) duly complied with the requirements of Section 217 of the Act.
 - iii) other clauses are not applicable.

- 14) The Board of Directors of the Company is duly constituted.
- 15) There was no appointment of Managing Director and/or Executive Director during the financial year.
- 16) The Company has not appointed any Sole Selling Agents during the financial year.
- 17) The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
- 18) The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19) The Company has issued and allotted 75,28,965 Equity Shares during the financial year and necessary compliances of the Act were made.
- 20) The Company has not bought back any shares during the financial year.
- 21) The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
- 22) There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23) The Company has accepted deposits during the financial year and complied with the provisions of Section 58A of the Companies Act, 1956.
- 24) The Company has complied with the provisions of 293 (1) (a) of the Act.
- 25) The Company has not made any loans or advances or given any guarantees or provided securities to other bodies corporate.
- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from 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.
- 31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has imposed on the Company during the financial year, for offences under the Act.
- 32) The Company has not received any money as security from its employees during the financial year.
- 33) The Company was regular in depositing the Provident Fund dues during the year.

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

Place: Mumbai.
Date: 29th June, 2009

ANNEXURE - 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE:

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

DETAILS OF REGISTERS MAINTAINED:

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

ANNEXURE - 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

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

DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:

Sr. No.	Document/Under Section	Filed on	Whether filed in time	Whether additional fee paid
1.	Form 32 U/s 257/260	23/04/2008	Yes	No
2.	Form 62 U/s 58A	26/06/2008	Yes	No
3.	Form 62 U/s 58A	21/07/2008	Yes	No
4.	Form 25C U/s 269 (2)	02/07/2008	No	Yes
5.	Form 23 U/s 31/173	24/09/2008	Yes	No
6.	Form 20B Annual Return U/s 159	24/10/2008	Yes	No
7.	Form 23AC & 23ACA Balance Sheet & Profit and Loss Account U/s 210	23/09/2008	Yes	No
8.	Form 66 Secretarial Compliance Certificate U/s 383A	23/09/2008	Yes	No
9.	Form 2 U/s 75(1)	06/11/2008	Yes	No

[MAHESH SONI]

FCS: 3706; COP: 2324.

Place: Mumbai.

Date: 29th June, 2009.

REPORT OF THE AUDITORS' TO THE MEMBERS OF HIND RECTIFIERS LIMITED

We have audited the attached Balance Sheet of **HIND RECTIFIERS LIMITED** as at 31st March, 2009, the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. The returns from the branch audited by other Auditor are incorporated in the annexed Balance Sheet and the Profit and Loss Account. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us. The Branch Auditor's Report have been forwarded to us and have been appropriately dealt with;
- (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the Branch;
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of the written representations received from the Directors of the Company as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of Company as at 31st March, 2009;
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date
and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
KHANDWALA & SHAH,
Chartered Accountants,
(PREMAL P. GANDHI)

Partner

Membership No. F 45462

Place: Mumbai

Date : 29th June, 2009

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31,2009 OF HIND RECTIFIERS LIMITED

On the basis of the information and explanations given to us and on the basis of such checks, as we considered appropriate, our statement on the matters specified in para 4 and 5 of the Companies (Auditor's Report) Order, 2003 is given below. In preparing the said statement, we have considered the statements made under the aforesaid order by other auditor who audited the accounts of the branch.

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets except Dehradun Branch where the records are under compilation;
(b) As informed the fixed assets have been physically verified by the management at reasonable intervals; and discrepancies noticed on such verification where 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) Physical verification of inventory has been conducted at reasonable intervals 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. (a) According to information and explanations given to us, the Company has, during the year, not granted any loan secured or unsecured to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act,1956. Accordingly, paragraphs 4(iii)(a), (b), (c) and (d) of the order, are not applicable.
(b) During the year, the Company has not taken any unsecured loans from the parties covered in the register maintained under Section 301 of the Companies Act,1956 and the balance outstanding at the year end is Rs. 27.39 lacs.
(c) The rate of interest and other terms and conditions of loans taken by the Company are prima facie, not prejudicial to the interest of the Company.
(d) The Company has paid the principal amounts as stipulated and has been regular in payment of interest.
(e) There is no overdue amount as on 31st March, 2009.
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 and services. We have not come across any major weakness in internal control;
5. (a) To the best of our knowledge and belief, and according to the information and explanation given to us, the particulars of contracts or arrangements refer to in Section 301 of the Act have been entered in the register maintained under that section;
(b) In our opinion and having regard to our comments in paragraph (iv) above, and according to the information and explanation given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act,1956 have been made at reasonable prices;
6. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 58A and 58 AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

8. As explained to us maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Investor Education & Protection Fund, Employees' State Insurance (ESI), Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other statutory dues with the appropriate Authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2009 for a period of more than six months from the day they become payable;
- (b) According to the information and explanation given to us, a detail of disputed Excise Duty demand that has not been deposited on account of dispute is given below:

Forum where dispute is pending	Amount Rs. in lacs
CEGAT – Central Excise & Gold (Control) Appellate Tribunal	13.78 (Net of Deposit of Rs. 1.00 lac)
Joint Regional Director, E.S.I. Corporation	14.73

