HIND RECTIFIERS LIMITED

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

Ref. No. HIRECT/SEC/89

10th August, 2017

The General Manager
Corporate Relations Department
BSE Ltd.
1st Floor, New Trading Ring
Phiroz Jeejeebhoy Towers
Dalal Street Mumbai 400 001

The General Manager
Listing Department
The National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block 'G'
Bandra Kurla Complex
Bandra (East) Mumbai 400 051

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

Sub: **Intimation for the Annual General Meeting of the Company**

Dear Sir(s),

This is to inform you that the 59th Annual General Meeting of the Members of the Company will be held on **Friday the 8th day of September, 2017** at **03.30 p.m.** at **Kamalnayan Bajaj Hall & Art Gallary, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400021, Maharashtra.**

The dates of closure of Register of Members and Share Transfer Books will be from Tuesday the 29th day of August, 2017 to Friday the 8th day of September, 2016 (both days inclusive) for the purpose of Annual General Meeting.

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

Thanking you,

Yours faithfully,
For Hind Rectifiers Limited
Meenakshi Anchlia

Meenakshi Anchlia
(Compliance Officer)

HIND RECTIFIERS LTD. MUMBAI-78 HIRECT

Encl: As above

HIND RECTIFIERS LIMITED

Lake Road, Bhandup (W), Mumbai - 400078
Tel.: +91 22 25696789 Fax: +91 22 25964114 Website: www.hirect.com
E-mail: investors@hirect.com CIN: L28900MH1958PLC011077

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 59th Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Friday the 8th September, 2017 at 3:30 p.m. at Kamalnayan Bajaj Hall & Art Gallary, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400021 Maharashtra to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2017, along with the Reports of the Board of Directors' and Auditors' thereon.

2. To appoint a Director in place of Shri Pawan Golyan (DIN: 00356807), who retires from office by rotation and being eligible offers himself for re-appointment.

3. **APPOINTMENT OF STATUTORY AUDITORS**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s Ravi A. Shah & Associates, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number 125079W be and are hereby appointed as Statutory Auditors of the Company for a term of five years commencing from the Company's financial year ending March 31, 2018 to hold office from the conclusion of the 59th Annual General Meeting of the Company till the conclusion of the 64th Annual General Meeting (subject to ratification of their appointment by the Members at every Annual General Meeting held after this Annual General Meeting) on such remuneration plus applicable tax, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution."

4. **APPOINTMENT OF BRANCH AUDITORS FOR NASHIK PLANT**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, M/s Ratan Chandak & Co., Chartered Accountants, having Firm Registration Number 108696W be and are hereby appointed as Branch Auditors for the Company's Nashik Plant to hold office from the conclusion of this meeting till the conclusion of the 64th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every Annual General Meeting) for auditing the accounts of the said Plant of the Company at such remuneration as may be determined by the Board of Directors of the Company."

5. **APPOINTMENT OF BRANCH AUDITORS FOR DEHRADUN PLANT**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, M/s Ronak Gada & Associates, Chartered Accountants, having Firm Registration Number 133987W be and are hereby appointed as Branch Auditors for the Company's Dehradun Plant to hold office from the conclusion of this meeting till the conclusion of the 64th Annual General Meeting of the Company to be held in the year 2022 (subject to ratification of their appointment at every Annual General Meeting) for auditing the accounts of the said Plant of the Company at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

6. **RATIFICATION OF REMUNERATION TO COST AUDITORS**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration payable to M/s N. Ritesh & Associates, Cost Accountants, having Firm Registration Number 100675, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18, being ₹ 50,000/- (Rupees Fifty Thousand only) plus applicable tax be and is hereby ratified and confirmed."

7. **DETERMINE THE FEES FOR DELIVERY OF ANY DOCUMENT**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of section 20 of Companies Act, 2013 and all other applicable provisions, if any, made therein, the consent of the members is hereby accorded for service / delivery of document(s) to member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their registered address, or by such electronic or other mode as prescribed / may be prescribed under the Act, from time to time."

