



HIND RECTIFIERS LIMITED



**56TH ANNUAL REPORT
2013-2014**

Hirect

REGISTERED OFFICE

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

WORKS

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

REGIONAL OFFICES

- Eastern Region : Chatterjee International Centre
11th Floor, Flat No. 13,
33-A, J.N. Road, Kolkota - 700 071.
- Western Region : Marketing Division
Lake Road, Bhandup (W),
Mumbai - 400 078.
- Northern Region : 7B/5024, 2nd Floor,
N. S. Marg, New Delhi - 110 002.
- Southern Region : 403, 4th Floor, C Block,
Shivalaya Building, Ethiraj Salai,
Egmore, Chennai - 600 008.

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BOARD OF DIRECTORS

: S. K. Nevatia, Chairman & Managing Director
Uma S. Nevatia, Executive Vice Chairperson
D. R. Mehta
Niraj Ramkrishna Bajaj
Bharat Swaroop
Pawan Kumar Golyan
V. K. Bhartia
Binod Patodia
Pradeep V. Goyal
Parimal Marchant

MANAGEMENT TEAM

: S. K. Nevatia - Chairman & Managing Director
Uma S. Nevatia - Executive Vice Chairperson
Saurabh Nevatia - Chief Executive (Nashik)
A. K. Nemani - Chief Financial Officer
K. R. Narayanan - Asst. Vice President (Corporate)

BANKERS

: ICICI Bank Limited
Union Bank of India

AUDITORS

: M/s Khandwala & Shah
Chartered Accountants

LEGAL ADVISORS

: M/s Kanga & Co.

**REGISTRAR AND
TRANSFER AGENT**

: M/s ADROIT CORPORATE SERVICES PRIVATE LIMITED
19, Jafarbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059.

56th ANNUAL GENERAL MEETING

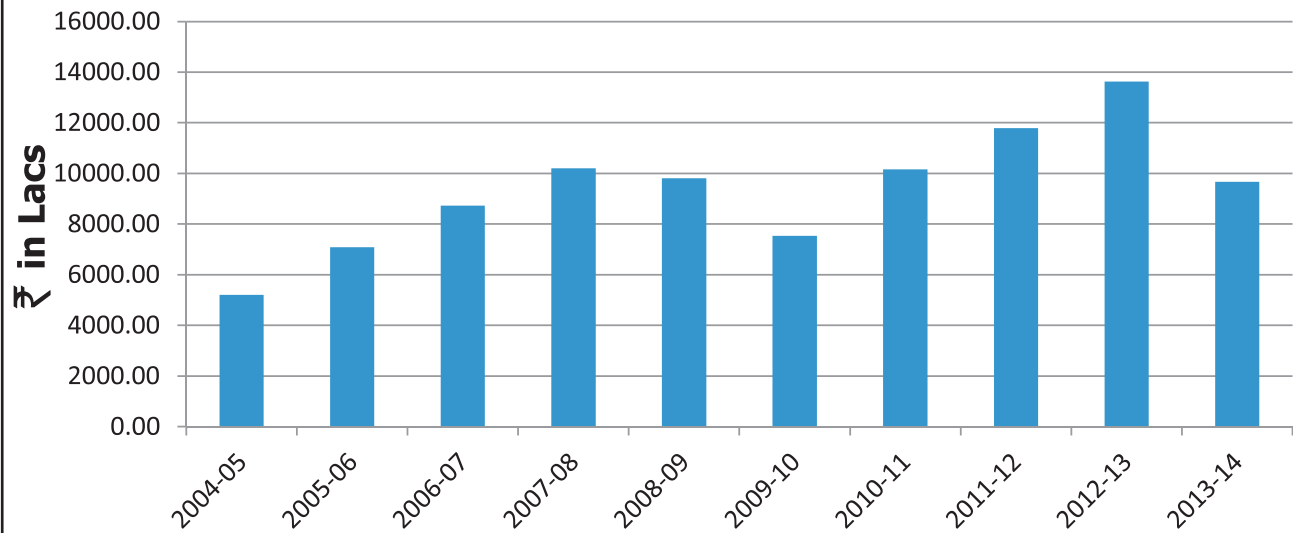
Date : 14th August, 2014

Time : 3.30 p.m.