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

(PREMAL P. GANDHI)
Partner

Membership No. F 45462

Place: Mumbai
Date : 29th June,2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
I. SOURCES OF FUNDS:				
Shareholders Funds				
Share Capital	"A"	3,01,15,860		1,50,57,930
Reserves & Surplus	"B"	<u>39,52,34,164</u>	42,53,50,024	<u>35,05,99,440</u>
				36,56,57,370
Loan Funds:				
Secured Loans	"C"	5,53,52,497		9,59,44,970
Unsecured Loans	"D"	<u>2,15,32,000</u>		<u>2,50,14,000</u>
			7,68,84,497	12,09,58,970
			<u>50,22,34,521</u>	<u>48,66,16,340</u>
II. APPLICATION OF FUNDS:				
Fixed Assets				
Gross Block	"E"	18,96,28,313		15,58,46,351
Less: Depreciation		<u>8,71,05,972</u>		<u>7,08,90,586</u>
Net Block		10,25,22,341		8,49,55,765
Capital Work In Progress		<u>1,00,47,480</u>	11,25,69,821	<u>3,59,98,525</u>
				12,09,54,290
Deferred Tax Assets				
			43,70,000	70,47,000
Current Assets, Loans & Advances				
Inventories	"F"	15,38,05,658		14,47,59,724
Sundry Debtors	"G"	32,45,66,257		34,66,05,840
Cash and Bank Balances	"H"	62,57,254		70,81,459
Others (Interest Income Accrued)		1,78,128		1,18,642
Loans and Advances	"I"	<u>10,03,00,403</u>		<u>9,64,87,407</u>
		<u>58,51,07,700</u>		<u>59,50,53,072</u>
Less: Current Liabilities and Provisions				
Current Liabilities	"J"	11,90,53,950		15,08,85,997
Provisions		<u>8,07,59,050</u>		<u>8,55,52,025</u>
		<u>19,98,13,000</u>		<u>23,64,38,022</u>
Net Current Assets				
			<u>38,52,94,700</u>	<u>35,86,15,050</u>
			<u>50,22,34,521</u>	<u>48,66,16,340</u>
Notes on Accounts				
	"R"			

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants

PREMAL P. GANDHI
(Partner)
Place: MUMBAI
Date : 29th June, 2009

For and on behalf of the Board of Directors

S. K. NEVATIA, Chairman & Managing Director
JAYANT H. SHAH, Director
V. K. BHARTIA, Director

Place: MUMBAI
Date : 29th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rupees	2008-2009 Rupees	2007-2008 Rupees
INCOME:				
Gross Operational Income	"K"	1,08,69,04,831		1,17,58,66,815
Less : Excise Duty		<u>10,54,19,242</u>		<u>15,57,60,502</u>
Net Operational Income		98,14,85,589		1,02,01,06,313
Miscellaneous Income	"L"	<u>7,01,080</u>		<u>14,77,229</u>
			98,21,86,669	1,02,15,83,542
EXPENDITURE:				
Material Cost	"M"	63,21,21,608		63,38,48,065
Manufacturing Expenses	"N"	2,85,40,214		2,59,14,113
Employees Costs	"O"	11,08,20,810		11,11,41,991
Other Expenses	"P"	4,46,83,511		3,92,34,186
Interest & Financial Charges	"Q"	<u>81,95,458</u>		<u>83,86,625</u>
			82,43,61,601	81,85,24,980
PROFIT BEFORE DEPRECIATION AND TAX:			15,78,25,068	20,30,58,562
Less: Depreciation			<u>1,72,35,086</u>	<u>1,40,40,950</u>
Profit Before Taxes:			14,05,89,982	18,90,17,612
Less: Provision For Taxation:				
Current		4,42,00,000		6,67,50,000
Deferred		5,88,575		(18,24,775)
Fringe Benefit Tax		<u>13,25,000</u>		<u>11,85,000</u>
			4,61,13,575	
Profit After Taxes:			9,44,76,407	12,29,07,387
Excess/(Short) Provision of Taxation For Earlier Years			62,386	(1,37,853)
Adjustments In Respect of Earlier Years(Net)			3,87,911	(2,00,683)
Surplus of Previous Year			42,84,936	38,33,110
Balance available for appropriation			9,92,11,640	12,64,01,961
APPROPRIATIONS:				
Transferred to General Reserve			5,90,00,000	10,45,00,000
Proposed Dividend			3,01,15,860	1,50,57,930
Tax on Dividend			51,18,190	25,59,095
Surplus Carried to Balance Sheet			<u>49,77,590</u>	<u>42,84,936</u>
			9,92,11,640	12,64,01,961
Basic & Diluted Earning Per Share of Face Value of Rs.2/- Each. (Refer Note No.14 of Schedule "R")			6.27	8.16
Notes on Accounts	"R"			

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants

PREMAL P. GANDHI
(Partner)
Place: MUMBAI
Date : 29th June, 2009

For and on behalf of the Board of Directors

S. K. NEVATIA, Chairman & Managing Director
JAYANT H. SHAH, Director
V. K. BHARTIA, Director

Place: MUMBAI
Date : 29th June, 2009

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2009

	Year Ended March 31,2009 Rupees	Year Ended March 31,2008 Rupees
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Extra-Ordinary Items	14,05,89,982	18,90,17,612
Adjusted for		
Depreciation	1,72,35,086	1,40,44,802
Investment Income	(4,74,628)	(6,79,836)
Interest Charged	81,95,458	83,86,625
Operating Profit Before Working Capital Changes	<u>16,55,45,898</u>	<u>21,07,69,203</u>
Changes In		
Trade & Other Receivable	3,28,232	(8,86,34,879)
Inventories	(90,45,934)	(3,60,37,577)
Trade Payables	<u>(3,23,54,909)</u>	<u>65,28,173</u>
Cash Generated from Operations	<u>12,44,73,287</u>	<u>9,26,24,920</u>
Interest Paid	(76,72,596)	(83,28,319)
Direct Taxes Paid	(5,00,36,645)	(6,39,69,754)
Cash Flow before Extra-Ordinary Items	6,67,64,046	2,03,26,847
Extra-Ordinary Items	25,38,722	(66,88,124)
NET CASH FROM OPERATING ACTIVITIES	<u>6,93,02,768</u>	<u>1,36,38,723</u>
B. Cash Flow from Investing Activities		
Purchases of Fixed Assets	(1,03,76,602)	(2,52,81,551)
Sale/Disposal of Fixed Assets	14,64,262	7,05,129
Interest Received	4,76,865	5,17,187
NET CASH USED IN INVESTING ACTIVITIES	<u>(84,35,475)</u>	<u>(2,40,59,235)</u>
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	(4,40,74,473)	2,92,24,388
Dividend Paid	(1,50,57,930)	(1,50,57,930)
Tax on Distributed Profit	(25,59,095)	(25,59,095)
NET CASH USED IN FINANCING ACTIVITIES	<u>(6,16,91,498)</u>	<u>1,16,07,363</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(8,24,205)</u>	<u>11,86,851</u>
CASH & CASH EQUIVALENTS-OPENING BALANCE	70,81,459	58,94,608
CASH & CASH EQUIVALENTS-CLOSING BALANCE	62,57,254	70,81,459