"RESOLVED FURTHER THAT upon request of member(s) for delivery of any document(s) through a particular mode of delivery, the Company do serve / deliver document(s) to such member(s) through that particular mode and / or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode and that the fees so charged shall be paid by the member to the Company in ten days advance."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **APPOINTMENT OF SMT. AKSHADA NEVATIA AS AN EXECUTIVE DIRECTOR AND APPROVAL OF REMUNERATION**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT Smt. Akshada Nevatia (DIN:05357438), who was appointed as an Additional Director of the Company w.e.f. 15th January, 2017 by the Board of Directors who hold office upto the date of this Annual General Meeting of the Company under section 161(1) of the Companies Act, 2013 but who is eligible for appointment and in respect to whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as Director (Executive Category) of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 196, 197, 198 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to appoint Smt. Akshada Nevatia as an Executive Director for a period of three years w.e.f. 15th January, 2017 upon such remuneration and terms and conditions as set out in the explanatory statement with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in sections 196, 197 & 198 read with Schedule V of the Companies Act, 2013 or any amendment thereto as may be agreed to between the Board of Directors of the Company and Smt. Akshada Nevatia."

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

9. **APPOINTMENT OF SHRI VANDAN SHAH AS A NON-EXECUTIVE DIRECTOR**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT Shri Vandan Shah (DIN: 00759570), who was appointed as an Additional Director of the Company w.e.f. 15th January, 2017 by the Board of Directors who hold office upto the date of this Annual General Meeting of the Company under section 161(1) of the Companies Act, 2013 but who is eligible for appointment and in respect to whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation."

10. **INVITATION AND ACCEPTANCE OF UNSECURED FIXED DEPOSITS FROM THE MEMBERS**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of section 73 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept unsecure fixed deposits from the Members of the Company within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to finalize the scheme for invitation and acceptance of fixed deposits from the Members of the Company and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

11. **RE-CLASSIFICATION OF THE STATUS OF THE EXISTING PROMOTERS OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Regulation 31A and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws, consent of the members of the Company be and is hereby accorded to reclassify the status of the following persons, from whom the Company has received the request for re-classification, from "Promoter and Promoter Group Category" to "Public Category" of the Company:

Niraj Bajaj, Shekhar Bajaj, Madhur Bajaj, Kiran Bajaj, Bharat Swaroop, Nimai Swaroop, Priyanka Chhabria, Jaya Darpan Sanghvi, Mridula Bawari, Veena Sitaram Shah"

"RESOLVED FURTHER THAT the aforesaid persons seeking re-classification of their status along with their relatives do not/shall not at any time:-

i. hold more than 10% of the paid up equity share capital of the Company.

ii. act as a key managerial personnel in the Company.

iii. have any special rights through formal or informal arrangements or under any shareholding agreement with the Company.

iv. directly or indirectly, exercise control over the affairs of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Regulation 31A (7) of the aforesaid regulations, the Company hereby confirms that the aforesaid re-classification of the status of the above persons from the "Promoter and Promoter Group Category" to "Public Category" of the Company shall not be counted towards achieving compliance with the minimum public shareholding requirement under Rule 19A of the Securities Contract Regulations Rules, 1957 and the other provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in

order to give effect to this resolution including filing of necessary forms, returns and documents with the Ministry of Corporate Affairs, Stock Exchanges, SEBI and other concerned authorities, if any."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

NOTES

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

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

1. Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. Members / Proxies holding their shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
5. Members who are holding shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification at the meeting.
6. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
7. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
8. Members / Proxies are requested to bring their copies of the Annual Report to the meeting.
9. The Ministry of Corporate Affairs ('MCA') under "Green Initiative in the Corporate Governance" allowed paperless compliances by the companies. MCA had issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the form and hand over the same along with Attendance Form at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice / documents including Annual Report.
10. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email IDs are registered with the Depository Participants. For members other than above, a physical copy of the Annual Report is being sent in the permitted mode.
11. Brief resume of all Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold Directorships, Memberships / Chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36(3) of SEBI LODR, 2015, are provided in the Annexure.
12. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 29th August, 2017 to Friday the 8th September, 2017 (both days inclusive).

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.

14. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of seven years has to be transferred by the Company to the Investors Education & Protection Fund, constituted by the Central Government under the Companies Act, 2013.

Shares on which dividend remains unclaimed for seven consecutive years will be transfered to the IEPF as per section 124 of the Companies Act, 2013 and applicable rules.

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

Dividend for the year	Date of Declaration of Dividend	Due Date of transfer to the Investor Education and Protection Fund
2009 – 2010	12/08/2010	11/08/2017
2010 – 2011	05/08/2011	04/08/2018
2011 – 2012	07/08/2012	06/08/2019
2012 – 2013	12/08/2013	11/08/2020
2013 – 2014	14/08/2014	13/08/2021

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

17. Members holding shares in physical form are requested to notify immediately any change in their address with PINCODE 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.