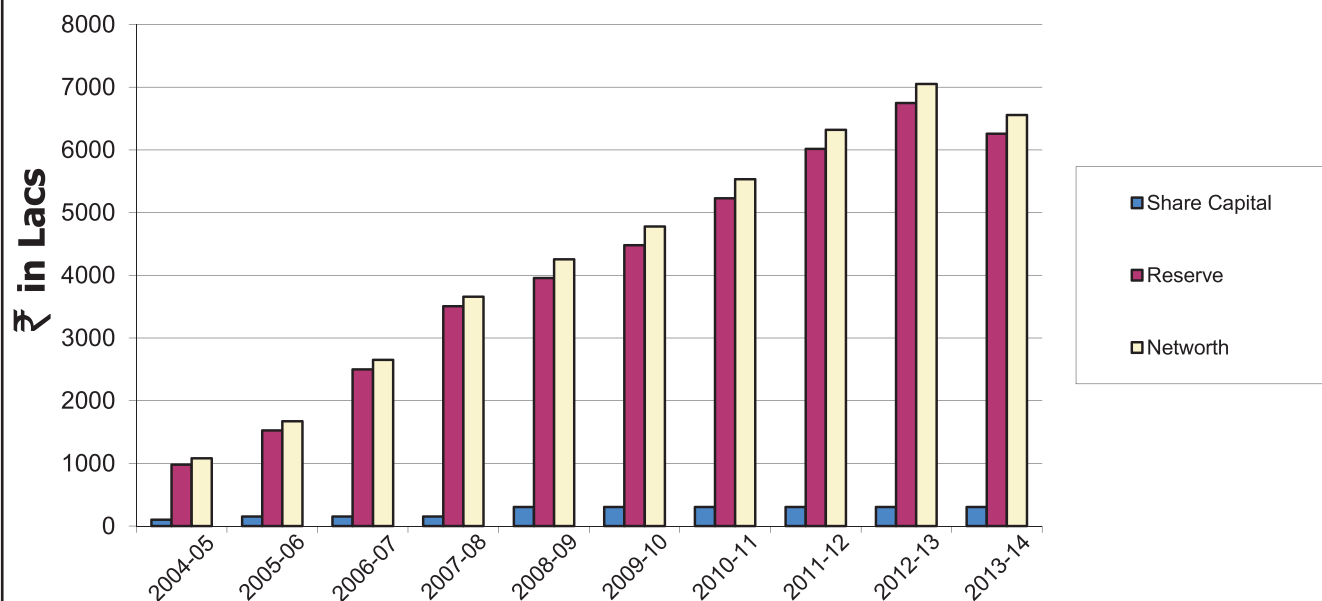
Venue : Kamalnayan Bajaj Hall & Art Gallery,
Bajaj Bhavan, Ground Floor,
Nariman Point,
Mumbai - 400 021.

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

SALES



NETWORTH



HIGHLIGHTS

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

DIRECTORS' REPORT TO THE MEMBERS

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

(₹ In Lacs)

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

OPERATIONS:

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

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

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

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

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

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

DIVIDEND:

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

DEPOSITS:

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

BOARD OF DIRECTORS:

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

AUDITORS:

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

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

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

AUDITORS' OBSERVATIONS:

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

SECRETARIAL COMPLIANCE REPORT:

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

DEPOSITORY SERVICES:

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

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

CORPORATE GOVERNANCE:

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

CODE OF CONDUCT:

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

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

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

PARTICULARS OF EMPLOYEES:

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

LISTING:

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

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:

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

ACKNOWLEDGMENT:

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

Registered Office:

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

Place: Mumbai

Dated: 28th May, 2014

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

S. K. Nevatia
Chairman & Managing Director

ANNEXURE "I" TO THE DIRECTORS' REPORT

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

I. CONSERVATION OF ENERGY

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

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

III. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

Place: Mumbai
Dated: 28th May, 2014

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

S. K. Nevatia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

The Company is focused towards its Vision of:

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

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

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

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

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

BOARD OF DIRECTORS:

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

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

The Company is also having one Woman Director.

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

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

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

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

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

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

BOARD MEETING:

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

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

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

NO. OF BOARD MEETINGS HELD - 4

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

INFORMATION SUPPLIED TO THE BOARD:

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

All Board meetings are governed by a structured agenda which is backed by comprehensive background information.

