



Mumbai Monorail
The First Monorail in India
Trial run conducted on 26th Jan 2010



Powered by 750 VDC, 2MW Traction
Substation with Hirect Rectifiers Sets

HIND RECTIFIERS LIMITED

52nd
ANNUAL REPORT
2009-2010

Hirect

REGISTERED OFFICE

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

WORKS

- i) Lake Road
Bhandup (W)
Mumbai - 400 078 (India)
- ii) Plot No. 110/111
M.I.D.C., Satpur
Nashik - 422 007 (India)
- iii) Village Charba, Vikas Nagar
Dehradun - 248 197
Uttarakhand State (India)

REGIONAL OFFICES

Eastern Region : Chatterjee International Centre
15th Floor, Flat No. 10,
33-A, J.N. Road,
Kolkata - 700 071 .

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

Northern Region : 7B/5024, 2nd Floor,
Near D.A.V. School, Netaji Subhash Marg,
Daryaganj, New Delhi - 110 002.

Southern Region : 'Anna Mansion',
1st Floor, No.7 /1, Avenue Road,
Nungambakkam,
Chennai - 600 034.

BRANCH OFFICES

Bangalore : 'Srivenkatadri' No. 166,
I Block, II Stage, Nagarabhavi,
Bangalore - 560 072.

Secunderabad : Srinivas Apartment, Plot No.4, Flat No.1
1st Venture Malla Reddy Nagar,
Trirumalgiri Post,
Secunderabad - 500 015.

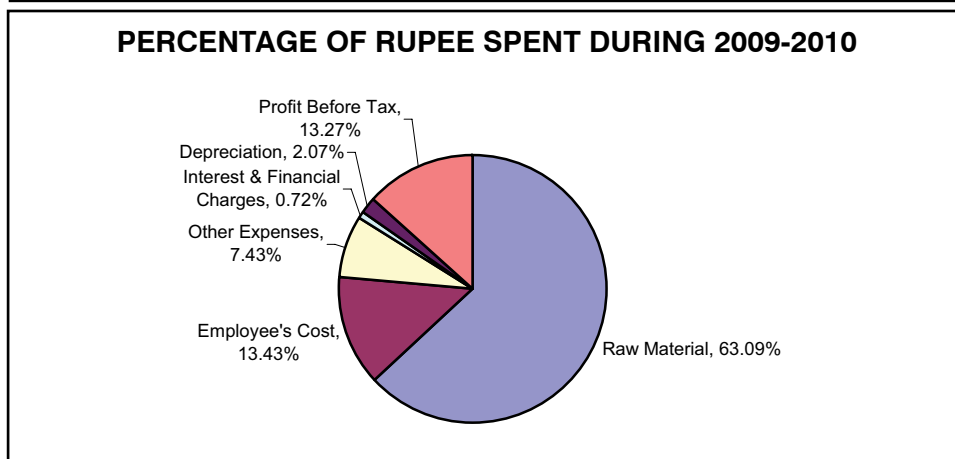
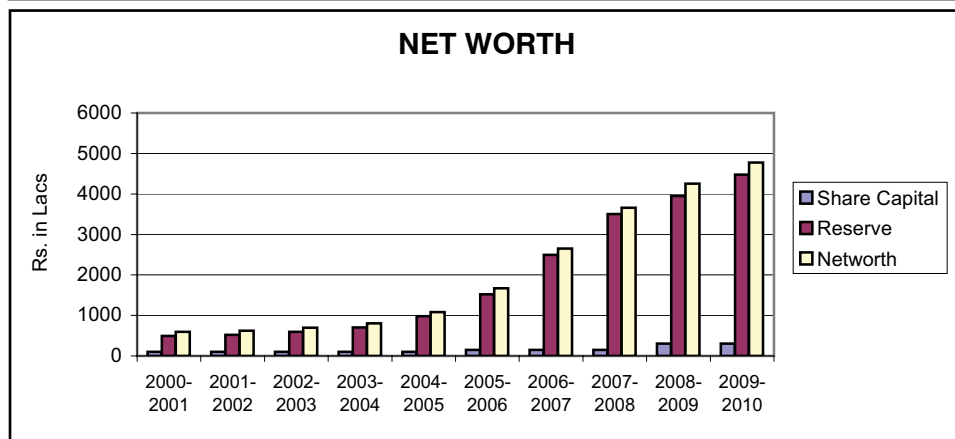
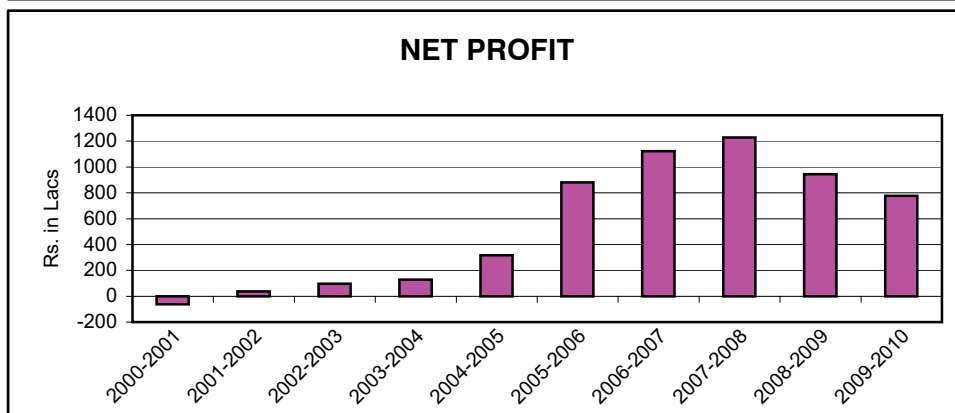
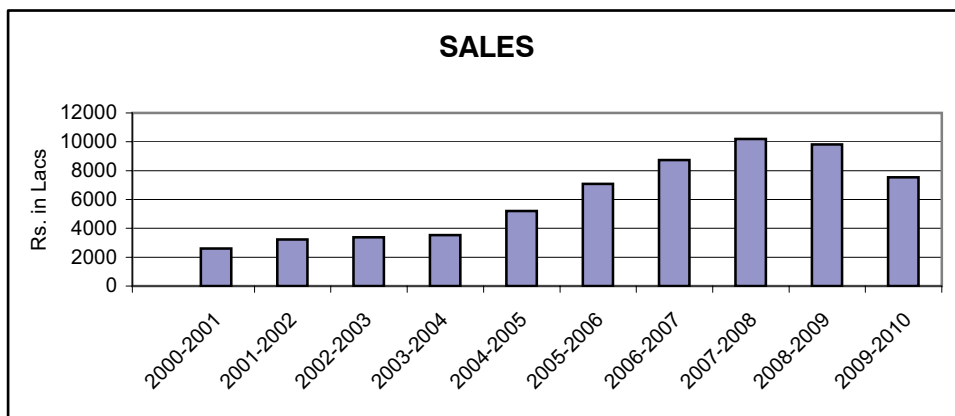
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BOARD OF DIRECTORS	: S. K. Nevatia, Chairman & Managing Director Uma S. Nevatia, Executive Vice Chairperson Jayant H. Shah D. R. Mehta Niraj Ramkrishna Bajaj Bharat Swaroop Pawan Kumar Golyan V. K. Bhartia Binod Patodia Pradeep V. Goyal
MANAGEMENT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

52ND ANNUAL GENERAL MEETING

Date	: Thursday, August 12, 2010
Time	: 3.30 p.m.
Venue	: Kamalnayan Bajaj Hall & Art Gallery Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.



HIGHLIGHTS

2009-10 2008-09 2007-08 2006-07 2005-06

INCOME:

1	Gross Operational Income	Rs.	79,70,91,520	1,08,69,04,831	1,17,58,66,815	1,00,89,21,622	81,68,86,225
2	Net Operational Income	Rs.	75,34,46,375	98,14,85,589	1,02,01,06,313	87,31,74,468	70,79,79,299
3	Profit before Interest, Depreciation & Tax	Rs.	12,15,27,582	16,60,20,526	21,14,45,187	19,36,20,090	14,23,71,062
4	Interest	Rs.	54,56,868	81,95,458	83,86,625	83,52,854	84,27,301
5	Depreciation	Rs.	1,56,39,694	1,72,35,086	1,40,40,950	1,40,05,451	62,09,519
6	Gross Profit after Interest & Depreciation but before Tax	Rs.	10,04,31,020	14,05,89,982	18,90,17,612	17,12,61,785	12,77,34,242
7	Profit after Tax	Rs.	7,77,41,020	9,44,76,407	12,29,07,387	11,23,09,785	8,80,10,242
8	Dividends	Rs.	2,10,81,102	3,01,15,860	1,50,57,930	1,50,57,930	1,05,40,551

EQUITY SHARE DATA:

9	Sales & other Income per equity share	Rs.	50	65	136	117	94
10	Earnings per equity share	Rs.	5.16	6.27	16.32	14.92	11.69
11	Book value of equity share	Rs.	31.73	28.25	48.57	35.18	22.22
12	Networth	Rs.	47,77,92,467	42,53,50,024	36,56,57,370	26,48,96,907	16,72,60,008
13	Market Price:						
	a) High	Rs.	91.80	188.00	298.25	226.00	225.40
	b) Low	Rs.	33.90	25.60	110.25	109.80	41.20
14	Dividend	(%)	70	100	100	100	70
15	Allotment of Bonus Shares	(Ratio)	–	1:1	–	–	1:2

RATIO:

16	PBT/Net Operational Income	(%)	13.33	14.32	18.53	19.61	18.04
17	Profit after Tax/Networth	(%)	16.27	22.21	33.61	42.40	52.62
18	Total Liabilities/Total Assets	Times	0.27	0.35	0.45	0.49	0.55
19	Total Debt/Equity	Times	0.08	0.18	0.33	0.35	0.49
20	Total Outside Liability/Total Networth	Times	0.37	0.54	0.80	0.96	1.20
21	Current Ratio	Times	3.20	2.58	1.99	1.72	1.63
22	PBDIT/Finance Costs	Times	22.27	20.26	25.21	23.18	16.90

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 52nd Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Thursday the 12th August, 2010 at 3.30 P. M. at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai-400 021 to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as on that date together with the Report of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2010.
3. To appoint a Director in place of Shri Niraj Bajaj, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Pradeep Goyal, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Binod Patodia, who retires from office by rotation, and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
7. To appoint Branch Auditors for Nashik and Dehradun Plants to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

8. AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the members of the Company be and is hereby granted to the reappointment of Shri S.K.Nevatia as Chairman & Managing Director of the Company for a period of 3 [Three] years with effect from 1st April, 2010 upon terms and conditions as detailed in the explanatory statement with liberty to the Board of Directors to alter or to vary the same so as not to exceed the limits set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed to between the Board of Directors of the Company and Shri S. K. Nevatia.”

9. AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the members of the Company be and is hereby granted to the reappointment of Smt. Uma S. Nevatia as an Executive Vice Chairperson of the Company for a period of 5 [Five] years with effect from 1st April, 2010 upon terms and conditions as detailed in the explanatory statement with liberty to the Board of Directors to alter or to vary the same so as not to exceed the limits set out in Section 198, 309 read with Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed to between the Board of Directors of the Company and Smt. Uma S. Nevatia.”

NOTES:

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

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. Brief resume of all Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships/chairmanships for Board/Committees, shareholding and relationship between directors inter-se as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 6th August, 2010 to 12th August, 2010 (both days inclusive).
6. The dividend on Equity Shares as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company will be paid on or after 12th August, 2010.
7. Members are hereby informed that dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.

Members should note that no claim can be made by the shareholders for the unclaimed dividends which have been transferred to the credit of the Investors Education & Protection Fund of the Central Government under the amended provisions of section 205(B) of the Companies Act, 1956.

The details of dividend paid by the Company and the corresponding due dates for transfer of unencashed dividend to the aforementioned fund constituted by the Central Government are furnished hereunder:

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to The Investor Protection and Education Fund
2002 – 2003	30.08.2003	29.08.2010
2003 – 2004	17.08.2004	16.08.2011
2004 – 2005	29.07.2005	28.07.2012
2005 – 2006	30.08.2006	29.08.2013
2006 – 2007	28.07.2007	27.07.2014
2007 - 2008	25.08.2008	24.08.2015
2008 - 2009	10.09.2009	09.09.2016

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

8. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

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9. Members/Proxies are requested to please bring their copies of the Annual Report to the meeting.
10. The Company has listed its shares on The Bombay Stock Exchange Limited & National Stock Exchange of India Limited.
11. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/s. ADROIT CORPORATE SERVICES PVT. LTD.

[Unit : Hind Rectifiers Limited]

19, Jafarbhoj Industrial Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri [East], Mumbai - 400 059.

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

12. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.
- (b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.
- (c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
13. All documents referred to in the notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
14. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
15. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
16. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form, they must quote their DP ID and client ID Number.
17. Explanatory Statement U/S. 173 of The Companies Act, 1956 is attached herewith.

Registered Office:

Lake Road, Bhandup (W)

Mumbai – 400 078

For and on behalf of the Board of Directors

For **Hind Rectifiers Limited**

Place: Mumbai

Dated: 28th May, 2010

S.K.Nevatia

Chairman & Managing Director

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

1. Name : Mr. Niraj Bajaj
Age : 57 years
No. of shares held in the Company : 61230
Brief Resume & Functional expertise : Mr. Niraj Bajaj, MBA graduate from Harvard University, USA and working with Bajaj Group as a Director and having total experience of more than 28 years.

Outside Directorships : Mukand Ltd.
Bajaj Allianz General Insurance Co. Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Bajaj Auto Ltd.
Hospet Steels Ltd.
Jeewan Ltd.
Kalyani Mukand Ltd.
Mukand Engineers Ltd.
Mukand Vijayanagar Steel Ltd.
RPG Life Sciences Ltd.
The Hindustan Housing Company Ltd.
Baroda Industries Pvt. Ltd.
Madhur Securities Pvt. Ltd.
Niraj Holdings Pvt. Ltd.
Rahul Securities Pvt. Ltd.
Shekhar Holdings Pvt. Ltd.
Jamnalal Sons Pvt. Ltd.
Bachhraj & Co. Pvt. Ltd.
Mukand Bekaert Wire Industries Pvt. Ltd.
Sanraj Nayan Investments Pvt. Ltd.
Bajaj Sevashram Pvt. Ltd.
Mahakalp Arogya Pratisthan.
Bhoopati Shikshan Pratisthan.

Chairmanship/Membership of Board Committees : Mukand Engineers Ltd.
RPG Life Sciences Ltd.
2. Name : Mr. Pradeep Goyal
Age : 56 Years
No. of shares held in the Company : Nil
Brief Resume & Functional expertise : Mr. Pradeep Vedprakash Goyal a Masters Engineering Graduate from MIT, USA and working with Pradeep Metals Ltd., as a Chairman & Managing Director and has got total experience of 32 years in different fields.

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Outside Directorships : Pradeep Metals Ltd.
Uniphos Enterprises Ltd.
United Phosphorous Ltd.
Entegra Ltd.
Janakalyan Sahakari Bank Ltd.
Esvee Pharma Pvt. Ltd.
S.V. Shah Construction Pvt. Ltd.
B.S. Metal Pvt. Ltd.

Chairmanship/Membership
of Board Committees : Uniphos Enterprises Ltd.
United Phosphorus Ltd.

3. Name : Mr. Binod Kumar Patodia

Age : 66 Years

No. of shares held in the Company : Nil

Brief Resume & Functional expertise : Mr. Binod Patodia an Engineering Graduate from BITS, Pilani and he is working with M/s. GTN Textiles Ltd., as a Vice Chairman & Managing Director and has got total experience of 40 years.

Outside Directorships : GTN Textiles Ltd.
GTN Enterprises Ltd.
Hindustan Polyamides & Fibres Ltd.
India Thermit Corporation Ltd.
Patspin Apparels Pvt. Ltd.
Patodia Exports & Investments Pvt. Ltd.
Umang Finance Pvt. Ltd.
Beekaypee Credit Pvt. Ltd.
Madanlal Brijlal Pvt. Ltd.

Chairmanship/Membership
of Board Committees : Nil

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

ITEM NO. 8:

The present term of Shri S.K. Nevatia as Chairman & Managing Director of the Company has expired on March 31, 2010. The Board of Directors of the Company at their meeting held on April 19, 2010 have re-appointed Shri S.K. Nevatia as Chairman & Managing Director of the Company for a further period of 3 [Three] years with effect from 1st April, 2010 subject to approval of the members of the Company at General Body Meeting on the following terms:-

- 1) Salary: Rs.2,00,000/- (Rupees Two Lakhs Only) per month.
- 2) Benefits, Perquisites, Allowances:
 - a) Rent free accommodation / House Rent Allowance (HRA) Rs.50,000/- per month along-with Furniture.
 - b) Company's contribution to Provident Fund.
 - c) Mediclaim Policy and / or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad.
 - d) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
 - e) Gratuity payable at a rate of half month's salary for each completed year of service.
 - f) Chauffeur driven Company's car.
- 3) Commission:

Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in section 198 and 309 of the Companies Act.

In view of the inadequate profit re-appointment of Mr. S.K. Nevatia has been done as per Section-B to PART-II of Schedule-XIII.

Necessary disclosures as provided in SECTION-B to PART-II of Schedule-XIII to the Companies Act, 1956 are as follows:

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

I. GENERAL INFORMATION:

1. Nature of Industry:

The Company is engaged in manufacturing and marketing of Semi Conductor Devices, Power Electronic Products and Loco Transformers.
2. Date of Commencement of Commercial Production:

Not Applicable, as The Company is already in the manufacturing business. The Company commenced its commercial production in the year of foundation.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not Applicable.

4. Financial Performance based on given indicators:

(Rs. in lacs)

Sr. No.	Particulars	2009-2010	2008-2009	2007-2008
1.	Turnover (net of taxes)	7534.46	9814.86	10201.06
2.	Profit before tax	1004.31	1405.90	1890.18
3.	Profit after tax	777.41	944.76	1229.08
4.	Dividend paid (including tax)	246.64	352.34	176.17
5.	Rate of dividend %	70%	100%	100%

5. Export performance:

(Rs. in lacs)

2009-2010	2008-2009	2007-2008
68.93	34.56	40.61

6. Foreign Investments or Collaborations:

Company does not have any investment outside India. Company has Technical collaboration for manufacturing of Inverters, Converters, Stacks etc.

II. INFORMATION ABOUT THE APPOINTEE:

Shri S. K. Nevatia aged about 79 years has got an experience of over 55 years to his credit. He is qualified as M.I.B.M. from London.

He started his career with Mukund Limited. He worked with them for 5 years and started this Company in April, 1958.

The entire over 55 years of work experience is in the line of Semi Conductor Devices, Power Electronic Products and Loco Transformers.

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

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

(Rs. in lacs)

Remuneration (including Commission)	2009-2010	2008-2009	2007-2008
	53.56	74.81	100.17

III. OTHER INFORMATION:

The Company is not a loss making Company but has inadequate Profits. The Company was earning good profits till 2008-09, but due to global economic slowdown the business of the Company was adversely affected and its margins has also been affected adversely.

In years to come with increase in sales and favourable market conditions, performance of the Company is expected to improve substantially.

IV. DISCLOSURE:

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

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

The draft agreement entered into between the Company and the Managing Director is open for inspection at the Registered Office of the Company on any day during the business hours prior to the date of the meeting.

The Board recommends the resolution to be passed by the Shareholders.

Shri S.K.Nevatia is interested in the resolution as the same is for his own appointment. Smt.Uma S.Nevatia & Shri Pawan Kumar Golyan may be deemed to be interested in the resolution being relatives of Shri S.K.Nevatia.

This Explanatory Statement along with the notice is and shall be deemed to be an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 9

The present term of Smt. Uma S. Nevatia as Executive Vice Chairperson has expired on March 31, 2010. The Board of Directors of the Company at their meeting held on April 19, 2010 have re-appointed Smt. Uma S. Nevatia as Executive Vice Chairperson of the Company for a further period of 5 [Five] years with effect from 1st April,2010 subject to approval of the members of the Company at General Body Meeting on the following terms:-

- 1) Salary: Rs.1,00,000 - 7,500 - Rs.1,30,000 per month.
- 2) Benefits, Perquisites, Allowances:
 - a) Company's contribution to Provident Fund.
 - b) Medclaim Policy and/or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad.
 - c) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
 - d) Gratuity payable at a rate of half month's salary for each completed year of service.
 - e) Chauffeur driven Company's Car.

The draft agreement entered into between the Company and the Executive Vice Chairperson is open for inspection at the Registered Office of the Company on any day during the business hours prior to the date of the meeting.