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants

PREMAL P. GANDHI
(Partner)
Place: MUMBAI
Date : 29th June, 2009

For and on behalf of the Board of Directors

S. K. NEVATIA, Chairman & Managing Director
JAYANT H. SHAH, Director
V. K. BHARTIA, Director

Place: MUMBAI
Date : 29th June, 2009

SCHEDULES 'A' TO 'R' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE:

<u>SCHEDULE 'A'</u>	31.03.2009	31.03.2008
	Rs.	Rs.
SHARE CAPITAL:		
AUTHORISED:		
5,00,00,000 Equity shares of Rs. 2/- Each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP:		
1,50,57,930 Equity shares of Rs.2/- each issued and subscribed	3,01,15,860	1,50,57,930
	3,01,15,860	1,50,57,930

NOTE: Out of the above Equity Shares, following number of Shares have been allotted as fully paid up without payment being received in cash :

- (i) 50,000 Equity Shares for Goodwill.
- (ii) 4,00,000 Equity Shares for imported Machinery.
- (iii) 64,000 Equity Shares to shareholders of erstwhile Supreme Powertronics Private Limited pursuant to the scheme of amalgamation.
- (iv) 24,77,655 Equity Shares as Bonus Shares by way of capitalisation of General Reserve during the financial year 1995-96.
- (v) 25,09,655 Equity Shares as Bonus Shares by way of capitalisation of Capital Reserve, Share Premium and General Reserve during the financial year 2005-06.
- (vi) 75,28,965 Equity Shares as Bonus Shares by way of Capitalisation of General Reserve during the year.

<u>SCHEDULE 'B'</u>	31.03.2009	31.03.2008
	Rs.	Rs.
RESERVES & SURPLUS:		
A. GENERAL RESERVE		
As per Last Account	34,63,14,504	24,60,05,867
Less: Capitalised by issue of fully paid Bonus Shares	1,50,57,930	-
Less: Charge on account of transitional Provisions under Accounting Standard 15 (Revised 2005)	-	41,91,363
	33,12,56,574	24,18,14,504
Add : Transferred from Profit & Loss Account	5,90,00,000	10,45,00,000
	39,02,56,574	34,63,14,504
B. Surplus in Profit and Loss Account		
Transferred from Profit & Loss Account	49,77,590	42,84,936
	49,77,590	42,84,936
	39,52,34,164	35,05,99,440

Hirect

SCHEDULE 'C'

SECURED LOANS:

1. Cash Credits

i. The Bank of Rajasthan Limited (Refer Note 1)	2,34,87,119	5,85,26,460
ii. Union Bank of India (Refer Note 1)	3,18,06,661	3,63,07,368

2. Loan For Vehicles

i. Citicorp Maruti Finance Ltd. (Refer Note 2)	13,326	2,34,241
ii. ICICI Bank Ltd. (Refer Note 3)	45,391	8,76,901

31.03.2009	31.03.2008
Rs.	Rs.
5,53,52,497	9,59,44,970

NOTES:

- 1) Secured by first charge against all movable & immovable assets both present and future, situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the company ranking pari-passu in favour of the Bank of Rajasthan Limited and Union Bank of India.
- 2) Secured against hypothecation of Motor Car Nos. MH-03-Z-9979, MH-03-Z-9980, MH-03-Z-9981.
- 3) Secured against hypothecation of Motor Car Nos. MH-03-Z-8362, WB-02-W-0740, MH-03-M-9572 and MH-03-M-9574.

SCHEDULE 'D'

UNSECURED LOANS:

Fixed Deposit

31.03.2009	31.03.2008
Rs.	Rs.
2,15,32,000	2,50,14,000
2,15,32,000	2,50,14,000

SCHEDULE 'E'

FIXED ASSETS:

	Gross Block			Depreciation				Net Block		
	As on 01.04.2008	Since Added	Deduction/ Adjusted	As on 31.03.2009	As on 01.04.2008	For the Year	Recouped Sold or Adjusted	Total As on 31.03.2009	As on 31.03.2009	As on 31.03.2008
Leasehold Land & Road	43,26,382	-	-	43,26,382	8,57,983	1,22,917	-	9,80,900	33,45,482	34,68,399
Lands & Roads	1,88,30,178	5,09,580	-	1,93,39,758	3,19,042	1,44,006	-	4,63,048	1,88,76,710	1,85,11,136
Building	91,62,761	1,53,57,467	-	2,45,20,228	61,72,390	18,26,818	-	79,99,208	1,65,21,020	29,90,371
Plant & Machinery	4,78,46,939	1,42,72,304	-	6,21,19,243	2,47,03,809	55,37,503	-	3,02,41,312	3,18,77,931	2,31,43,130
Motor Cars & Vehicles	1,39,33,848	16,45,893	25,45,685	1,30,34,056	59,28,757	21,09,806	10,19,700	70,18,863	60,15,193	80,05,091
Furniture & Fixtures	2,58,44,385	21,97,174	-	2,80,41,559	1,43,98,660	22,40,574	-	1,66,39,234	1,14,02,325	1,14,45,725
Computers	1,19,22,981	23,45,229	-	1,42,68,210	87,25,393	17,04,881	-	1,04,30,274	38,37,936	31,97,588
Technical Knowhow & Licence Fees	2,39,78,877	-	-	2,39,78,877	97,84,552	35,48,581	-	1,33,33,133	1,06,45,744	1,41,94,325
	15,58,46,351	3,63,27,647	25,45,685	18,96,28,313	7,08,90,586	1,72,35,086	10,19,700	8,71,05,972	10,25,22,341	8,49,55,765
Capital Work in Progress	3,59,98,525	8,97,997	2,68,49,042	1,00,47,480	-	-	-	-	1,00,47,480	3,59,98,525
Total:	19,18,44,876	3,72,25,644	2,93,94,727	19,96,75,793	7,08,90,586	1,72,35,086	10,19,700	8,71,05,972	11,25,69,821	12,09,54,290
Prevoius Year	16,92,50,403	2,75,75,584	49,81,111	19,18,44,876	5,90,67,887	1,40,44,802	22,22,103	7,08,90,586	12,09,54,290	