The following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting.

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

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

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

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

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

COMMITTEES OF DIRECTORS:

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

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

AUDIT COMMITTEE:

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

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

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

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

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

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

NO. OF MEETINGS HELD - 4

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

REMUNERATION COMMITTEE:

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

Present composition of the Remuneration Committee is as under:

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

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

SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

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

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

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

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

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

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

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

NO. OF MEETINGS HELD - 2

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

REMUNERATION OF DIRECTORS :

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

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

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

(₹ in lacs)

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

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

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

SHAREHOLDING OF NON EXECUTIVE DIRECTORS :

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

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

CODE OF CONDUCT:

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

MANAGEMENT DISCUSSIONS & ANALYSIS:

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

STEPS FOR PREVENTION OF INSIDER TRADING:

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

DISCLOSURES:

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

NON-COMPLIANCES:

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

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

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

1. Remuneration Committee:

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

2. Audit Qualification:

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

3. Training of Board Members:

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

MEANS OF COMMUNICATION:

1. Quarterly results are published in prominent daily newspapers in English and Regional Language.
2. The Company has its own website i.e www.hirect.com. All the vital information relating to the Company including the Quarterly & Annual financial results and its products are displayed on the web site.

CEO / CFO CERTIFICATION:

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

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

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

Place: Mumbai
Date : 28th May, 2014

S. K. Nevatia
Chairman & Managing Director

SHAREHOLDER INFORMATION:

56th ANNUAL GENERAL MEETING:

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

GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
53 rd AGM	31.03.2011	05.08.2011	3.30 P.M.	M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001.
54 th AGM	31.03.2012	07.08.2012	3.30 P.M.	-- As above --
55 th AGM	31.03.2013	12.08.2012	3.30 P.M.	Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.

All the matters as set out in the respective notices were passed by the shareholders. The summary of the special resolution and other important resolutions passed at the last three Annual General Meeting and status of implementation thereof is reproduced below. No special resolution was required to be put through postal ballot last year.

53rd AGM

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

54th AGM

No Special Resolution was passed.

55th AGM

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

FINANCIAL CALENDAR:

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

Hirect

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

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

PAYMENT OF DIVIDEND:

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

SHARE TRANSFER SYSTEM:

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

REGISTRAR & TRANSFER AGENT:

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

M/S. ADROIT CORPORATE SERVICES PVT. LTD.

[Unit : Hind Rectifiers Limited]

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

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

Email : adroits@vsnl.net

COMPLIANCE OFFICER:

Shri A. K. Nemani, Chief Financial Officer

ADDRESS FOR CORRESPONDENCE:

HIND RECTIFIERS LIMITED

Lake Road, Bhandup (West),

Mumbai - 400 078.

CIN : L28900MH1958PLC011077

E-mail: corporate@hirect.com

Telephone No. +91 22 25696789

LISTING ON STOCK EXCHANGES:

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

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

STOCK CODE:

Bombay Stock Exchange Limited, Mumbai : 504036

National Stock Exchange of India Ltd. : HIRECT

Demat ISIN : INE835D01023.

DEMATERIALISATION OF SHARES:

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

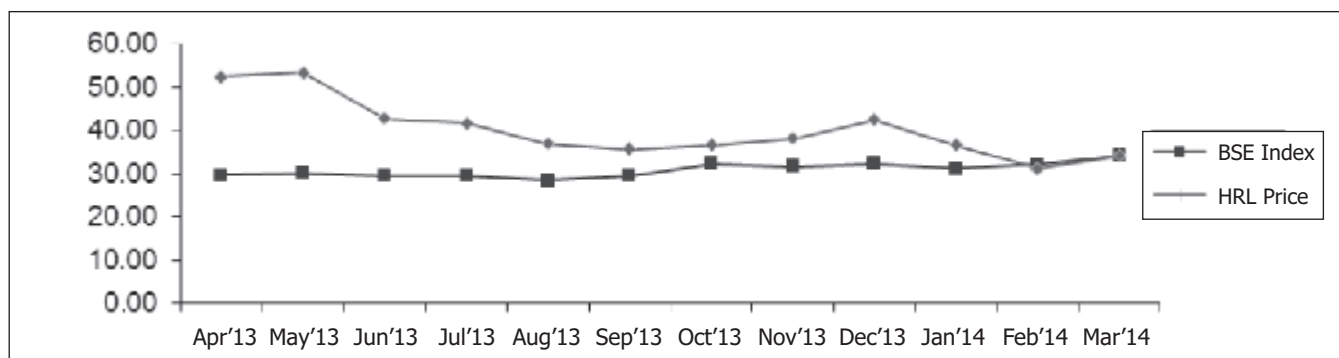
Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