The Remuneration Committee has approved the above terms of appointment of Smt. Uma S. Nevatia.

The Board recommends the resolution to be passed by the Shareholders.

Smt. Uma S. Nevatia is interested in the resolution as the same is for her own appointment. Shri S.K. Nevatia, Shri Bharat Swaroop & Shri Pawan Kumar Golyan may be deemed to be interested in the resolution being relatives of Smt. Uma S. Nevatia.

This Explanatory Statement along with the notice is and shall be deemed to be an abstract under Section 302 of the Companies Act, 1956.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting 52nd Annual Report together with the Audited accounts for the year ended March 31, 2010.

(Rs. In Lacs)

FINANCIAL RESULTS:	Year ended 31.03.2010	Year ended 31.03.2009
Gross Operational Income	7,970.91	10,869.05
Less : Excise Duty	436.45	1,054.19
Net Operational Income	7,534.46	9,814.86
Gross Profit	1,160.71	1,578.25
Less : Depreciation	156.40	172.35
Profit before tax	1,004.31	1,405.90
Less : Provision for Taxation - Current 197.00		442.00
- Deferred 29.90		5.89
- Fringe benefit Nil		13.25
	226.90	
Profit after taxes	777.41	944.76
Excess/(Short) Provision for taxation of earlier years	(4.50)	0.62
Adjustment in respect of earlier years	(1.85)	3.88
Surplus of previous year	49.78	42.85
Profit available for appropriation	820.84	992.11
Appropriations :		
Transferred to General Reserve	520.00	590.00
Proposed Dividend	210.81	301.16
Tax on Dividend	35.83	51.18
Surplus Carried to Balance Sheet	54.20	49.77

OPERATIONS:

The Company's performance has been adversely affected due to abnormal delays by the Railways in allotment of funds, issuing tenders and finalizing the orders for Rolling Stock, Metros etc. and lack of enquiries for new Chemical & Power plants due to slack demand, shortage of funds and power shortage.

The rising cost of Raw Materials and fall in selling prices due to increased competition further affected the bottom line.

There are positive signs of improvement in the general economy. Tenders for Railway products have started being released by Chittaranjan Locomotive Works (CLW), Zonal and Regional Railways. During the year company has started commercial production of Loco Transformers at Dehradun.

The Dehradun Plant has made significant contribution towards Sales & Profit for the year under review. In spite of keen competition and rising costs the company with increased sales from the Dehradun plant expects to show better results at the end of the current year.

DIVIDEND:

The Directors are pleased to recommend for consideration of the Shareholders at the Annual General Meeting payment of dividend @ 70% (Rs.1.40 per Share) amounting to Rs. 2,10,81,102/- for the year ended 31st March, 2010 (previous year Rs. 3,01,15,860/-).

DEPOSITS:

Deposits amounting to Rs.1,25,000/- due for payment on or before 31st March, 2010 remained unclaimed by the depositors on that date. Letters have been sent to such depositors reminding them to claim their deposits.

BOARD OF DIRECTORS:

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Shri Niraj Bajaj, Shri Binod Kumar Patodia & Shri Pradeep Goyal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. In 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, 2010.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

AUDITORS:

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

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

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

AUDITORS' OBSERVATIONS:

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

SECRETARIAL COMPLIANCE REPORT:

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

DEPOSITORY SERVICES:

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

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

CORPORATE GOVERNANCE:

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

CODE OF CONDUCT:

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

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

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

PARTICULARS OF EMPLOYEES:

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

LISTING:

The Company has listed its Shares on The Bombay Stock Exchange Ltd., & 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.

ACKNOWLEDGEMENT:

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

Registered Office:

Lake Road, Bhandup (W)
Mumbai – 400 078

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

Place: Mumbai
Dated: 28th May, 2010

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, 2010.

I. CONSERVATION OF ENERGY

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

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Designed and manufactured 750V / 2MW Traction Sub-station Rectifier as per customer’s specification for Monorail project.
2. High current water cooled Rectifier – TCR (HT-CC) 83.1 V/52.8 KA with continuous transposing conductor (CTC) developed and executed.
3. Up-rated BGEMU Rectifier developed & tested successfully.
4. IGBT Stack commercialized.
5. 95 KVP High Voltage Stack based on PCB designed & developed.

III. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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

Place: Mumbai
Dated: 28th May, 2010

S.K.Nevatia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Hind Rectifiers Limited ("the Company") is committed to adhere to the Corporate Governance code as prescribed by the SEBI and Stock Exchange and has accordingly implemented various aspects of the code.

To implement the Corporate Governance practice, Hind Rectifiers Ltd., has a well defined policy consisting of the following:

- Ensure that the Quality and Frequency of Financial and Managerial Information's, which the Management shares with the Board, fully placed before the Board Members in control of the Company's affairs.
- Ensure that the Board exercises its Fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committees thereof.
- Ensure that the Board, the Management, the Employees and all the other stakeholders are fully committed to maximizing long-term value to the shareowners and to the Company.
- Ensure that the core values of the Company are protected.
- Ensure that the Company positions itself from time to time to be at par with any other world-class Company in operating practices.

BOARD OF DIRECTORS:

The Company presently has ten Directors. There are two Executive Directors, one is Chairman & Managing Director and the other is Executive Vice Chairperson. There are three non Independent Non Executive Directors. The remaining five Non Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per Clause 49 of the Listing Agreement, if the Chairman is the Executive Chairman at least half of the board should consist of Non Executive Directors & also half of the Board shall comprise of Independent Directors. In case of Hind Rectifiers Ltd., four fifth of the Directors are Non Executive. Five out of the eight Non Executive Directors are Independent Directors which is equal to one half of the total size of the board.

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

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

Name of the Director	Category	No. of Other Directorships held (excluding Private & Foreign Companies) As on 31.03.2010	Outside Committee position held As on 31.03.2010	
			Member	Chairman
Mr. S. K. Nevatia (Chairman & Managing Director)	Non independent Executive	—	—	—
Mrs. Uma Nevatia (Executive Vice Chairperson)	Non independent Executive	—	—	—

Name of the Director	Category	No. of Other Directorships held (excluding Private & Foreign Companies) As on 31.03.2010	Outside Committee position held As on 31.03.2010	
			Member	Chairman
Mr. Jayant H. Shah	Independent non Executive	1	–	1
Mr. D. R. Mehta	Independent non Executive	–	–	–
Mr. Niraj Ramkrishna Bajaj	Non independent non Executive	11	2	–
Mr. Bharat Swaroop	Non independent non Executive	1	–	–
Mr. Pawan Kumar Golyan	Non independent non Executive	–	–	–
Mr. V. K. Bhartia	Independent non Executive	–	–	–
Mr. Binod Patodia	Independent non Executive	5	–	–
Mr. Pradeep Goyal	Independent non Executive	4	3	3

BOARD MEETING:

The Board of Directors met 6 times during the financial year 2009-10 i.e. on 21.04.2009, 29.06.2009, 27.07.2009, 10.09.2009, 29.10.2009 and 28.01.2010.

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 2009–2010 and at the last Annual General Meeting held on 10.09.2009 are as follows:

NO. OF BOARD MEETINGS HELD - 6

Name of the Director	No. of board Meetings held during the tenure of the Director in 2009 – 2010	No. of Board Meetings Attended	Whether attended last AGM
Mr. S. K. Nevatia	6	6	Yes
Mrs. Uma S. Nevatia	6	2	Yes
Mr. Jayant H. Shah	6	5	Yes
Mr. D. R. Mehta	6	5	Yes
Mr. Niraj Ramkrishna Bajaj	6	–	–
Mr. Bharat Swaroop	6	2	Yes
Mr. Pawan Kumar Golyan	6	1	–
Mr. V. K. Bhartia	6	5	Yes
Mr. Binod Patodia	6	4	Yes
Mr. Pradeep Goyal	6	3	Yes

INFORMATION SUPPLIED TO THE BOARD:

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

Among others, this includes:

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

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

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

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates that may affect Independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the company in the immediately preceeding 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 preceeding 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, services providers or customers or lessors or lessees of the company, which may affect Independence of the Director.
- Are not substantial Shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

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

COMMITTEES OF DIRECTORS:

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

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

A) AUDIT COMMITTEE:

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

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

Mr. S K Nevatia, Chairman & Managing Director and Mr. A. K. Nemani, Vice President (Finance) 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 to attend these meetings.

The Committee met five times during the year on 21.04.2009, 29.06.2009, 27.07.2009, 28.10.2009 and 28.01.2010.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2009-2010:

NO. OF MEETINGS HELD - 5

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Mr. Jayant H. Shah, Chairman	Independent Non Executive	5	4
Mr. V. K. Bhartia	Independent Non Executive	5	4
Mr. D. R. Mehta	Independent Non Executive	5	5

B) REMUNERATION COMMITTEE:

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

Present composition of the Remuneration Committee is as under:

Name of Committee Members	Position
Mr. Jayant H. Shah, Chairman	Independent Non Executive
Mr. Binod Patodia	Independent Non Executive
Mr. D. R. Mehta	Independent Non Executive

During the year ended March 31, 2010, No meeting of the Committee was held.

C) SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE:

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

Hirect

Mr. A. K. Nemani, Vice President (Finance), is designated as the Compliance Officer.

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

The following table shows the nature of complaints received from the shareholders during the year 2009-10.

Nature of complaints	No. of complaints received during the year 2009 – 10
Non receipt of Dividend Warrant	2
Non receipt of Annual Report	1
Non receipt of Share Certificate	1

There were no complaints pending as on 31st March, 2010.

Attendance record at the meetings of the Shareholders' Grievance Committee of Directors during financial year 2009 - 10:

NO. OF MEETINGS HELD - 2

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Mr. Jayant H. Shah, Chairman	Independent Non Executive	2	1
Mr. V. K. Bhartia	Independent Non Executive	2	1
Mr. D. R. Mehta	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 meeting of the Board/Board Committee.