SCHEDULE 'F'**31.03.2009****31.03.2008****Rs.****Rs.****INVENTORIES:**

(As taken, valued & certified by the Management)

Stores, Spares, Tools and Instruments	30,27,197	31,62,413
Raw Materials	10,37,13,174	8,88,69,205
Work in Progress	3,49,43,514	4,28,20,840
Finished Goods	1,05,84,990	80,55,171
Trading Goods	13,81,092	18,29,630
Scrap	1,55,691	22,465
	<u>15,38,05,658</u>	<u>14,47,59,724</u>

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

SCHEDULE 'G'**SUNDRY DEBTORS:****(CONSIDERED GOOD)****Over six months**

Secured	1,69,861	63,813
Unsecured	<u>2,20,67,055</u>	82,02,422

2,22,36,916**Other debts**

Secured	9,31,852	7,34,441
Unsecured	<u>30,13,97,489</u>	33,76,05,164

30,23,29,341**32,45,66,257**34,66,05,840**SCHEDULE 'H'****CASH AND BANK BALANCES:**

Cash In Hand	5,69,171	5,22,994
Bank Balances With Scheduled Banks		
In Current Account	19,47,444	20,45,207
In Margin Account	29,65,639	34,13,258
In Fixed Deposit Account	7,75,000	11,00,000
	<u>62,57,254</u>	<u>70,81,459</u>

SCHEDULE 'I'

LOANS AND ADVANCES: (Unsecured and considered good)

	31.03.2009	31.03.2008
	Rs.	Rs.
Advances to staff(*)	4,36,092	6,14,725
Advances for goods, services, capital expenditure & others	4,77,63,962	2,77,47,906
Sundry advances and deposits	61,06,313	42,32,385
Advance payment of tax	4,59,94,036	6,38,92,391
	<u>10,03,00,403</u>	<u>9,64,87,407</u>

(*) The maximum amount due from an officer of the company at any time during the year was Rs.2,30,000/- (Previous year Rs.2,10,000/-)

SCHEDULE 'J'

CURRENT LIABILITIES AND PROVISIONS:

CURRENT LIABILITIES

Sundry Creditors (Refer Note No. 11 of Schedule "R")	10,46,28,310	14,41,19,133
Advance from Customers	1,19,56,738	50,68,346
Unclaimed Dividend	9,88,355	7,40,833
Interest accrued but not due	14,80,547	9,57,685
	<u>11,90,53,950</u>	<u>15,08,85,997</u>

PROVISIONS

Provision for Taxation-Current	4,42,00,000	6,67,50,000
Provision for Fringe Benefit Tax	13,25,000	11,85,000
Proposed dividend	3,01,15,860	1,50,57,930
Corporate Dividend Tax	51,18,190	25,59,095
	<u>8,07,59,050</u>	<u>8,55,52,025</u>

SCHEDULE 'K'

NET OPERATIONAL INCOME:

	2008-2009	2007-2008
	Rs.	Rs.
Gross Sales	1,04,70,39,966	1,14,39,37,180
Less: Excise Duty	10,38,85,389	15,36,70,691
Net Sales	94,31,54,577	99,02,66,489
Gross Equipments Reconditioning, Repairing & Servicing Income	3,98,64,865	3,19,29,635
Less: Excise Duty	15,33,853	20,89,811
Net Equipments Reconditioning, Repairing & Servicing Income	3,83,31,012	2,98,39,824
	<u>98,14,85,589</u>	<u>1,02,01,06,313</u>

SCHEDULE 'L'

	2008-2009	2007-2008
	Rs.	Rs.
MISCELLANEOUS INCOME:		
Interest Income(*)	5,36,351	4,39,682
Commission Income	-	5,00,000
Credit Balance Written Back	1,64,729	2,97,393
Profit on Sale of Assets	-	98,247
Profit on Sale of Discarded Goods	-	1,41,907
	7,01,080	14,77,229

(*) Tax Deducted at Source Rs.1,01,894/- (Previous Year Rs.94,702/-)

SCHEDULE 'M'

MATERIAL COST:

A) Raw Material Consumed

Opening Stock	8,88,69,205	6,37,92,974
Add: Purchases	60,17,64,467	62,87,58,171
	69,06,33,672	69,25,51,145
Less: Closing Stock	10,37,13,174	8,88,69,205
	58,69,20,498	60,36,81,940
B) Purchase of Trading Goods	1,93,31,084	1,79,48,406

C) Conversion & Processing Charges

	2,03,86,597	2,27,78,862
--	-------------	-------------

D) (Increase)/Decrease in Stock

Closing Stock:

Finished Goods	1,05,84,990	80,55,171
Work in Progress	3,49,43,514	4,28,20,840
Trading Goods	13,81,092	18,29,630
	4,69,09,596	5,27,05,641

Opening Stock :

Finished Goods	80,55,171	66,93,001
Work in Progress	4,28,20,840	3,36,24,867
Trading Goods	18,29,630	17,11,113
	5,27,05,641	4,20,28,981

(Increase)/Decrease

	57,96,045	(1,06,76,660)
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Add/(Less) Excise Duty on Increase/Decrease in Stocks of Finished Goods