ADROIT CORPORATE SERVICES PVT. LTD.
[Unit: Hind Rectifiers Limited]
17-20, Jafferbhoy Ind. Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai 400059,
Tel: +91 22 42270400 Fax: +91 22 28503748
info@adroitcorporate.com
www.adroitcorporate.com

18. (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 Pincode 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.

19. The Statement setting out details relating to the Special Business to be transacted at the Annual General Meeting, pursuant to section 102(1) of the Companies Act, 2013, is annexed hereto.

20. 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.

21. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.

22. Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

23. Pursuant to section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

24. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday, 1st September, 2017 ("Cut-Off Date").

25. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman may offer an opportunity to such members to vote at the Meeting for all business specified in the accompanying notice. Please note that the Members who have exercised their right to vote by electronic means shall not vote at the Meeting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting done at the meeting shall be treated as invalid.

26. The Results of e-voting and voting at the meeting, if any, on resolutions shall be aggregated and declared on or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite numbers of votes in favour of the resolutions.

27. The Equity shares of the Company are listed on the following Stock Exchanges:-

    (a) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001

    (b) National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot no. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051

    Company has made payment of listing fees to the BSE Limited and National Stock Exchange of India Limited for the Financial Year 2017-18.

28. Voting through electronic means Instructions for shareholders voting electronically are as under:

    I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

    II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

    The instructions for shareholders voting electronically are as under

    (i) The voting period begins on Tuesday, 5th September, 2017 at 9:00 am and ends on Thursday 7th September, 2017 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 1st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on "Shareholders Tab".

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

(v) Next enter the Image Verification as displayed and click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

(xi) Click on the EVSN 170714005 for Hind Rectifiers Limited on which you choose to vote.

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

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

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

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians

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

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

(xxi) Shri Mahesh Soni, Partner, M/s GMJ & Associates, Company Secretaries, Mumbai (Certificate of Practice No. 2324) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(xxii) At the AGM, the Chairman shall, at the end of the discussion on the resolutions on which voting is to be held, may allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

(xxiii) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(xiv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company "www.hirect.com" and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

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

Place: Mumbai
Date: 31st July, 2017

Meenakshi Anchlia
Company Secretary

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

Item No. 6

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors, at its meeting held on 26th May 2017, on recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants (FRN:100675), to conduct the audit of the cost records of the Company for FY 2017-18 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable tax.

In terms of provisions of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

The Board accordingly commends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for the approval by the Members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

Item No. 7

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his registered office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Board accordingly commends the Ordinary Resolution set out at Item No. 7 of the accompanying notice, for the approval by the members of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

Item No. 8

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Smt. Akshada Nevatia as an Additional Director for a period of three years with effect from 15th January, 2017. In terms of section 161 (1) of the Companies Act, 2013, read with Article 161 of the Articles of the Association of the Company, Smt. Akshada Nevatia holds office as an Additional Director only upto the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 along with deposit of the requisite amount from a Shareholder, proposing her as an Executive Director. Notice received under section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day upto the date of the Annual General Meeting.

Further, the Board of Directors of the Company recommended remuneration w.e.f. 1st April, 2017, subject to necessary approval of shareholders, on the terms of remuneration mentioned herein below, with powers to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Companies Act, 2013 or any statutory amendment or relaxation thereof:-

1) Basic Salary: Rs. 50,000/- p.m. (Rupees fifty thousand only)

2) Benefits, Perquisites and Allowances:

   i) House Rent Allowance Rs. 25,000/- p.m.

   ii) Special Allowance Rs. 40,000/- p.m.

   iii) Company's contribution to Provident Fund

iv) 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.

v) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.

vi) Gratuity payable at a rate of half month's salary for each completed year of service.

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

The Board accordingly commends the Ordinary Resolution set out at Item No. 8 of the accompanying notice, for the approval by the members of the Company.

Smt. Akshada Nevatia is interested in the resolution as the same is for her own appointment. Shri S. K. Nevatia may be deemed to be interested in the resolution being relative of Smt. Akshada Nevatia. None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution except Smt. Akshada Nevatia and Shri S. K. Nevatia.