The details of remuneration/sitting fees paid during the financial year 2009-10 to the Directors of the Company are as under:

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Bonus / Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. S. K. Nevatia	24,00,000.00	28,18,600.00	1,37,166.00	–	53,55,766.00
Mrs. Uma S. Nevatia	8,40,000.00	4,34,383.00	–	–	12,74,383.00
Mr. Jayant H. Shah	–	–	–	37,500.00	37,500.00
Mr. D. R. Mehta	–	–	–	42,500.00	42,500.00
Mr. Niraj Ramkrishna Bajaj	–	–	–	–	–
Mr. Bharat Swaroop	–	–	–	10,000.00	10,000.00
Mr. Pawan Kumar Golyan	–	–	–	5,000.00	5,000.00
Mr. V. K. Bhartia	–	–	–	37,500.00	37,500.00
Mr. Binod Patodia	–	–	–	20,000.00	20,000.00
Mr. Pradeep Goyal	–	–	–	15,000.00	15,000.00

The tenure of office of Mr. S. K. Nevatia, Chairman & Managing Director ended on March 31, 2010 and was re-appointed for a period of three years. Also Mrs. Uma S. Nevatia, Executive Vice Chairperson was re-appointed for a period of five years w.e.f. April 01, 2010. There is no provision for payment of severance fees. Company does not have any stock option plans and hence such instrument does not fall part of the remuneration package payable to any Executive Director and/or Non Executive Director.

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

SHAREHOLDING OF NON EXECUTIVE DIRECTORS:

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

Sr. No.	Name of the Director	No. of shares held
1.	Mr. Jayant H. Shah	34500
2.	Mr. D. R. Mehta	300
3.	Mr. Niraj Ramkrishna Bajaj	61230
4.	Mr. Bharat Swaroop	15500
5.	Mr. Pawan Kumar Golyan	–
6.	Mr. V. K. Bhartia	–
7.	Mr. Binod Patodia	–
8.	Mr. Pradeep Goyal	–

CODE OF CONDUCT:

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

MANAGEMENT DISCUSSIONS & ANALYSIS:

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

STEPS FOR PREVENTION OF INSIDE TRADING:

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

DISCLOSURES:

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

NON-COMPLIANCES:

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

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

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

1. **Remuneration Committee:**

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

2. **Audit Qualification:**

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

3. **Training of Board Members:**

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

MEANS OF COMMUNICATION:

1. Quarterly results are published in prominent daily newspapers viz., Free Press Journal & Nav Shakti.
2. The Company has its own website, i.e, **www.hirect.com**. 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 Mr. S. K. Nevatia, Chairman & Managing Director (CMD) & Mr. A. K. Nemani, Vice President (Finance) has been obtained. The certificate is annexed to this report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

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

SHAREHOLDER INFORMATION:**52nd ANNUAL GENERAL MEETING**

DAY & DATE : Thursday, 12th August, 2010
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
49 th AGM	31.03.2007	28.07.2007	3.30 p.m.	Kamalnayan Bajaj Hall & Art Gallery, Gr. Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021.
50 th AGM	31.03.2008	25.08.2008	3.30 p.m.	-- As above --
51 st AGM	31.03.2009	10.09.2009	3.30 p.m.	-- As above --

All the matters as set out in the respective notices were passed by the Shareholders. The summary of the special resolution and other important resolutions passed at the last 3 Annual General Meeting and status of implementation thereof is reproduced below: No special resolution was required to be put through postal ballot last year.

49th AGM

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

50th AGM

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

51st AGM

No Special Resolution was passed.

FINANCIAL CALENDAR:

* Financial year 2010 - 2011	: April 1, 2010 to March 31, 2011
* Financial reporting for the quarter ended June 30, 2010	: End of July 2010
* Financial reporting for the quarter ended Sept 30, 2010	: End of Oct 2010
* Financial reporting for the quarter ended Dec 31, 2010	: End of Jan 2011
* Financial reporting for the Year ended March 31, 2011	: Audited Results by end of May

DATE OF BOOK CLOSURE: 06/08/2010 to 12/08/2010 [Both days inclusive].

DIVIDEND PAYMENT DATE: On or after 12th August, 2010.

PAYMENT OF DIVIDEND:

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

SHARE TRANSFER SYSTEM:

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

REGISTRAR & TRANSFER AGENT:

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

M/S. ADROIT CORPORATE SERVICES PVT. LTD.

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

COMPLIANCE OFFICER:

Mr. A. K. Nemani, Vice President [Finance]

ADDRESS FOR CORRESPONDENCE:

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

LISTING ON STOCK EXCHANGES:

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

Listing fee has been paid to above Stock Exchanges for the year 2009 – 2010.

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, 2010, 7571705 Shares representing 50.28% of total Equity Shares were held in dematerialised form with NSDL and CDSL.

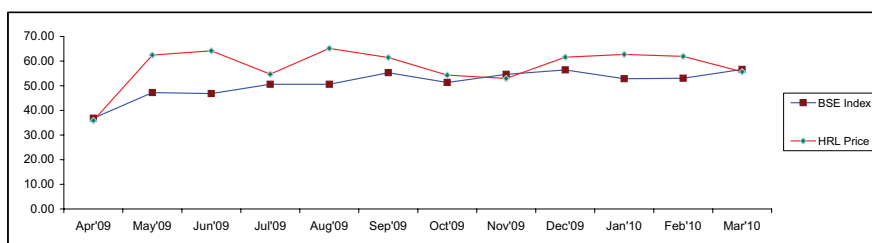
Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

STOCK PRICE DATA:

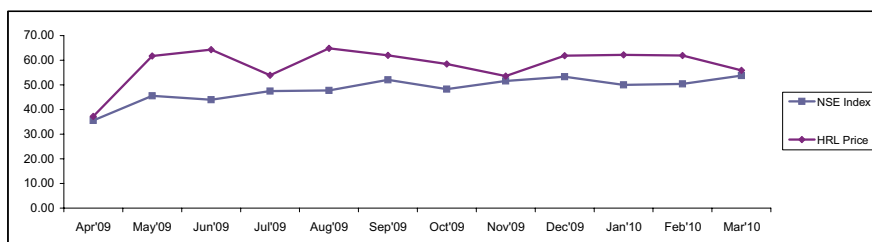
Monthly High / Low Market Price of Equity Shares of Hind Rectifiers Ltd., during the Financial Year 2009 - 2010:

Month	BSE		NSE	
	High	Low	High	Low
April, 2009	43.50	33.90	45.00	34.10
May, 2009	64.35	35.35	64.70	35.65
June, 2009	71.00	51.95	71.45	52.80
July, 2009	66.85	45.90	67.00	45.05
August, 2009	70.00	49.75	70.80	49.20
September, 2009	73.00	59.25	70.00	58.95
October, 2009	70.90	52.55	70.50	51.90
November, 2009	56.90	48.15	56.90	48.35
December, 2009	68.80	52.15	66.50	52.00
January, 2010	82.20	58.75	83.20	58.00
February, 2010	91.75	57.25	91.80	57.15
March, 2010	65.10	54.75	64.50	54.50

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX:



SHAREHOLDING PATTERN AS ON MARCH 31, 2010:

Category	No. of shares held	% of shareholding
Promoters & Associates	6561121	43.57
Mutual Funds & UTI	1500	0.01
Banks / Financial Institutions	10500	0.07
Private Bodies Corporate	604567	4.02
NRI/OCBs	2403533	15.96
Others	5476709	36.37
Total	15057930	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2010:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	5665	870841	5.78
501-1000	642	523674	3.48
1001-2000	489	736773	4.89
2001-3000	205	564598	3.75
3001-4000	37	132612	0.88
4001-5000	60	279427	1.86
5001-10000	72	502760	3.34
10001 & above	86	11447245	76.02
Total	7256	15057930	100.00

Nominations:

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

PLANT LOCATIONS:

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

DECLARATION:

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

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

The code of conduct has been complied with.

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

Place: Mumbai
Dated: 28th May, 2010

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, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

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

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

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

(UDAY J. SHAH)
Partner
Membership No. 033038

Place: Mumbai
Dated: 28th May, 2010

CEO / CFO CERTIFICATION:

The Board of Directors
Hind Rectifiers Limited,
Mumbai

Re: Financial Statements for the year 2009 - 2010 – Certification by CEO & CFO

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

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the financial year ended March 31, 2010 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the year; and
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 28th May, 2010

S K Nevatia
Chairman & Managing Director

A K Nemani
Vice President (Finance)

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company's business is in the niche space of Power Electronics and DC wound products. Although the market size of this industry is not as large as that of general Electrical Industry, it still has fairly good mix of small, medium, large and multinational players in the market. The Customers of the Company, mainly Indian Railways continue to ask for higher technology products although the plans and implementation has various barriers, being the Government Sector.

2. OPPORTUNITIES AND THREATS:

The Company has developed a new Transformer for the Railway Locomotive and with Dehradun Plant becoming fully operational for making Railways Transformers, the company expects better results at the end of the current financial year.

Due to one-time tenders for the full year by the Railways there is increased competition from the existing manufacturers and a few new entrants in this field which may affect the order booking.

3. OUTLOOK:

With the development of new products, improved sub assemblies and components and reduction in cost of inputs due to emphasis on getting better prices, payment terms from the vendors the outlook definitely looks much better.

4. RISKS AND CONCERNS:

Since Railway business is based on successfully bidding for the tender, the company may not get good orders both quantity and price wise if the competitors quote very low prices.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate system of internal control to safeguard its assets against loss through unauthorized use and pilferage. A comprehensive system of internal controls employed by the Company ensures optimal use of the resources available.

Internal audit and checks are ongoing process within the Company.

Findings of the audit report with a comment from the respective department is reviewed by the Audit Committee.

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

The Company's performance has been affected due to the recession in the developed countries coupled with delays in allotment of funds, calling of tenders, finalization of orders etc. by the Railways resulting in hardly any orders from this main customer. Added to this no major expansion or new chemical plants and power plants were set up either due to paucity of funds, power shortage or lack of demand.

Combined effect of all these plus steep competition and rising cost of Raw Material severely affected the performance of the company.

In the current year there are signs of improvement in the Indian Economy which will have a positive influence in the working of the company.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

The company recognizes that Human Resources are an extremely important and critical long term investment. The top management honors the dignity of each individual, irrespective of position and highly values the feelings of emotions of people.

The wage agreement with the Union expired on 31st December, 2009. The company has received the Charter of Demands from the Union. It is hopeful of negotiating and signing the wage agreement with the Union in the next couple of months.

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

Place: Mumbai
Dated: 28th May, 2010
Chairman & Managing Director

S.K.Nevatia

SECRETARIAL COMPLIANCE CERTIFICATE

COMPANY NO. 11-11077.

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

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

The Members,

M/s. HIND RECTIFIERS LIMITED

Lake Road,

Bhandup [West],

MUMBAI - 400 078.