	(3,12,616)	1,15,517
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	63,21,21,608	63,38,48,065
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SCHEDULE 'N'

MANUFACTURING EXPENSES:

Consumable Stores, Tools and Instruments	31,57,386	31,29,386
Royalty	22,69,878	14,09,207
Electricity, Water and Fuel Charges	97,33,713	92,95,521
Packing	43,06,610	56,94,236
Repairs		
To Machinery	9,55,522	13,91,519
To Building	45,00,934	25,05,891
To Other Assets	12,39,252	12,55,800
Repairing and Servicing Expenses	23,76,919	12,32,553
	2,85,40,214	2,59,14,113

Hirect

SCHEDULE 'O'

	<u>2008-2009</u>	<u>2007-2008</u>
	Rs.	Rs.
EMPLOYEES COSTS:		
Salaries, Wages, Gratuity and Bonus etc.	9,39,34,215	9,49,01,884
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	84,29,394	79,68,931
Staff and Labour Welfare	84,57,201	82,71,176
	<u>11,08,20,810</u>	<u>11,11,41,991</u>

SCHEDULE 'P'

OTHER EXPENSES:

Rent	24,10,180	21,19,667
Rates & Taxes	2,89,436	3,06,632
Insurance	6,65,754	7,08,194
Testing Expenses	9,43,412	4,21,555
Water & Electricity Charges	2,17,290	2,03,658
Travelling, Conveyance and Vehicle Expenses	1,21,81,528	1,19,45,022
Director's Travelling, Conveyance & Sitting Fees	5,62,120	3,07,405
Printing & Stationery	23,18,709	16,79,070
Postage, Telegram, Telephone and Telex	37,57,519	37,03,345
Advertisement and Publicity	25,49,128	29,40,591
Liquidated Damages	11,76,306	9,82,035
Commission	7,78,384	14,88,489
Legal and Professional Charges	27,08,741	19,39,632
Payment to Auditors	2,70,882	1,92,880
Transit Insurance & Freight	54,44,218	42,01,265
Bad Debts	5,55,255	7,20,407
Miscellaneous Expenses	78,54,649	53,74,339
	<u>4,46,83,511</u>	<u>3,92,34,186</u>

SCHEDULE 'Q'

INTEREST AND OTHER FINANCIAL CHARGES:

Interest on Bank Borrowings	30,58,137	33,49,633
Interest on Deposits and Loans	22,85,278	20,04,458
Other Interest	82,385	1,97,617
Bank Charges	27,54,703	26,16,708
Brokerage on Fixed Deposits & Loans	14,955	2,18,209
	<u>81,95,458</u>	<u>83,86,625</u>

SCHEDULE 'R'

NOTES ON THE ACCOUNTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2009

1. Significant Accounting Policies:

a) Accounting Convention

The Company adopts the accrual concepts in preparation of accounts.

b) Fixed Assets and Depreciation/Amortization

- i) Fixed assets are carried at cost of acquisition less depreciation. Cost of fixed assets includes interest of directly related loans upto the date of commissioning/installation.
- ii) Expenditure during construction period incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets and are included under "Capital Work in Progress". These expenses will be apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended upto the date of Balance Sheet.
- iii) Depreciation on fixed assets is provided on written down value in the manner and at the rates as per schedule XIV of the Companies Act, 1956.
- iv) Technical know-how is amortised from the year in which commercial production commences on the written down value method.
- v) Leasehold Land is amortized over the period of lease.

c) Valuation of Inventories

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

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

d) Foreign Currency Transactions

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

e) Sales

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

f) Other Income

Interest income is accounted on accrual basis.

g) Research and Development

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

h) Employee Benefits

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

2. Managerial Remuneration:

	2008-2009	2007-2008
	Rs.	Rs.
a. Computation of Managing Director's Commission:		
Profit before tax	14,05,89,982	18,90,17,612
Add: Managing Director's Remuneration (including Perquisites)	74,80,907	1,00,17,276
Executive Vice Chairperson's Remuneration (including Perquisites)	12,65,525	7,49,283
Director's Fees	2,20,000	1,57,500
	<u>14,95,56,414</u>	<u>19,99,41,671</u>
Less: Excess of sale price over cost of assets sold	(61,723)	2,40,154
Profit on which commission is payable	<u>14,96,18,137</u>	<u>19,97,01,517</u>
b. Directors remuneration under section 198 of the Companies Act, 1956:		
Salary	32,40,000	13,44,000
Commission (*)	-	77,39,270
Benefits & Perks :		
Accommodation (**)	6,00,000	3,60,000
Others	13,41,734	9,04,409
Contribution towards Provident Fund, Superannuation and Provisions for Gratuity	<u>35,64,698</u>	<u>4,18,880</u>
	<u>87,46,432</u>	<u>1,07,66,559</u>

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

(**) Rent of Rs. 6,00,000/- (Previous Year Rs. 3,60,000/-) is included in the Other Expenses Accounts.

3. Estimated amount of contract remaining to be executed on account of Technical Know-How not provided for Rs.1,59,88,800/- (Previous Year Rs.1,51,17,600/-) and on account of Capital Expenditure Rs.76,61,972/- (Previous Year Rs.1,04,31,040/-)

4. Contingent Liabilities in respect of the following:

	31.03.2009	31.03.2008
	Rs.	Rs.
i) Letters of credit opened by the bankers of the Company in favour of third parties	69,28,850	60,50,701
ii) Guarantee given by the banks to the third parties on behalf of the company	4,63,59,896	4,07,51,455
iii) Claims of Excise disputed by the Company	14,77,875	14,77,875
iv) Claims of ESIC disputed by the Company	14,72,936	14,72,936
v) Debts not acknowledged by the Company	72,034	72,034
vi) Non-performance of Export obligation	4,95,712	4,95,712