STOCK PRICE DATA:

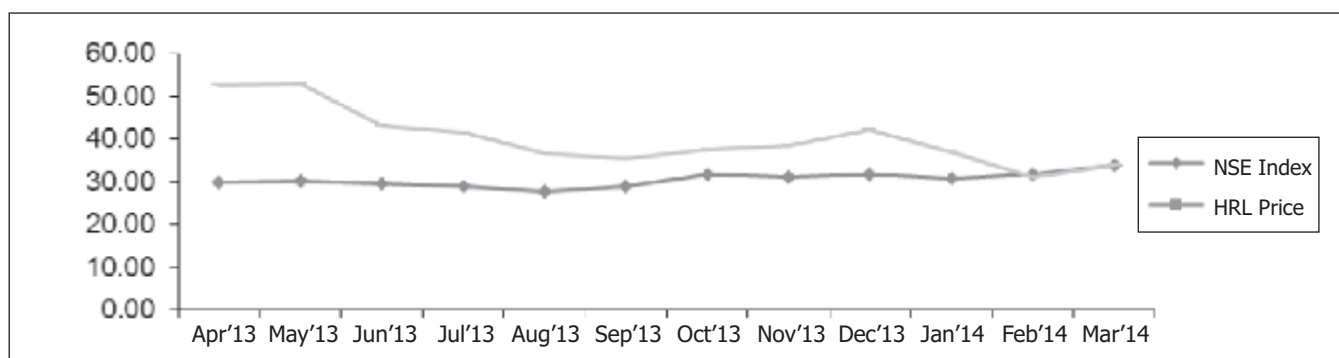
Monthly High / Low Market Price of Equity Shares of Hind Rectifiers Ltd., during the Financial Year 2013 - 2014:

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

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX:



SHAREHOLDING PATTERN AS ON MARCH 31, 2014:

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

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014:

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

NOMINATIONS:

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

PLANT LOCATIONS:

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

DECLARATION:

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

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

The code of conduct has been complied with.

Registered Office:

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

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

Place: Mumbai
Date : 28th May, 2014

S. K. Nevatia
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

To the Members of **Hind Rectifiers Limited**

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

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

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

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

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

(UDAY J. SHAH)

Partner
Membership No. 033038

Place: Mumbai
Date : 28th May, 2014

CEO / CFO CERTIFICATION:

The Board of Directors
Hind Rectifiers Limited,
Mumbai

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

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

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2014 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) They are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year; and
 - iii. there have been no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : 28th May, 2014

S. K. Nevatia
Chairman & Managing Director

A. K. Nemani
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS :

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

OPPORTUNITY AND THREATS:

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

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

OUTLOOK:

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

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

RISKS AND CONCERNS:

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

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

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

SEGMENTWISE AND PRODUCTWISE PERFORMANCE:

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

Internal audits and checks are ongoing process within the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

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

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

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

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

DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

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

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

Industrial relations with the Union are cordial and peaceful.

Registered Office:

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

Place: Mumbai

Dated: 28th May, 2014

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

S. K. Nevatia
Chairman & Managing Director

SECRETARIAL COMPLIANCE CERTIFICATE

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

COMPANY NO. 11-011077.

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

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

The Members,

M/s. **HIND RECTIFIERS LIMITED**

Lake Road,

Bhandup (West),

MUMBAI - 400 078.