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

1. General Information

i. Nature of Industry: The Company is engaged in manufacturing and marketing of Semi Conductor Devices, Power Electronic Products and Loco Transformers.

ii. Date or expected date of Commercial Production: N.A., since the Company has already commenced its business activities.

iii. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

Financial Performance

(₹ in lacs)

Particular	For the year ended		
	F.Y. 2014-15	**F.Y. 2015-16**	**F.Y. 2016-17**
Total Revenue	9,433.91	9,454.75	11,193.78
Profit/(Loss) before exceptional items and taxes	(591.86)	(218.37)	(159.71)
Profit/(Loss) after exceptional items and before tax	(591.86)	(218.37)	(939.04)
Profit/(Loss) after Tax	(357.26)	(150.98)	(681.81)
Paid up Capital	301.16	301.16	301.16
Reserves & Surplus	6,033.61	5,882.63	5200.82
Earnings Per Share	(2.37)	(1.00)	(4.53)

Export Performance

(₹ in lacs)

2014-15	**2015-16**	**2016-17**
155.26	651.75	186.32

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

Information about the Appointee

Smt. Akshada Nevatia has done graduation in Psychology from S.P. College, Pune and masters in Clinical Psychology from Fergusson College, Pune. She has also done her Diploma in Family Managed Business from S. P. Jain Institute, Mumbai. She is having approximately five year experience in Darode Jog Properties in Real Estate Industry and two years in Hind Rectifiers Limited as Management (corporate).

Her past remuneration for last two years is as under

(₹ in lacs)

Particular	2015-16	2016-17
Remuneration	3.55	4.53

Smt. Akshada Nevatia is associated with the Company since 1st June, 2015 accordingly the data of the Financial Year 2014-15 is not provided.

Proposed Remuneration is mentioned in the Explanatory Statement.

Apart from receiving Managerial Remuneration, she does not have any other pecuniary relationship with the Company except her relationship with the Directors as described in Corporate Governance Report and holding 5100 equity shares of the Company.

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

Other information

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

To overcome the situation Company is concentrating on up gradation of existing products as well as development of products for railways and for other applications. The Company is focusing on export market also.

In the years to come with increase in sales and favorable market conditions performance of the Company is likely to improve.

Disclosure

The information, as required, is provided under Corporate Governance section of the Annual Report 2017. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.

Item No. 9

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Shri Vandan Shah as an Additional Director with effect from 15th January, 2017. In terms of section 161 (1) of the Companies Act, 2013, read with Article 161 of the Articles of the Association of the Company, Shri Vandan Shah holds office as an Additional Director only upto the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 along with deposit of the requisite amount from a Shareholder, proposing him as a Non-Executive Director. Notice received under section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day upto the date of the Annual General Meeting.

Since the Companies Act, 2013, requires the appointment to be determined in the Annual General Meeting; the Board accordingly commends the Ordinary Resolution set out at Item No. 9 of the accompanying notice, for the approval by the members of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution except Shri Vandan Shah.

Item No. 10

The Board of Directors at their meeting held on May 26, 2017, have in-principle approved and recommended the invitation and acceptance of Unsecured Fixed Deposits from the members upto 35% of the aggregate of the paid up share capital, free reserves and security premium accounts as per the latest audited balance sheet of the Company pursuant to section 73 of the Companies Act, 2013 ("Act") and Companies (Acceptance of Deposits) Rules, 2014 ("Rules") as one of the modes to meet the ongoing fund requirements of the Company.

It is proposed to authorise the Board or a committee thereof to finalise the terms of Unsecured Fixed Deposit Scheme and to do such other acts and deeds as may be necessary or incidental thereto. In compliance with the provisions of section 73 of the Act,read together with the Companies (Acceptance of Deposits) Rules, 2014, approval of the Members by way of resolution is being sought.

The Company has passed Special Resolution in its Annual General Meeting dated 13th August, 2015 to empower the Board to borrow upto an amount of Rs. 150.00 crores (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) pursuant to section 180(1)(c) of the Act. The funds to be borrowed through the Fixed Deposits program would be within the said borrowing limit.

The Board accordingly commends the Ordinary Resolution set out at Item No. 10 of the accompanying notice, for the approval by the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the said resolution, except to the extent of any Fixed Deposits that may be placed with Company by them, their relatives or by the Companies in which they are Directors.