5. Auditor's Remuneration (Excluding Service Tax):	31.03.2009	31.03.2008
	Rs.	Rs.
As Auditors	1,70,000	1,30,000
For Tax Audit	40,000	30,000
For Certification, etc.	42,500	18,500
For Out of Pocket Expenses	18,382	14,380
	2,70,882	1,92,880

6. Employee Benefits:

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

Defined Contribution Plan:

Contribution for Defined Contribution Plan, recognised as expense for the year are as under:	2008-2009	2007-2008
	Rs.	Rs.
Employer's Contribution to Provident Fund	32,40,345	30,73,654
Employer's Contribution to Superannuation Fund	22,25,748	19,47,497
Employer's Contribution to Pension Fund	20,12,379	19,86,340

Defined Benefit Plan:

	Gratuity		Leave Encashment	
	2008-2009	2007-2008	2008-2009	2007-2008
	Rs.	Rs.	Rs.	Rs.
i) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit of obligation at beginning of the year				
Funded	3,45,00,000	3,22,00,000	-	-
Non-Funded	27,45,673	23,55,446	56,02,430	56,44,028
	3,72,45,673	3,45,55,446	56,02,430	56,44,028
Current Service Cost				
Funded	6,89,497	10,33,446	-	-
Non-Funded	27,83,346	2,16,129	28,83,936	12,57,883
	34,72,843	12,49,575	28,83,936	12,57,883
Interest Cost				
Funded	27,60,000	24,15,000	-	-
Non-Funded	73,701	45,277	3,95,432	4,07,901
	28,33,701	24,60,277	3,95,432	4,07,901
Actuarial (gain)/loss				
Funded	62,18,048	65,06,187	-	-
Non-Funded	836	2,45,167	(14,99,638)	11,12,266
	62,18,884	67,51,354	(14,99,638)	11,12,266
Benefits paid				
Funded	78,31,078	76,54,633	-	-
Non-Funded	33,317	1,16,346	25,35,620	28,19,648
	78,64,395	77,70,979	25,35,620	28,19,648
Defined Benefit obligation at year end				
Funded	3,63,36,467	3,45,00,000	-	-
Non-Funded	55,70,239	27,45,673	48,46,540	56,02,430
	4,19,06,706	3,72,45,673	48,46,540	56,02,430
ii) Reconciliation of opening and closing balances of fair value of plan assets (Funded)				
Fair value of plan assets at beginning of the year	2,71,36,162	2,60,55,770	-	-
Expected return on plan assets	31,72,224	24,90,795	-	-
Actuarial (gain) / loss	-	-	-	-
Employer contribution	1,18,90,959	62,44,230	-	-
Benefits paid	78,31,078	76,54,633	-	-
Fair value of plan assets at year end	3,43,68,267	2,71,36,162	-	-
Actual return on plan assets	31,72,224	24,90,795	-	-

	Gratuity		Leave Encashment	
	2008-2009	2007-2008	2008-2009	2007-2008
	Rs.	Rs.	Rs.	Rs.
iii) Expense recognised during the year				
Current Service Cost				
Funded	6,89,497	10,33,446	-	-
Non-Funded	27,83,346	2,16,129	28,83,936	12,57,883
	34,72,843	12,49,575	28,83,936	12,57,883
Interest Cost				
Funded	27,60,000	24,15,000	-	-
Non-Funded	73,701	45,277	3,95,432	4,07,901
	28,33,701	24,60,277	3,95,432	4,07,901
Expected return on plan assets				
Funded	31,72,224	24,90,795	-	-
Non-Funded	-	-	-	-
	31,72,224	24,90,795	-	-
Actuarial (gain) / loss				
Funded	62,18,048	65,06,187	-	-
Non-Funded	836	2,45,167	(14,99,638)	11,12,266
	62,18,884	67,51,354	(14,99,638)	11,12,266
Net Cost				
Funded	64,95,321	74,63,838	-	-
Non-Funded	28,57,883	5,06,573	17,79,730	27,78,050
	93,53,204	79,70,411	17,79,730	27,78,050
iv) Reconciliation of fair value of assets and obligations				
	As at 31st March		As at 31st March	
	2009	2008	2009	2008
	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets				
Funded	3,43,68,267	2,71,36,162	-	-
Non-Funded	-	-	-	-
	3,43,68,267	2,71,36,162	-	-
Present value of obligation				
Funded	3,63,36,467	3,45,00,000	-	-
Non-Funded	55,70,239	27,45,673	48,46,540	56,02,430
	4,19,06,706	3,72,45,673	48,46,540	56,02,430
Amount recognised in Balance Sheet				
Funded	19,68,200	73,63,838	-	-
Non-Funded	55,70,239	27,45,673	48,46,540	56,02,430
	75,38,439	1,01,09,511	48,46,540	56,02,430
v) Investment Details	Insurer Managed Funds		N.A.	
vi) Actuarial assumptions	2008-2009	2007-2008	2008-2009	2007-2008
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	8%	8%	8%	8%
Expected rate of return on plan assets (per annum)	8%	8%	-	-
Rate of escalation in salary (per annum)				
Funded	4%	4%	-	-
Non-Funded	4%	6%	4%	6%

7. Sundry debtors over six months comprise Rs. 156.59 lacs (Previous year Rs.53.44 lacs) due from Government concerns and Rs.65.78 lacs (Previous year Rs. 29.22 lacs) due from commercial parties.
8. In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and all provisions for liabilities are adequate and not in excess of the amount considered necessary.
9. In the opinion of the Management, no provision is required against contingent liabilities referred in Note No. 4 of this schedule.
10. Balances of debtors and creditors are subject to confirmation.
11. Based on the information available with the company there are no overdue amount payable to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006.
12. The recurring expenditure of Rs.48.58 lacs (Previous year Rs.57.72 lacs) spent in respect of Research and Development during the year have been debited to respective expense account.

13. At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. However, in the opinion of the management, there is no impairment of assets as on the balance sheet date.