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

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

Hirect

- iv) amounts unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years have been transferred to the Investor Education and Protection Fund.
 - v) duly complied with the requirements of Section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and there was no appointment of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year under scrutiny.
 - 15) The appointment of Managing Director and Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. However, there is no new appointment during the financial year under scrutiny.
 - 16) The Company has not appointed any Sole Selling Agents during the financial year.
 - 17) The Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
 - 18) The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 - 19) The Company has not issued any shares / debentures / other securities during the financial year under scrutiny.
 - 20) The Company has not bought back any shares during the financial year.
 - 21) The Company has not issued any preference shares / debentures and hence the question of redemption of preference shares / debentures does not arise during the financial year under review.
 - 22) There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
 - 23) The Company has accepted deposits during the financial year within the meaning of provisions of Section 58A of the Companies Act, 1956 and necessary compliances of the Act were made.
 - 24) The amounts borrowed by the company from banks are within the borrowing limits of the Company and in compliance with the provisions of Section 180(1)(c) of the Companies Act, 2013.
 - 25) The Company has not made any loans or investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 - 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from the one state to another during the year under scrutiny.
 - 27) The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.
 - 28) The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
 - 29) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
 - 30) The Company has not altered its Articles of Association during the year under scrutiny.
 - 31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has imposed on the Company during the financial year, for offences under the Act.
 - 32) The Company has not received any money as security from its employees during the financial year.
 - 33) The Company has been generally regular in depositing both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **GMJ & ASSOCIATES**
Company Secretaries

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

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

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

DETAILS OF REGISTERS MAINTAINED:

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

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

DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:

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

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

For **GMJ & ASSOCIATES**

Company Secretaries

[MAHESH SONI]

Partner

FCS : 3706 ; COP : 2324.

Place : Mumbai.

Date : 28th May, 2014

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Hind Rectifiers Limited,**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

(UDAY J. SHAH)

Partner
Membership No.033038

Place: Mumbai
Dated: 28th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
(b) As informed the fixed assets have been physically verified by the management at reasonable intervals; and discrepancies noticed on such verification were not material and the same have been properly dealt with in the books of account;
(c) The disposal of fixed assets during the year cannot be regarded as substantial and do not affect the going concern assumption;
2. (a) As explained to us, Inventories (except stock lying with third parties, for which confirmations obtained in respect of such inventory) have been physically verified during the year by the management;
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
(c) In our opinion, the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification were not material, and the same have been properly dealt with in the books of account;
3. According to information and explanations given to us, the Company has neither granted nor taken loans, secured or unsecured, from parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(iii) of the Order, are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods & services. We have not come across any major weakness in internal control;
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
(b) According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services exceeding Rs.5,00,000/- during the year in respect of each party made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956;
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules made thereunder .
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
8. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate;
9. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Investor Education & Protection Fund, Employees' State Insurance (ESI), Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other statutory dues with the Appropriate Authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period of more than six months from the day they become payable;

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- (b) The disputed statutory dues aggregating ₹ 119.24 lacs, that have not been deposited on account of disputed matters pending before Appropriate Authorities are as under:

Name of the Statute	Nature of Dues	Amount (in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	79.83 (net of advance of ₹ 5.44 lacs)	2005-2011	Central Excise and Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	5.02	2010-2013	Departmental Authorities
Central Sales Tax and Local Sales Tax Act	Central Sales Tax and Local Sales Tax	28.90 (Net advance of ₹ 6.77 lacs)	2006-2007 and 2008-2009	Departmental Authorities
Central Sales Tax and Local Sales Tax Act	Central Sales Tax and Local Sales Tax	5.49 (Net advance of ₹ 2.74 lacs)	2011-2012	Sales Tax Appellate Tribunal

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

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

(UDAY J. SHAH)

Partner

Membership No.033038

Place: Mumbai
Dated: 28th May, 2014

AUDITORS' CERTIFICATE

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

To the Members of Hind Rectifiers Limited

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

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

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

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

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

(UDAY J. SHAH)

Partner

Membership No.033038

Place: Mumbai

Dated: 28th May, 2014

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BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in lacs)

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

The accompanying notes form integral part of the financial statements.

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

Uday J. Shah
Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

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

Place : Mumbai
Date : 28th May, 2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (₹ in lacs)

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

The accompanying notes form integral part of the financial statements.