Item No. 11

The Company has received requests from some of the promoter group entities, for re-classification of their status from 'Promoter and Promoter Group Category' to 'Public Category' under Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per details given hereunder

S.No.	Name of Persons	No. of Equity Shares held	% of total Equity Share Capital
1.	Niraj Bajaj	163230	1.08
2.	Shekhar Bajaj	102000	0.68
3.	Madhur Bajaj	163230	1.08
4.	Kiran Bajaj	153000	1.02
5.	Bharat Swaroop	22500	0.15
6.	Nimai Swaroop	0	0.00
7.	Priyanka Chhabria	0	0.00
8.	Jaya Darpan Sanghvi	15000	0.10
9.	Mridula Bawari	8500	0.06
10.	Veena Sitaram Shah	44250	0.29
Total		**671710**	**4.46**

The Board of Directors of the Company at their meeting held on 31st July, 2017 have favourably considered the request of the above persons.

Smt. Veena Sitaram Shah and Smt. Mridula Bawari are the sisters of Shri S. K. Nevatia, Promoter and Chairman & Managing Director of the Company. Smt. Jaya Darpan Sanghvi is the daughter of Shri Pawan Golyan, Director and Smt. Surbhi Golyan, 'Promoter Group Category' of the Company. Smt. Veena Sitaram Shah is the mother of Shri Vandan Shah, Director of the Company. Shri Bharat Swaroop is the brother in law of Shri S. K. Nevatia, Promoter and Chairman & Managing Director of the Company.

Shri Niraj Bajaj was a Non-Executive Director of the Company upto 23rd January, 2015. Shri Shekhar Bajaj, Shri Madhur Bajaj are relatives of Shri Niraj Bajaj and Smt. Kiran Bajaj is the wife of Shri Shekhar Bajaj. Shri Bharat Swaroop was Non-Executive Director of the Company upto 24th April, 2017. Shri Nimai Swaroop and Ms. Priyanka Chhabria are children of Shri Bharat Swaroop.

The aforesaid persons are leading their lives and occupations independently and do not directly or indirectly, exercise control over the affairs of the Company. They have also never held at any time any position of Key Managerial Personnel in the Company except Shri Niraj Bajaj and Shri Bharat Swaroop, who were Non-Executive Directors of the Company upto 23rd January, 2015 and 24th April, 2017 respectively, the other shareholders seeking reclassification also have not held any such position in the Company at any time. They also do not have any special rights through formal or informal arrangements with the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution except Shri S. K. Nevatia, Shri Pawan Golyan and Shri Vandan Shah.

The Board accordingly commends the Ordinary Resolution set out at Item No. 11 of the accompanying notice, for the approval by the members of the Company.

Annexure

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING REGULATIONS

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

1.	Name	:	Shri Pawan Golyan (DIN: 00356807)
	Age	:	59
	Date of Appointment	:	24th March, 1998
	No. of shares held in the Company	:	Nil
	Brief Resume & Functional expertise	:	Shri Pawan Kumar Golyan is a B. Com Graduate from Kathmandu University. He is the Chairman of Golyan Group and has worked across different business fields including finance, marketing and management for over 35 years. Today he leads a conglomerate with business interest across several industries.
	Directorship held in other Public Companies as on 31st March, 2017	:	Nil*
	Chairmanship / Membership of Board Committees of other Companies	:	Nil

* Shri Pawan Golyan is Foreigner and his Directorship is in Body Corporate.

2.	Name	:	Smt. Akshada Nevatia (DIN: 05357438)
	Age	:	29
	Date of Appointment	:	15th January, 2017
	No. of shares held in the Company	:	5100
	Brief Resume & Functional expertise	:	Smt. Akshada Nevatia has done Graduation in Psychology from S.P. College, Pune and Masters in Clinical Psychology from Fergusson College, Pune. She has also done her Diploma in Family Managed Business from S. P. Jain Institute, Mumbai. She is having approximately five year experience in Darode Jog Properties in Real Estate Industry and two years in Hind Rectifiers Limited as Management (Corporate).