14. Earnings per Share:	2008-2009	2007-2008
	Rs.	Rs.
Profit after taxation as per Profit and Loss Account	9,44,76,407	12,29,07,387
Weighted average number of equity shares outstanding	1,50,57,930	75,28,965
Basic and diluted earnings per share	6.27	8.16

Note: The Share Capital of the Company has been increased due to allotment of 75,28,965 bonus equity shares of Rs.2/- each on 23.10.2008. The EPS for the year ended 31st March, 2008 has been calculated and adjusted considering the issue of bonus shares.

15. Segment Information:

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

Primary Segment Information:

(Rupees in Lacs)

PARTICULARS:	ACCOUNTING YEAR ENDED ON 31.03.2009	ACCOUNTING YEAR ENDED ON 31.03.2008
	A. Segment Revenue	
Electronic Components	1,903.05	2,181.78
Equipments	8,398.42	8,523.36
Total	10,301.47	10,705.14
Less: Inter-Segment Revenue	486.61	504.08
Net Sales/ Income from Operations	9,814.86	10,201.06
B. Segment Results - Profit/(Loss)		
Electronic Components	266.07	453.31
Equipments	1,549.06	1,854.90
Total	1,815.13	2,308.21
Less: Interest & Financial Charges	81.95	83.86
Other Unallocable Expenditure (Net of unallocable Income)	327.28	334.17
Profit before Tax	1,405.90	1,890.18
C. Capital Employed		
Electronic Components	596.21	531.54
Equipments	3,092.54	2,564.36

16. Taxation:

The Company has recognised Deferred Tax Assets which result from the timing difference between the Book profits and Taxable Income for the year 2008-09, the details of which are as under :

(Rs. in lacs)

	Balance as at 31 st March, 2008	For the year ended 31 st March, 2009	For Earlier Years	Balance Carried as at 31 st March, 2009
Deferred Tax Liability				
On account of timing difference in				
a) Depreciation	11.49	(1.31)	-	10.18
Deferred Tax Assets				
On account of timing difference in				
a) Leave Liability	19.04	(2.57)	-	16.47
b) Gratuity	34.36	5.46	(20.88)	18.94
c) Voluntary Retirement Compensation	4.48	(1.12)	-	3.36
d) Others	24.08	(8.97)	-	15.11
Total :	81.96	(7.20)	(20.88)	53.88
Net Deferred Tax Asset	70.47	(5.89)	(20.88)	43.70

17. Related Party Disclosure Under Accounting Standard - 18 :

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

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

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

II) Transactions during the year with related parties :

(Rs. in lacs)

Sr. No.	Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Total
i.	Unsecured Loans:			
	Fixed deposits			
	Balance as at 1st April, 2008	18.64	11.75	30.39
		(7.00)	(6.00)	(13.00)
	Taken during the year	-	-	-
	Repaid during the year	(18.64)	(8.75)	-
		-	3.00	3.00
		(7.00)	(3.00)	(10.00)
	Balance as at 31st March, 2009	18.64	8.75	27.39
		(18.64)	(11.75)	(30.39)
ii.	Expenditure			
	Interest paid	2.03	1.25	3.28
		(1.36)	(0.99)	(2.35)
	Remuneration	87.46	7.29	94.75
		(107.67)	(7.66)	(115.33)
	Directors Sitting Fees	-	0.15	0.15
		-	(0.10)	(0.10)
	Rent	-	6.00	6.00
	-	(3.60)	(3.60)	

Note: Figures in brackets represent previous year's amount

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

I. **MANUFACTURING ACTIVITIES**

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

Class of goods	Unit	Installed Capacity	2008-2009 Production	Stock as on 31.03.2009	2007-2008 Production	Stock as on 31.03.2008
Rectifier Stacks & Apparatus	Nos	239850	9827	4	9558	39
Discrete Semi Conductor Devices	Nos	310000	310939	710	413479	655
Silicon Rectifier Apparatus	KWS	120000	225125	1020	209580	492
Convertor & Invertor Equipments	Nos	15000	222	1	215	2

B. **Sales:**

	Unit	2008-2009		2007-2008	
		Quantity	Rupees	Quantity	Rupees
Rectifier Stacks & Apparatus	Nos	9862	25,86,31,338	9523	29,89,59,908
Discrete Semi Conductor Devices	Nos	310884	9,56,46,134	414564	12,36,50,169
Silicon Rectifier Apparatus	KWs	224597	39,31,72,851	209405	43,24,34,850
Convertor & Invertor Equipments	Nos	223	12,09,45,507	548	7,06,35,082
Others	---	-	4,96,21,718	-	3,60,85,297
			91,80,17,548		96,17,65,306

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

	Unit	2008-2009		2007-2008	
		Quantity	Rs. (lacs)	Quantity	Rs. (lacs)
Non-ferrous Metals	Tonnes	287.617	909.74	307.381	1,005.23
CRGO Lamination	Tonnes	309.611	645.59	309.103	553.77
Electrical accessories & Semi Conductor Components	Nos	5648502	3,900.33	7776177	3,729.20
Other materials	---	-	413.54	-	748.62
			5,869.20		6,036.82

(*) Raw materials consumed :

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

II) TRADING ACTIVITIES

A. Sales:

	Unit	2008-2009		2007-2008	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches (*)	Nos	4363	36,76,099	4120	57,05,472
Capacitors (**)	Nos	18696	2,12,59,482	14850	2,46,85,275
Others (***)	---	-	11,59,002	-	15,21,755
			<u>2,60,94,583</u>		<u>3,19,12,502</u>

Includes transfer to manufacturing:

(*) 1759 Nos. of Rs.5,45,474/- (Previous year 1603 Nos. Rs. 19,91,949/-)

(**) 1752 Nos. of Rs.3,78,580/- (Previous year 3139 Nos. Rs. 14,19,370/-)

(***) Rs.33,500/- (Previous year Rs. NIL)