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

Uday J. Shah
Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

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

Place : Mumbai
Date : 28th May, 2014

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lacs)

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

As per our report attached

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

Uday J. Shah

Partner

Membership No. 033038

Place : Mumbai

Date : 28th May, 2014

For and on behalf of the Board of Directors

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

Place : Mumbai

Date : 28th May, 2014

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

1. SHARE CAPITAL

(₹ In lacs)

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

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

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

b. Reconciliation of number of shares

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

2. RESERVES AND SURPLUS

(₹ in lacs)

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

3. LONG-TERM BORROWINGS

(₹ in lacs)

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

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

4. OTHER LONG-TERM LIABILITIES

(₹ in lacs)

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

5. LONG-TERM PROVISIONS

(₹ in lacs)

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

6. SHORT-TERM BORROWINGS

(₹ in lacs)

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

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

7. TRADE PAYABLES

(₹ in lacs)

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

8. OTHER CURRENT LIABILITIES

(₹ in lacs)

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

(*) Includes

- i) Loan for vehicles ₹ 17.78 lacs (Previous year ₹ 30.51 lacs)
- ii) Fixed Deposits ₹ 21.14 lacs (Previous year NIL)

(**) Includes statutory dues and outstanding expenses

9. SHORT-TERM PROVISIONS

(₹ in lacs)

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

10. FIXED ASSETS

(₹ in lacs)

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

11. DEFERRED TAX ASSET (NET)

(₹ in lacs)

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

12. LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

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

13. OTHER NON-CURRENT ASSETS

(₹ in lacs)

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

14. INVENTORIES

(₹ in lacs)

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

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

15. TRADE RECEIVABLES

(₹ in lacs)

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

16. CASH AND CASH EQUIVALENTS

(₹ in lacs)

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

* Balance with banks in current account includes Unclaimed Dividend of ₹ 24.19 lacs (Previous year ₹ 23.19 lacs)

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

17. SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

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

18. REVENUE FROM OPERATIONS

(₹ in lacs)

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

19. OTHER INCOME

(₹ in lacs)

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

20. COST OF MATERIALS CONSUMED

(₹ in lacs)

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

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

(₹ in lacs)

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

22. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

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

23. FINANCE COSTS

(₹ in lacs)

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

24. OTHER EXPENSES

(₹ in lacs)

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

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

i) Significant Accounting Policies

a) Basis of Preparation of Financial Statements

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

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

b) Use of estimates

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

c) Fixed Assets / Intangible Assets

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

d) Depreciation

- i) Depreciation on fixed assets is provided on written down value in the manner and at the rates as per schedule XIV of the Companies Act, 1956.
- ii) Technical know-how is amortized from the year in which commercial production commences on the written down value method.
- iii) Leasehold Land is amortised over the period of lease.

e) Valuation of Inventories

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

- i) Raw material is valued at cost or net realisable value whichever is lower. Cost is calculated by applying the weighted average method.

- ii) Work-in-progress, Finished Goods and Stock-in-Trade are valued at cost or net realisable value whichever is lower.
- iii) Scrap is valued at estimated selling price.
- iv) Stores and Spares are valued at cost. Tools and Instruments are valued at book value.

f) Revenue Recognition

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

Sales

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

Other Income

Interest income is accounted on accrual basis.

g) Foreign Currency Transactions

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

h) Research and Development

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

i) Retirement and Other Employee Benefits

- i) Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to the Statement of Profit & Loss in the year when the contributions to the funds are due.
- ii) Superannuation Fund is a defined contribution scheme and contribution to the scheme are charged to the Statement of Profit & Loss in the year when contributions are made in respect of employees covered under the scheme. The scheme is funded with Life Insurance Corporation of India.
- iii) The Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The liability in respect of employees is provided and contributed to Life Insurance Corporation of India under Group Gratuity (Cash Accumulation) Scheme except;
 - a) In case of Chairman cum Managing Director and Executive Vice Chairperson, in whose cases the additional Gratuity liability in accordance with their terms of appointment, is provided in the books.
 - b) In case of Nashik and Dehradun Division it is provided on the basis of actuarial valuation.