I have examined the registers, records, books and papers of **M/s. HIND RECTIFIERS LIMITED** [the Company] as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on MARCH 31, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in **ANNEXURE - 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable as per – **ANNEXURE – 'B'**.
- 3) The Company being a Limited Company, Comments not required.
- 4) The Board of Directors duly met 6 [SIX] times during the aforesaid Financial Year i.e. on 21/04/2009, 29/06/2009, 27/07/2009, 10/09/2009, 29/10/2009 AND 28/01/2010 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 SEPTEMBER 10, 2009 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has complied with the provisions of 293 (1) (d) of the Act.
- 9) The Company has not entered into contracts falling within the purview of Section 297 of the Act.
- 10) The Company has entered necessary particulars in the register maintained under Section 301 of the Companies Act, 1956.
- 11) As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
- 12) The Company has issued duplicate share certificates during the financial year and necessary compliances of the Act were made.
- 13) The Company has:
 - i) delivered all the certificates on allotment of Shares in accordance with the provisions of the Companies Act, 1956.
 - ii) duly complied with the requirements of Section 217 of the Act.
 - iii) other clauses are not applicable.

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

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

Place: Mumbai.
Date : 28th May, 2010

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

DETAILS OF REGISTERS MAINTAINED:

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

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

DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:

Sr. No.	Document/ Under Section	Filed on	Whether filed in time	Whether additional fee paid
1.	Form 62 U/s 58A	22/06/2009	Yes	No
2.	Form 62 U/s 58A	08/07/2009	Yes	No
3.	Form 20B Annual Return U/s 159	07/10/2009	Yes	No
4.	Form 23 AC & 23 ACA Balance Sheet & Profit & Loss Account U/s 210	07/10/2009	Yes	No
5.	Form 66 Secretarial Compliance Certificate U/s 383A	02/10/2009	Yes	No
6.	Form 1 U/s 205	31/08/2009	Yes	No

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

Place : Mumbai.

Date : 28th May, 2010.

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

We have audited the attached Balance Sheet of **HIND RECTIFIERS LIMITED** as at 31st March, 2010, the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. The returns from the branch audited by other Auditor are incorporated in the annexed Balance Sheet and the Profit and Loss Account. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with;
- (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the Branch;
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that dateand
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

(UDAY J. SHAH)
Partner

Membership No.033038

Place: Mumbai.
Date: 28th May, 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF HIND RECTIFIERS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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) Physical verification of inventory has been conducted at reasonable intervals during the year by the management;
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
(c) In our opinion, the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification were not material, and the same have been properly dealt with in the books of account;
3. (a) According to information and explanations given to us, the Company has, during the year, not granted any loan secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(a), (b), (c) and (d) of the Order, are not applicable.
(b) During the year, the Company has not taken any unsecured loans from the parties covered in the register maintained under section 301 of the Companies Act, 1956 and the balance outstanding at the year end is Rs.27.39 lacs.
(c) The rate of interest and other terms and conditions of loans taken by the Company are prima facie, not prejudicial to the interest of the Company.
(d) There are no loans repayable during the year and therefore question of overdue amounts does not arise. In respect of interest, there are no overdue amounts.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods & services. We have not come across any major weakness in internal control;
5. (a) To the best of our knowledge and belief, and according to the information and explanation given to us, the particulars of contracts or arrangements refer to in Section 301 of the Act have been entered in the register maintained under that section;
(b) In our opinion and having regard to our comments in paragraph (iv) above, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at reasonable prices;
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
8. As explained to us maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Investor Education & Protection Fund, Employees' State Insurance (ESI), Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other statutory dues with the Appropriate Authorities. According to the information and explanation given to

us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2010 for a period of more than six months from the day they become payable;

- (b) The disputed statutory dues aggregating Rs. 28.51 lacs, that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

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

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

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

(UDAY J. SHAH)
Partner

Membership No.033038

Place: Mumbai.
Date: 28th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Rupees	As At 31.03.2010 Rupees	As At 31.03.2009 Rupees
I. SOURCES OF FUNDS:				
Shareholders Funds				
Share Capital	"A"	3,01,15,860		3,01,15,860
Reserves & Surplus	"B"	44,76,76,607		39,52,34,164
			47,77,92,467	42,53,50,024
Loan Funds:				
Secured Loans	"C"	1,58,26,657		5,53,52,497
Unsecured Loans	"D"	2,07,44,000		2,15,32,000
			3,65,70,657	7,68,84,497
			51,43,63,124	50,22,34,521
II. APPLICATION OF FUNDS :				
Fixed Assets	"E"			
Gross Block		25,99,42,873		18,96,28,313
Less: Depreciation		10,10,87,823		8,71,05,972
Net Block		15,88,55,050		10,25,22,341
Capital Work In Progress		-		1,00,47,480
			15,88,55,050	11,25,69,821
Deferred Tax Assets			13,80,000	43,70,000
Current Assets, Loans & Advances				
Inventories	"F"	13,77,68,386		15,38,05,658
Sundry Debtors	"G"	29,79,27,073		32,45,66,257
Cash and Bank Balances	"H"	83,81,923		62,57,254
Others (Interest Income Accrued)		3,56,168		1,78,128
Loans and Advances	"I"	6,76,75,747		10,03,00,403
		51,21,09,297		58,51,07,700
Less : Current Liabilities and Provisions	"J"			
Current Liabilities		11,36,17,388		11,90,53,950
Provisions		4,43,63,835		8,07,59,050
		15,79,81,223		19,98,13,000
Net Current Assets			35,41,28,074	38,52,94,700
			51,43,63,124	50,22,34,521
Notes On Accounts	"R"			

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants

Uday J. Shah
(Partner)
Place: Mumbai
Date : 28th May, 2010

For and on behalf of the Board of Directors

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

Place: Mumbai
Date : 28th May, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Rupees	2009-2010 Rupees	2008-2009 Rupees
INCOME :				
Gross Operational Income	"K"	79,70,91,520		1,08,69,04,831
Less: Excise Duty		4,36,45,145		10,54,19,242
Net Operational Income		75,34,46,375		98,14,85,589
Miscellaneous Income	"L"	35,41,743		7,01,080
			75,69,88,118	98,21,86,669
EXPENDITURE :				
Material Cost	"M"	47,75,76,392		63,40,07,661
Manufacturing Expenses	"N"	2,00,80,534		2,66,54,161
Employees Costs	"O"	10,16,73,529		11,08,20,810
Other Expenses	"P"	3,61,30,081		4,46,83,511
Interest & Financial Charges	"Q"	54,56,868		81,95,458
			64,09,17,404	82,43,61,601
PROFIT BEFORE DEPRECIATION AND TAX:			11,60,70,714	15,78,25,068
Less: Depreciation			1,56,39,694	1,72,35,086
Profit Before Taxes:			10,04,31,020	14,05,89,982
Less: Provision for Taxation:				
Current		1,97,00,000		4,42,00,000
Deferred		29,90,000		5,88,575
Fringe Benefit Tax		—		13,25,000
			2,26,90,000	
Profit After Taxes:			7,77,41,020	9,44,76,407
Excess/(Short) Provision of Taxation for Earlier Years			(4,49,768)	62,386
Adjustments in Respect of Earlier Years (Net)			(1,84,974)	3,87,911
Surplus of Previous Year			49,77,590	42,84,936
Balance available for appropriation			8,20,83,868	9,92,11,640
Appropriations:				
Transferred to General Reserve			5,20,00,000	5,90,00,000
Proposed Dividend			2,10,81,102	3,01,15,860
Tax on Dividend			35,82,733	51,18,190
Surplus Carried to Balance Sheet			54,20,033	49,77,590
			8,20,83,868	9,92,11,640
Basic & diluted earning per share of face value of Rs. 2/- each. (Refer Note No.14 of Schedule "R")			5.16	6.27
Notes on Accounts	"R"			

As per our report attached

For and on behalf of the Board of Directors

For **KHANDWALA & SHAH**
Chartered Accountants**S. K. NEVATIA**, Chairman & Managing Director
JAYANT H. SHAH, Director
V. K. BHARTIA, Director**Uday J. Shah**
(Partner)
Place: Mumbai
Date : 28th May, 2010Place: Mumbai
Date : 28th May, 2010

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended March 31, 2010 Rupees	Year Ended March 31, 2009 Rupees
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax & Extraordinary Items	10,04,31,020	14,05,89,982
Adjusted for		
Depreciation	1,56,39,694	1,72,35,086
Investment Income	(9,92,406)	(4,74,628)
Interest Charged	54,56,868	81,95,458
Operating Profit Before Working Capital Changes	12,05,35,176	16,55,45,898
Changes In		
Trade & Other Receivable	3,29,77,477	3,28,232
Inventories	1,60,37,272	(90,45,934)
Trade Payables	(61,02,084)	(3,23,54,909)
	4,29,12,665	(4,10,72,611)
Cash Generated From Operations	16,34,47,841	12,44,73,287
Interest Paid	(47,91,346)	(76,72,596)
Direct Taxes Paid	(1,92,38,637)	(5,00,36,645)
Cash Flow Before Extraordinary Items	13,94,17,858	6,67,64,046
Extraordinary Items	(6,34,742)	25,38,722
NET CASH FROM OPERATING ACTIVITIES	13,87,83,116	6,93,02,768
B. Cash Flow from Investing Activities		
Purchases of Fixed Assets	(6,23,37,112)	(1,03,76,602)
Sale/Disposal of Fixed Assets	5,21,905	14,64,262
Interest Received	7,04,650	4,76,865
NET CASH USED IN INVESTING ACTIVITIES	(6,11,10,557)	(84,35,475)
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	(4,03,13,840)	(4,40,74,473)
Dividend Paid	(3,01,15,860)	(1,50,57,930)
Tax on Distributed Profit	(51,18,190)	(25,59,095)
NET CASH USED IN FINANCING ACTIVITIES	(7,55,47,890)	(6,16,91,498)
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	21,24,669	(8,24,205)
CASH & CASH EQUIVALENTS-OPENING BALANCE	62,57,254	70,81,459
CASH & CASH EQUIVALENTS-CLOSING BALANCE	83,81,923	62,57,254

As per our report attached

For **KHANDWALA & SHAH**
Chartered Accountants

Uday J. Shah
(Partner)
Place: Mumbai
Date : 28th May, 2010

For and on behalf of the Board of Directors

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

Place: Mumbai
Date : 28th May, 2010

SCHEDULES 'A' TO 'R' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE:

SCHEDULE 'A'

	31.03.2010	31.03.2009
	Rs.	Rs.
SHARE CAPITAL :		
AUTHORISED:		
5,00,00,000 Equity Shares of Rs.2/- each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
1,50,57,930 Equity Shares of Rs.2/- each Issued and subscribed	3,01,15,860	3,01,15,860
	3,01,15,860	3,01,15,860

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

(I)	50,000	Equity Shares for goodwill.
(II)	4,00,000	Equity Shares for imported Machinery.
(III)	64,000	Equity Shares to shareholders of erstwhile Supreme Powertronics Private Limited pursuant to the scheme of amalgamation.
(IV)	24,77,655	Equity Shares as Bonus Shares by way of capitalisation of General Reserve during the financial year 1995-1996.
(V)	25,09,655	Equity Shares as Bonus Shares by way of capitalisation of Capital Reserve, Share Premium and General Reserve during the financial year 2005-2006.
(VI)	75,28,965	Equity Shares as Bonus Shares by way of Capitalisation of General Reserve during the financial year 2008-2009.