B. Purchases:

	Unit	2008-2009		2007-2008	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches (*)	Nos	4321	26,84,641	3849	49,01,873
Capacitors (**)	Nos	18256	1,68,20,579	15416	1,55,15,250
Others (***)	---	-	7,69,953	-	8,58,925
			<u>2,02,75,173</u>		<u>2,12,76,048</u>

Includes purchases to manufacturing:

(*) 1759 Nos. of Rs.4,97,081/- (Previous year 1603 Nos. Rs. 19,50,014/-)

(**) 1752 Nos. of Rs.4,11,508/- (Previous year 3139 Nos. Rs. 13,77,628/-)

(***) Rs.35,500/- (Previous year Rs. NIL)

C. Stock:

	Unit	2008-2009		2007-2008	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches	Nos	588	7,18,584	630	9,00,072
Capacitors	Nos	126	1,25,277	566	2,85,827
Others	---	-	5,37,231	-	6,43,731
			<u>13,81,092</u>		<u>18,29,630</u>

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

	31.03.2009		31.08.2008	
	% of total	Rs. (lacs)	% of total	Rs. (lacs)
Imported	27.62	1,621.12	22.28	1,345.07
Indigenous	72.38	4,248.08	77.72	4,691.75
	<u>100.00</u>	<u>5,869.20</u>	<u>100.00</u>	<u>6,036.82</u>

20. Imports (at C.I.F. value):

	2008-2009	2007-2008
	Rs. (lacs)	Rs. (lacs)
Raw materials & components etc.	1,548.12	1,567.58
Plant & Machinery	-	-

21. Expenditure in foreign currency (on payment basis):

i) Travelling Expenses	2.65	6.55
ii) Technical Know How, Licence Fee	-	162.44
iii) Royalty	17.39	16.69
iv) Others	0.19	0.27

22. Earnings in foreign currency on F.O.B. Value:

34.56 40.61

23. Dividend paid abroad:

i) Remittance of foreign exchange on account of dividend	24.00	24.00
ii) Number of non-resident shareholders	1	1
iii) Number of shares on which remittance was made	240000	240000
iv) Year for which the dividend was remitted	2007-2008	2006-2007

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

25. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I Registration Details																	
Registration No.	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> </tr> </table> State Code <table border="1" style="display: inline-table; border-collapse: collapse; margin-left: 100px;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> </tr> </table>				1	1	0	7	7							1	1
			1	1	0	7	7										
						1	1										

Balance Sheet Date	31	03	2009
	Date	Month	Year

II Capital Raised during the year (Amount in Rs. Thousands)																	
Public	Rights Issue																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			N	I	L				<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			N	I	L			
		N	I	L													
		N	I	L													
Bonus Issue	Private Placement																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">8</td> </tr> </table>			1	5	0	5	8	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			N	I	L				
		1	5	0	5	8											
		N	I	L													

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)																	
Total Liabilities	Total Assets																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> </tr> </table>			5	0	2	2	3	5	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> </tr> </table>			5	0	2	2	3	5
		5	0	2	2	3	5										
		5	0	2	2	3	5										
Sources of Funds	Reserves & Surplus																
Paid-Up Capital	Unsecured Loans																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> </tr> </table>			3	0	1	1	6	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> </tr> </table>			2	1	5	3	2		
		3	0	1	1	6											
		2	1	5	3	2											
Secured Loans	Investments																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> </tr> </table>			5	5	3	5	3	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			N	I	L				
		5	5	3	5	3											
		N	I	L													
Application of Funds	Deferred Income Tax																
Net Fixed Assets	Misc. Expenditure																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> </tr> </table>			1	1	2	5	7	0	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">4</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> </tr> </table>				4	3	7	0	
		1	1	2	5	7	0										
			4	3	7	0											
Net Current Assets	Accumulated Losses																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">8</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> </tr> </table>			3	8	5	2	9	5	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			N	I	L			
		3	8	5	2	9	5										
		N	I	L													

IV Performance of Company (Amount in Rs. Thousands)

Turnover (Sales & Other Income)							
		9	8	2	1	8	7

Total Expenditure							
		8	4	1	5	9	7

Profit/(Loss) Before Tax							
		1	4	0	5	9	0

Profit/(Loss) After Tax							
			9	4	4	7	6

Earning per share in Rs.							
				6	.	2	7

Dividend %								
						1	0	0

V Generic Names of three Principal Products/Services of Company

Item Code No (ITC Code)

8	5	0	4	9	0	0	0
---	---	---	---	---	---	---	---

 Product Description Rectifier Stacks & Apparatus

Item Code No.(ITC Code)

8	5	4	1	5	0	0	0
---	---	---	---	---	---	---	---

 Product Description Discrete Semiconductor Devices

Item Code No. (ITC Code)

8	5	0	4	4	0	0	0
---	---	---	---	---	---	---	---

 Product Description Silicon Rectifier Apparatus

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants

PREMAL P. GANDHI
(Partner)
Place: MUMBAI
Date : 29th June, 2009

For and on behalf of the Board of Directors

S. K. NEVATIA, Chairman & Managing Director
JAYANT H. SHAH, Director
V. K. BHARTIA, Director

Place: MUMBAI
Date : 29th June, 2009

ANNEXURE "II" TO THE DIRECTOR'S REPORT

STATEMENT OF PARTICULARS UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31ST MARCH 2009

SR. NO.	NAME	DESIGNATION	REMUNERATION GROSS RS.	RECEIVED NET RS.	QUALIFICATION/ EXPERIENCE	DATE OF JOINING	AGE (YRS.)	PARTICULARS OF THE LAST EMPLOYMENT	
								COMPANY & THE LAST POST	PERIOD (YEARS)
1	SHRI S.K. NEVATIA	CHAIRMAN & MANAGING DIRECTOR	74,80,907	14,31,500	M.I.B.M (LONDON) 55 YEARS	25.04.1958	77	MUKUND LTD. EXECUTIVE	5

Notes:

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

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

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

Place: Mumbai
Date : 29th June,2009

S. K. Nevatia
Chairman & Managing Director