- iv) The Company has other long term employee benefits in the form of Leave Encashment. The liability in respect of Leave Encashment is provided for on the basis of actuarial valuation made at the end of the Financial Year. The aforesaid Leave Encashment is not funded.
- v) The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised during the period when the employee renders the services.
- vi) Terminal Benefits:
Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme and termination of services of the employees by the Company is charged to the Statement Profit & Loss in the year on actual basis.
- vii) Actuarial gains / losses are recognised immediately to the Statement of Profit & Loss.

j) Provision for Current and Deferred Tax

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

k) Impairment of Assets

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

l) Earnings Per Share

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

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

iii) Contingent Liabilities in respect of the following:

(₹ in lacs)

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

iv) Payment to Auditors:

(₹ in lacs)

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

v) Employee Benefits:

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

Defined Contribution Plan:

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

(₹ in lacs)

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

Defined Benefit Plan:

(₹ in lacs)

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

iii) Expense recognised during the year

Current Service Cost

Funded

Non-Funded

Interest Cost

Funded

Non-Funded

Expected return on plan assets

Funded

Non-Funded

Actuarial (gain) / loss

Funded

Non-Funded

Net Cost

Funded

Non-Funded

iv) Reconciliation of fair value of assets and obligations

Fair value of plan assets

Funded

Non-Funded

Present value of obligation

Funded

Non-Funded

Amount recognised in Balance Sheet

Funded

Non-Funded

Gratuity		Leave Encashment	
2013-2014	2012-2013	2013-2014	2012-2013
20.37	21.85	—	—
5.79	4.43	24.96	27.00
26.16	26.28	24.96	27.00
29.81	30.33	—	—
2.64	2.86	6.25	5.24
32.45	33.19	6.25	5.24
33.56	32.03	—	—
—	—	—	—
33.56	32.03	—	—
0.13	14.20	—	—
(0.16)	(5.64)	6.02	22.55
(0.03)	8.56	6.02	22.55
16.75	34.35	—	—
8.27	1.65	37.23	54.79
25.02	36.00	37.23	54.79
As at 31 st March		As at 31 st March	
2014	2013	2014	2013
387.52	367.34	—	—
—	—	—	—
387.52	367.34	—	—
401.67	393.33	—	—
100.93	92.66	94.95	94.28
502.60	485.99	94.95	94.28
14.15	25.99	—	—
100.93	92.66	94.95	94.28
115.08	118.65	94.95	94.28

(₹ in lacs)

- v) Investment Details
- vi) Actuarial assumptions
- Mortality Table (LIC)
- Discount rate (per annum)
- Expected rate of return on plan assets (per annum)
- Rate of escalation in salary (per annum)

Gratuity		Leave Encashment	
As at 31 st March		As at 31 st March	
2014	2013	2014	2013
Insurer Managed Funds		N.A.	
1994-96 (Ultimate)		1994-96 (Ultimate)	
9.10%	8.00%	9.10%	8.00%
9.30%	9.00%	—	—
8.50%	8.00%	8.50%	8.00%

- vi) Trade Receivables over six months comprises of ₹ 614.35 lacs (Previous year ₹ 599.49 lacs) due from Government concerns and ₹ 215.90 lacs (Previous year ₹ 165.12 lacs) due from commercial parties.
- vii) In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and all provisions for liabilities are adequate and not in excess of the amount considered necessary.
- viii) In the opinion of the Management, no provision is required against contingent liabilities referred hereinabove.
- ix) Balance of Trade Receivables and Trade Payables are subject to confirmation.
- x) The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

(₹ in lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Principal amount due and remaining unpaid	—	—
Interest due on above and unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years	—	—

Hirect

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

xii) Earnings per Share :

(₹ in lacs)

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

xiii) Segment Information :

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

Primary Segment Information :

(₹ in lacs)

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

xvi) Related Party disclosures under Accounting Standard-18:

a) List of related parties

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

b) Transactions during the year

(₹ in lacs)

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

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

xv) Particulars of Sales:

(₹ in lacs)

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

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

(₹ in lacs)

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

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

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

(₹ in lacs)

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

* Raw materials consumed:

i) Includes material used for service activities.

ii) Excludes sale and stock of scrap.

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

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

(₹ in lacs)

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

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

(₹ in lacs)

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

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

(₹ in lacs)

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

xxi) Earnings in foreign currency:

(₹ in lacs)

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

xxii) Dividend paid abroad:

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

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

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

As per our report attached

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

Uday J. Shah

Partner
Membership No. 033038

Place : Mumbai
Date : 28th May, 2014

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : 28th May, 2014

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**12 Pulse Electro Dip coating Rectifier
for Automobile Industries**