SCHEDULE 'B'

	31.03.2010	31.03.2009
	Rs.	Rs.
Reserves and Surplus:		
A. General Reserve		
As Per Last Account	39,02,56,574	34,63,14,504
Less: Capitalised By Issue of Fully Paid Bonus Shares	-	1,50,57,930
	39,02,56,574	33,12,56,574
Add: Transferred From Profit & Loss Account	5,20,00,000	5,90,00,000
	44,22,56,574	39,02,56,574
B. Surplus In Profit & Loss Account		
Transferred From Profit & Loss Account	54,20,033	49,77,590
	54,20,033	49,77,590
	44,76,76,607	39,52,34,164

SCHEDULE 'C'

	31.03.2010	31.03.2009
	Rs.	Rs.
SECURED LOANS:		
1. Cash Credits		
I. The Bank of Rajasthan Limited (Refer Note 1)	69,01,611	2,34,87,119
II. Union Bank of India (Refer Note 1)	89,25,046	3,18,06,661
2. Loan For Vehicles		
I. Citicorp Maruti Finance Ltd. (Refer Note 2)	–	13,326
II. ICICI Bank Ltd. (Refer Note 3)	–	45,391
	1,58,26,657	5,53,52,497

NOTES :

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

SCHEDULE 'D'

	31.03.2010	31.03.2009
	Rs.	Rs.
UNSECURED LOANS:		
Fixed Deposit	2,07,44,000	2,15,32,000
	2,07,44,000	2,15,32,000

SCHEDULE 'E'

FIXED ASSETS

	Gross Block			Depreciation				Net Block		
	As On 01.04.2009	Since Added	Deduction/ Adjusted	As On 31-03-2010	As on 01.04.2009	For the Year	Recouped Sold or Adjusted	Total as on 31.03.2010	As On 31-03-2010	As On 31-03-2009
										(Rupees)
Leasehold Land & Road	43,26,382	–	–	43,26,382	9,80,900	1,17,877	–	10,98,777	32,27,605	33,45,482
Land & Road	1,93,39,758	–	–	1,93,39,758	4,63,048	1,36,805	–	5,99,853	1,87,39,905	1,88,76,710
Buildings	2,45,20,228	2,53,87,407	–	4,99,07,635	79,99,208	10,95,008	–	90,94,216	4,08,13,419	1,65,21,020
Plant & Machinery	6,21,19,243	3,57,34,703	–	9,78,53,946	3,02,41,312	58,28,896	–	3,60,70,208	6,17,83,738	3,18,77,931
Motor Cars & Vehicles	1,30,34,056	22,11,292	19,24,504	1,33,20,844	70,18,863	19,67,931	15,76,761	74,10,033	59,10,811	60,15,193
Furniture & Fixtures	2,80,41,559	4,12,539	1,45,528	2,83,08,570	1,66,39,234	19,17,986	81,082	1,84,76,138	98,32,432	1,14,02,325
Computers	1,42,68,210	7,06,710	–	1,49,74,920	1,04,30,274	16,69,277	–	1,20,99,551	28,75,369	38,37,936
Technical Knowhow & Licence Fees	2,39,78,877	79,31,941	–	3,19,10,818	1,33,33,133	29,05,914	–	1,62,39,047	1,56,71,771	1,06,45,744
	18,96,28,313	7,23,84,592	20,70,032	25,99,42,873	8,71,05,972	1,56,39,694	16,57,843	10,10,87,823	15,88,55,050	10,25,22,341
Capital Work in Progress	1,00,47,480	4,38,11,868	5,38,59,348	–	–	–	–	–	–	1,00,47,480
Total:	19,96,75,793	11,61,96,460	5,59,29,380	25,99,42,873	8,71,05,972	1,56,39,694	16,57,843	10,10,87,823	15,88,55,050	11,25,69,821
Previous Year	19,18,44,876	3,72,25,644	2,93,94,727	19,96,75,793	7,08,90,586	1,72,35,086	10,19,700	8,71,05,972	11,25,69,821	

SCHEDULE 'F'**31.03.2010****31.03.2009****Rs.****Rs.****INVENTORIES:**

(As taken, valued & certified by the Management)

Stores, Spares, Tools and Instruments	33,48,094	30,27,197
Raw Materials	10,22,06,937	10,37,13,174
Work In Progress	2,30,27,331	3,49,43,514
Finished Goods	77,81,311	1,05,84,990
Trading Goods	13,81,443	13,81,092
Scrap	23,270	1,55,691
	13,77,68,386	15,38,05,658

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

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

Secured	1,00,000	1,69,861
Unsecured	3,28,53,381	2,20,67,055
	3,29,53,381	

Other Debts

Secured	9,34,870	9,31,852
Unsecured	26,40,38,822	30,13,97,489
	26,49,73,692	
	29,79,27,073	32,45,66,257

SCHEDULE 'H'**CASH AND BANK BALANCES:**

Cash In Hand	5,91,203	5,69,171
Bank Balances With Scheduled Banks		
In Current Account	27,25,081	19,47,444
In Margin Account	45,65,639	29,65,639
In Fixed Deposit Account	5,00,000	7,75,000
	83,81,923	62,57,254

SCHEDULE 'I'

LOANS AND ADVANCES:

(Unsecured And Considered Good)

	31.03.2010	31.03.2009
	Rs.	Rs.
Advances to Staff (*)	4,48,768	4,36,092
Advances for Goods, Services, Capital Expenditure & Others	4,04,85,800	4,77,63,962
Sundry Advances and Deposits	70,33,506	61,06,313
Advance Payment of tax	1,97,07,673	4,59,94,036
	6,76,75,747	10,03,00,403

(*) The maximum amount due from an officer of the Company at any time during the year was Rs. 80,212/- (Previous Year Rs. 2,30,000/-)

SCHEDULE 'J'

CURRENT LIABILITIES AND PROVISIONS:

CURRENT LIABILITIES

Sundry Creditors (Refer Note No. 11 of Schedule "R")	9,42,99,458	10,46,28,310
Advance from Customers	1,57,51,773	1,19,56,738
Unclaimed Dividend	14,20,088	9,88,355
Interest accrued but not due	21,46,069	14,80,547
	11,36,17,388	11,90,53,950

PROVISIONS

Provision for Taxation - Current	1,97,00,000	4,42,00,000
Provision for Fringe Benefit Tax	-	13,25,000
Proposed Dividend	2,10,81,102	3,01,15,860
Corporate Dividend Tax	35,82,733	51,18,190
	4,43,63,835	8,07,59,050

SCHEDULE 'K'

NET OPERATIONAL INCOME:

Gross Sales	75,14,58,939	1,04,70,39,966
Less: Excise Duty	4,27,56,052	10,38,85,389
Net Sales	70,87,02,887	94,31,54,577
Gross Equipments Reconditioning, Repairing & Servicing Income	4,56,32,581	3,98,64,865
Less: Excise Duty	8,89,093	15,33,853
Net Equipments Reconditioning, Repairing & Servicing Income	4,47,43,488	3,83,31,012
	75,34,46,375	98,14,85,589

SCHEDULE 'L'

MISCELLANEOUS INCOME:

	2009-2010 Rs.	2008-2009 Rs.
Interest Income(*)	8,82,690	5,36,351
Exchange Fluctuation	17,18,431	—
Miscellaneous Receipts	1,78,490	—
Credit Balance Written Back	6,52,416	1,64,729
Profit on Sale of Assets	1,09,716	—
	35,41,743	7,01,080

(*) Tax Deducted at Source Rs. 94,331/- (Previous Year Rs. 1,01,894/-)

SCHEDULE 'M'

MATERIAL COST:

A) Raw Material Consumed

Opening Stock	10,37,13,174	8,88,69,205
Add: Purchases	41,54,72,356	60,14,50,009
	51,91,85,530	69,03,19,214
Less: Closing Stock	10,22,06,937	10,37,13,174
	41,69,78,593	58,66,06,040

B) Purchase of Trading Goods

3,06,67,654 1,93,31,084

C) Conversion & Processing Charges

1,60,94,561 2,25,87,108

D) (Increase)/Decrease In Stock

Closing Stock:

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

Opening Stock:

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

(Increase)/Decrease

1,47,19,511 57,96,045

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

(8,83,927) (3,12,616)

47,75,76,392 **63,40,07,661**

SCHEDULE 'N'

MANUFACTURING EXPENSES:

Consumable Stores, Tools and Instruments	25,24,633	31,57,386
Royalty	4,71,770	22,69,878
Electricity, Water and Fuel Charges	97,70,631	97,33,713
Packing	40,00,082	46,21,068
Repairs		
To Machinery	6,43,812	9,55,522
To Building	15,22,735	45,00,934
To Other Assets	10,45,761	12,39,252
Repairing And Servicing Expenses	1,01,110	1,76,408
	2,00,80,534	2,66,54,161

Hirect

SCHEDULE 'O'

	<u>2009-2010</u>	<u>2008-2009</u>
	<u>Rs.</u>	<u>Rs.</u>
EMPLOYEES COSTS:		
Salaries, Wages, Gratuity and Bonus, Etc.	8,56,84,668	9,39,34,215
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	79,47,515	84,29,394
Staff and Labour Welfare	80,41,346	84,57,201
	10,16,73,529	11,08,20,810

SCHEDULE 'P'

OTHER EXPENSES:

Rent	24,93,156	24,10,180
Rates & Taxes	6,06,668	2,89,436
Insurance	5,68,099	6,65,754
Water & Electricity Charges	2,80,130	2,17,290
Travelling, Conveyance and Vehicle Expenses	1,12,18,762	1,21,81,528
Director's Travelling, Conveyance & Sitting Fees	3,45,484	5,62,120
Printing & Stationery	17,26,045	23,18,709
Postage, Telegram, Telephone and Telex	34,67,673	37,57,519
Advertisement and Publicity	8,29,348	25,49,128
Liquidated Damages	8,79,469	11,76,306
Commission	10,92,978	7,78,384
Legal And Professional Charges	26,30,997	27,08,741
Payment To Auditors	2,82,610	2,70,882
Transit Insurance & Freight	44,71,403	54,44,218
Bad Debts	8,00,426	5,55,255
Miscellaneous Expenses	44,36,833	87,98,061
	3,61,30,081	4,46,83,511

SCHEDULE 'Q'

INTEREST AND OTHER FINANCIAL CHARGES:

Interest on Bank Borrowings	9,42,234	30,58,137
Interest on Deposits and Loans	22,62,683	22,85,278
Other Interest	32,573	82,385
Bank Charges	21,98,567	27,54,703
Brokerage on Fixed Deposits & Loans	20,811	14,955
	54,56,868	81,95,458

SCHEDULE 'R'**NOTES ON THE ACCOUNTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2010****1. Significant Accounting Policies :****a) Accounting Convention**

The Company adopts the accrual concepts in preparation of accounts.

b) Fixed Assets and Depreciation/Amortization

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

c) Valuation of Inventories

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

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

d) Foreign Currency Transactions

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

e) Sales

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

f) Other Income

Interest income is accounted on accrual basis.

g) Research and Development

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

h) Employee Benefits

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

2. Managerial Remuneration :

a. Computation of Managing Director's Commission:

	2009-2010 Rs.	2008-2009 Rs.
Profit before tax	10,04,31,020	14,05,89,982
Add: Managing Director's Remuneration (including Perquisites)	53,55,766	74,80,907
Executive Vice Chairperson's Remuneration (including Perquisites)	12,74,383	12,65,525
Director's Fees	1,67,500	2,20,000
	10,72,28,669	14,95,56,414
Less: Profit/(Loss) on sale of assets	1,09,716	(61,723)
Profit on which commission is payable	10,71,18,953	14,96,18,137

b. Directors remuneration under section 198 of the Companies Act, 1956 :

Salary	32,40,000	32,40,000
Commission (*)	1,37,166	-
Benefits & Perks :		
Accommodation (**)	6,00,000	6,00,000
Others	9,90,831	13,41,734
Contribution towards Provident Fund, Superannuation and Provisions for Gratuity	16,62,152	35,64,698
	66,30,149	87,46,432

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

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

3. Estimated amount of contract remaining to be executed on account of Technical Know-How not provided for Rs.1,46,78,400/- (Previous Year Rs.1,59,88,800/-) and on account of Capital Expenditure Rs. 2,00,000/- (Previous Year Rs.76,61,972/-)

4. Contingent Liabilities in respect of the following :

	31.03.2010 Rs.	31.03.2009 Rs.
i) Letters of credit opened by the bankers of the Company in favour of third parties	81,80,222	69,28,850
ii) Guarantee given by the banks to the third parties on behalf of the Company	6,38,81,068	4,63,59,896
iii) Claims of Excise disputed by the Company	14,77,875	14,77,875
iv) Claims of ESIC disputed by the Company	14,72,936	14,72,936
v) Debts not acknowledged by the Company	-	72,034
vi) Non-performance of Export obligation	4,95,712	4,95,712

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

	31.03.2010	31.03.2009
	Rs.	Rs.
As Auditors	1,70,000	1,70,000
For Tax Audit	40,000	40,000
For Certification etc.	52,000	42,500
For Out of Pocket Expenses	20,610	18,382
	2,82,610	2,70,882

6. Employee Benefits:

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

Defined Contribution Plan:

	2009-2010	2008-2009
	Rs.	Rs.
Contribution for Defined Contribution Plan, recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	32,23,750	32,40,345
Employer's Contribution to Superannuation Fund	19,50,105	22,25,748
Employer's Contribution to Pension Fund	18,79,194	20,12,379

Defined Benefit Plan:

	Gratuity		Leave Encashment	
	2009-2010	2008-2009	2009-2010	2008-2009
	Rs.	Rs.	Rs.	Rs.
i) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit of obligation at beginning of the year				
Funded	3,63,36,467	3,45,00,000	-	-
Non-Funded	55,70,239	27,45,673	48,46,540	56,02,430
	4,19,06,706	3,72,45,673	48,46,540	56,02,430
Current Service Cost				
Funded	17,56,755	6,89,497	-	-
Non-Funded	9,24,951	27,83,346	31,54,594	28,83,936
	26,81,706	34,72,843	31,54,594	28,83,936
Interest Cost				
Funded	29,06,917	27,60,000	-	-
Non-Funded	85,807	73,701	3,44,935	3,95,432
	29,92,724	28,33,701	3,44,935	3,95,432
Actuarial (gain) / loss				
Funded	26,87,934	62,18,048	-	-
Non-Funded	4,46,676	836	(6,21,269)	(14,99,638)
	31,34,610	62,18,884	(6,21,269)	(14,99,638)
Benefits paid				
Funded	52,85,315	78,31,078	-	-
Non-Funded	-	33,317	23,59,984	25,35,620
	52,85,315	78,64,395	23,59,984	25,35,620
Defined Benefit obligation at year end				
Funded	3,84,02,758	3,63,36,467	-	-
Non-Funded	70,27,673	55,70,239	53,64,816	48,46,540
	4,54,30,431	4,19,06,706	53,64,816	48,46,540

		Gratuity		Leave Encashment	
		2009-2010	2008-2009	2009-2010	2008-2009
		Rs.	Rs.	Rs.	Rs.
ii)	Reconciliation of opening and closing balances of fair value of plan assets (Funded)				
	Fair value of plan assets at beginning of the year	3,43,68,267	2,71,36,162	-	-
	Expected return on plan assets	31,89,031	31,72,224	-	-
	Actuarial (gain) / loss	(3,27,464)	-	-	-
	Employer contribution	74,16,135	1,18,90,959	-	-
	Benefits paid	52,85,315	78,31,078	-	-
	Fair value of plan assets at year end	4,00,15,582	3,43,68,267	-	-
	Actual return on plan assets	35,16,495	31,72,224	-	-
iii)	Expense recognised during the year				
	Current Service Cost				
	Funded	17,56,755	6,89,497	-	-
	Non-Funded	9,24,951	27,83,346	31,54,594	28,83,936
		26,81,706	34,72,843	31,54,594	28,83,936
	Interest Cost				
	Funded	29,06,917	27,60,000	-	-
	Non-Funded	85,807	73,701	3,44,935	3,95,432
		29,92,724	28,33,701	3,44,935	3,95,432
	Expected return on plan assets				
	Funded	31,89,031	31,72,224	-	-
	Non-Funded	-	-	-	-
		31,89,031	31,72,224	-	-
	Actuarial (gain) / loss				
	Funded	23,60,470	62,18,048	-	-
	Non-Funded	4,46,676	836	(6,21,269)	(14,99,638)
		28,07,146	62,18,884	(6,21,269)	(14,99,638)
	Net Cost				
	Funded	38,35,111	64,95,321	-	-
	Non-Funded	14,57,434	28,57,883	28,78,260	17,79,730
		52,92,545	93,53,204	28,78,260	17,79,730
iv)	Reconciliation of fair value of assets and obligations	As at 31st March	As at 31st March		
		2010	2009	2010	2009
		Rs.	Rs.	Rs.	Rs.
	Fair value of plan assets				
	Funded	4,00,15,582	3,43,68,267	-	-
	Non-Funded	-	-	-	-
		4,00,15,582	3,43,68,267	-	-
	Present value of obligation				
	Funded	3,84,02,758	3,63,36,467	-	-
	Non-Funded	70,27,673	55,70,239	53,64,816	48,46,540
		4,54,30,431	4,19,06,706	53,64,816	48,46,540
	Amount recognised in Balance Sheet				
	Funded	(16,12,824)	19,68,200	-	-
	Non-Funded	70,27,673	55,70,239	53,64,816	48,46,540
		54,14,849	75,38,439	53,64,816	48,46,540
v)	Investment Details	Insurer Managed Funds		N.A.	

vi)	Actuarial assumptions	2009-2010	2008-2009	2009-2010	2008-2009
	Mortality Table (LIC)	1994-1996	1994-1996	1994-1996	1994-1996
		(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
	Discount rate (per annum)	8%	8%	8%	8%
	Expected rate of return on plan assets (per annum)	9%	8%	-	-
	Rate of escalation in salary (per annum)				
	Funded	6%	4%	-	-
	Non-Funded	6%	4%	6%	4%

7. Sundry debtors over six months comprise Rs. 276.86 lacs (Previous year Rs.156.59 lacs) due from Government concerns and Rs. 52.68 lacs (Previous year Rs. 65.78 lacs) due from commercial parties.
8. In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and all provisions for liabilities are adequate and not in excess of the amount considered necessary.
9. In the opinion of the Management, no provision is required against contingent liabilities referred in Note No. 4 of this schedule.
10. Balances of debtors and creditors are subject to confirmation.
11. Based on the information available with the Company there are no overdue amount payable to suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006.
12. The recurring expenditure of Rs. 39.45 lacs (Previous year Rs. 48.58 lacs) spent in respect of Research and Development during the year have been debited to respective expense account.
13. At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. However, in the opinion of the management, there is no impairment of assets as on the balance sheet date.

14. Earnings per Share :	2009-2010	2008-2009
	Rs.	Rs.
Profit after taxation as per Profit & Loss Account	7,77,41,020	9,44,76,407
Weighted average number of equity shares outstanding	1,50,57,930	1,50,57,930
Basic and diluted earnings per share	5.16	6 .27

15. Segment Information :

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

Primary Segment Information :

(Rupees in Lacs)

	PARTICULARS	ACCOUNTING YEAR ENDED ON 31.03.2010	ACCOUNTING YEAR ENDED ON 31.03.2009
A.	Segment Revenue		
	Electronic Components	1,947.68	1,903.05
	Equipments	6,167.70	8,398.42
	Total	8,115.38	10,301.47
	Less : Inter-Segment Revenue	580.92	486.61
	Net Sales/ Income from Operations	7,534.46	9,814.86
B.	Segment Results - Profit/(Loss)		
	Electronic Components	279.27	266.07
	Equipments	1,026.66	1,549.06
	Total	1,305.93	1,815.13
	Less : Interest & Financial Charges	54.57	81.95
	Other Unallocable Expenditure (Net of unallocable Income)	247.05	327.28
	Profit Before Tax	1,004.31	1,405.90
C.	Capital Employed		
	Electronic Components	678.14	596.21
	Equipments	3,347.94	3,092.54

16. Taxation :

The Company has recognised Deferred Tax Assets / (Liabilities) which result from the timing difference between the Book Profits and Taxable Income for the year 2009-2010, the details of which are as under:

	Balance as at 31 st March, 2009	For the year ended 31 st March, 2010	(Rs. in lacs) Balance Carried as at 31 st March, 2010
Deferred Tax Liability			
On account of timing difference in			
a) Depreciation	10.18	22.66	32.84
Deferred Tax Assets			
On account of timing difference in			
a) Leave Liability	16.47	1.76	18.23
b) Gratuity	18.94	4.95	23.89
c) Voluntary Retirement Compensation	3.36	(1.12)	2.24
d) Others	15.11	(12.83)	2.28
Total :	53.88	(7.24)	46.64
Net Deferred Tax Asset / (Liabilities)	43.70	(29.90)	13.80

17. Related Party Disclosure Under Accounting Standard - 18 :

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

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

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

II) Transactions during the year with related parties :

Sr. No.	Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	(Rs. in Lacs) Total
i.	Unsecured Loans :			
	Fixed deposits			
	Balance as at 1st April, 2009	18.64	8.75	27.39
		(18.64)	(11.75)	(30.39)
	Taken during the year	-	-	-
		-	-	-
	Repaid during the year	-	-	-
		-	(3.00)	(3.00)
	Balance as at 31st March, 2010	18.64	8.75	27.39
		(18.64)	(8.75)	(27.39)
ii.	Expenditure			
	Interest paid	2.24	1.12	3.36
		(2.03)	(1.25)	(3.28)
	Remuneration	66.30	8.28	74.58
		(87.46)	(7.29)	(94.75)
	Directors Sitting Fees	-	0.10	0.10
		-	(0.15)	(0.15)
	Rent	-	6.00	6.00
		-	(6.00)	(6.00)

Note: Figures in bracket represent previous year's amount

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

I. MANUFACTURING ACTIVITIES

A. Installed capacity, production and stock :

Class of goods	Unit	Installed Capacity	2009-2010 Production	Stock as on 31.03.2010	2008-2009 Production	Stock as on 31.03.2009
Rectifier Stacks & Apparatus	Nos	239850	2193	175	9827	4
Discrete Semi Conductor Devices	Nos	310000	313081	470	310939	710
Silicon Rectifier Apparatus	KWs	720000	120745	5614	225125	1020
Convertor & Invertor Equipments	Nos	22000	312	4	222	1

B. Sales :

	Unit	2009-2010		2008-2009	
		Quantity	Rupees	Quantity	Rupees
Rectifier Stacks & Apparatus	Nos	2022	9,26,88,930	9862	25,86,31,338
Discrete Semi conductor Devices	Nos	313321	8,21,81,862	310884	9,56,46,134
Silicon Rectifier Apparatus	KWs	116151	24,50,26,757	224597	39,31,72,851
Convertor & Invertor Equipments	Nos	309	20,14,87,999	223	12,09,45,507
Others	—	—	4,73,73,955	—	4,96,21,718
			66,87,59,503		91,80,17,548

C. Raw Materials consumed (*) :

	Unit	2009-2010		2008-2009	
		Quantity	Rs. (lacs)	Quantity	Rs. (lacs)
Non-ferrous Metals	Tonnes	205.672	655.44	287.617	909.74
CRGO Lamination	Tonnes	153.041	299.09	309.611	645.59
Electrical accessories & Semi Conductor Components	Nos	5430971	2,876.75	5648502	3,900.33
Other materials	—	—	338.51	—	410.40
			4,169.79		5,866.06

(*) Raw materials consumed :

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

II) TRADING ACTIVITIES

A. Sales :

	Unit	2009-2010		2008-2009	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches (*)	Nos	2736	21,40,297	4363	36,76,099
Semiconductor Devices (**)	Nos	51190	2,39,39,261	300	1,05,500
Capacitors (***)	Nos	19419	95,84,034	18696	2,12,59,482
Others (****)	—	—	56,81,566	---	10,53,502
			4,13,45,158		2,60,94,583

Includes transfer to manufacturing :

(*) 697 Nos. of Rs.4,65,567/- (Previous year 1759 Nos. Rs. 5,45,474/-)

(**) 2597 Nos. of Rs.6,20,243/- (Previous year 100 Nos. Rs. 33,500/-)

(***) 584 Nos. of Rs.3,12,031/- (Previous year 1752 Nos. Rs. 3,78,580/-)

(****) Rs.3,933/- (Previous year Rs. NIL)

B. Purchases :

	Unit	2009-2010		2008-2009	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches (*)	Nos	2409	11,15,677	4321	26,84,641
Semiconductor Devices (**)	Nos	49000	1,98,29,366	—	—
Capacitors (***)	Nos	23559	72,77,912	18256	1,68,20,579
Others (****)	—	—	38,12,392	—	7,69,953
			3,20,35,347		2,02,75,173

Includes purchases for manufacturing :

(*) 697 Nos. of Rs. 4,52,180/- (Previous year 1759 Nos. Rs. 4,97,081/-)

(**) 2597 Nos. of Rs. 6,47,751/- (Previous year 100 Nos. Rs. 35,500/-)

(***) 584 Nos. of Rs. 2,67,762/- (Previous year 1752 Nos. Rs. 4,11,508/-)

(****) Rs. NIL (Previous year Rs. NIL)

C. Stock :

	Unit	2009-2010		2008-2009	
		Quantity	Rupees	Quantity	Rupees
Fuses & Microswitches	Nos	261	3,28,979	588	7,18,584
Semiconductor Devices	Nos	292	1,04,325	2482	5,37,231
Capacitors	Nos	4266	4,59,551	126	1,25,277
Others	—	—	4,88,588	—	—
			13,81,443		13,81,092

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

	31.03.2010		31.03.2009	
	% of total Consumption	Rs. (lacs) at landed cost	% of total Consumption	Rs. (lacs) at landed cost
Imported	27.73	1,156.21	27.64	1,621.12
Indigenous	72.27	3,013.58	72.36	4,244.94
	100.00	4,169.79	100.00	5,866.06

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

	2009-2010	2008-2009
	Rs. (lacs)	Rs. (lacs)
Raw materials & components etc.	1,299.52	1,548.12
Plant & Machinery	41.08	—

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

i) Travelling Expenses	0.10	2.65
ii) Royalty	10.33	17.39
iii) Others	0.25	0.19

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

68.93	34.56
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23. Dividend paid abroad :

i) Remittance of foreign exchange on account of dividend	24.00	24.00
ii) Number of non-resident shareholders	1	1
iii) Number of shares on which remittance was made	240000	240000
iv) Year for which the dividend was remitted	2008-2009	2007-2008

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

25. Balance Sheet Abstract And Company's General Business Profile:

I	Registration Details		
	Registration No.	11077	State Code 11
	Balance Sheet Date	31032010	
		DateMonthYear	
II	Capital Raised during the year (Amount in Rs. Thousands)		
	Public	NIL	Rights Issue NIL
	Bonus Issue	NIL	Private Placement NIL
III	Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)		
	Total Liabilities	514363	Total Assets 514363
	Sources of Funds		
	Paid-Up Capital	30116	Reserves & Surplus 447677
	Secured Loans	15827	Unsecured Loans 20744
	Application of Funds		
	Net Fixed Assets	158855	Investments NIL
	Net Current Assets	354128	Deferred Income Tax 1380
	Accumulated Losses	NIL	Misc. Expenditure NIL
IV	Performance of Company (Amount in Rs. Thousands)		
	Turnover (Sales & Other Income)	756988	Total Expenditure 656557
	Profit/(Loss) Before Tax	100431	Profit/(Loss) After Tax 77741
	Earning Per Share In Rs.	5.16	Dividend % 70
V	Generic Names of Three Principal Product/Services of Company		
	Item Code No (ITC Code)	85049000	
	Product Description	Rectifier Stacks & Apparatus	
	Item Code No.(ITC Code)	85415000	
	Product Description	Discrete Semiconductor Devices	
	Item Code No. (ITC Code)	85044000	
	Product Description	Silicon Rectifier Apparatus	

As per our report attached
For **KHANDWALA & SHAH**
Chartered Accountants

Uday J. Shah
(Partner)
Place: Mumbai
Date : 28th May, 2010

For and on behalf of the board of Directors
S. K. NEVATIA, Chairman & Managing Director
JAYANT H. SHAH, Director
V. K. BHARTIA, Director

Place: Mumbai
Date : 28th May, 2010

Hirect

Notes

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HIND RECTIFIERS LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the FIFTY SECOND ANNUAL GENERAL MEETING held at Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400 021 (India) on 12th August, 2010, at 3.30 p.m.

Folio/DPID No. _____ Name of the Shareholder (in Block Letters) _____
_____ Name of the Proxy (in Block Letters) (To be filled in if the proxy attends instead of the member)
SIGNATURE OF THE SHAREHOLDER OR PROXY _____

----- CUT HERE -----

HIND RECTIFIERS LIMITED

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

PROXY FORM

I/We _____ of _____
being Member/s of Hind Rectifiers Ltd. hereby appoint _____
of _____ or failing him _____
of _____ or failing him _____
of _____ as my/our proxy to attend and vote for me/us and on my/our
behalf at the FIFTY SECOND ANNUAL GENERAL MEETING of the said Company to be held at 3.30 p.m. on
12th August, 2010 and at any adjournment thereof.

Signature this _____ day of _____ 2010

Affix
Revenue
Stamp

Signature (s) of the Shareholder(s)

- N.S.:** (i) THIS FORM MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTYEIGHT HOURS BEFORE THE TIME OF THE MEETING.
(ii) A PROXY NEED NOT BE A MEMBER



5400 KVA Loco Transformer Winding Assembly



Hind Rectifiers Limited, Dehradun Plant