	Directorship held in other Public Companies as on 31st March, 2017	:	Nil
	Chairmanship / Membership of Board Committees of other Companies	:	Nil
3.	Name	:	Shri Vandan Shah (DIN: 00759570)
	Age	:	55
	Date of Appointment	:	15th January, 2017
	No. of shares held in the Company	:	3000*
	Brief Resume & Functional expertise	:	Shri Vandan Shah is a Bachelor of Industrial Engineering (B.E.) from R. V. College of Engineering, Bangalore in 1984. He then joined LML-Piaggio Scooter JV in India in 1985. He was sent to Piaggio, Italy for die casting training by LML. He joined Sipra plants in Nashik, in 1986 as Deputy General Manager. He was promoted as General Manager in five years and then Managing Director in another three years in 1998. Shri Vandan Shah is based in Mumbai, since 2007 at the corporate office of Sipra Engineers Private Limited. He is a member of Western Regional Council of Confederation of Indian Industries (CII), since last ten years and was the Chairman: Nashik Zonal Council of CII. Sipra has won 20 (Twenty) Awards in the field of Exports (EEPC), Overall Excellence (Bank of India, Corporation Bank, Federal bank, India Today) and Quality (IEEMA), Customers etc. Specialisation in Manufacturing Industry since 30 years. Field of Experience: Manufacturing, Sales, Exports. Skill details: In Confederation of Indian Industries (CII) - Shri Vandan Shah is in the Mentorship Circle i.e. supporting Start-ups. He is also member of 'Make in India' Committee of CII Western Regional Council.
	Directorship held in other Public Companies as on 31st March, 2017	:	Hercules Hoists Limited
	Chairmanship / Membership of Board Committees of other Companies	:	Nil

* Shri Vandan Shah, Director of the Company holds 1200 shares as registered owner and holds 1800 shares in personal capacity.

HIND RECTIFIERS LIMITED

Registered Office: Lake Road, Bhandup (W), Mumbai 400078
CIN: L28900MH1958PLC011077

ATTENDANCE SLIP

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

I / We hereby record my / our presence at the FIFTY NINETH ANNUAL GENERAL MEETING held on Friday the 8th September, 2017 at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallary, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400021, Maharashtra.

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

Name of the Proxy holder _____

Signature of the Proxy holder _____

* Applicable for investors holding shares in electronic form.

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

HIND RECTIFIERS LIMITED

Registered Office: Lake Road, Bhandup (W), Mumbai - 400078
CIN: L28900MH1958PLC011077

PROXY FORM

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

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

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

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

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

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

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

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

E-Mail ID ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the FIFTY NINETH ANNUAL GENERAL MEETING of the Company to be held on Friday the 8th September, 2017 at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallary, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400021, Maharashtra and at any adjournment thereof in respect of such resolutions as are mentioned below:

Route Map for

59th Annual General Meeting of Hind Rectifiers Limited

On Friday, 8th September, 2017 at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallary, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400021, Maharashtra



Sr. No.	Resolutions	Optional*	
		For	Against
1	Consider and adopt the Audited Financial Statement, Report of the Board of Directors and Auditors		
2	Re-appointment of Shri Pawan Golyan, who retires by rotation		
3	Appointment of M/s Ravi A. Shah & Associates, Chartered Accountants as Statutory Auditors and fixing their remuneration		
4	Appointment of Branch Auditors for Nashik Plant and fixing their remuneration		
5	Appointment of Branch Auditors for Dehradun Plant and fixing their remuneration		
6	Ratification of remuneration to Cost Auditors		
7	Determine the fees for delivery of any document		
8	Appointment of Smt. Akshada Nevatia as an Executive Director and approval of remuneration.		
9	Appointment of Shri Vandan Shah as a Non-Executive Director		
10	Invitation and acceptance of Unsecured Fixed Deposits from the Members		
11	Re-classification of the Status of the Existing Promoters of the Company		

Signed this ..... day of 2017

Signature of the shareholder(s) ....

Signature of Proxy holder(s) ....

Affix Revenue Stamp

Note: 1) This form must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.

* 2) It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

3) A proxy need not be a member.

4) Please fill all details including details of members in above box before submission.

HIND RECTIFIERS LIMITED

Perfectly Engineered Power Conversion Systems



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

59TH ANNUAL REPORT
2016-2017

hirect.com

REGISTERED OFFICE : Lake Road,
Bhandup (West),
Mumbai - 400078
CIN : L289000MH1958PLC011077
Email : corporate@hirect.com
Website : hirect.com

WORKS :

i) Lake Road, Bhandup (West),
Mumbai - 400078 Maharashtra (India)

ii) Plot No. 110/111, M.I.D.C. Satpur,
Nashik - 422007 Maharashtra (India)

iii) New Khasra. No. 64-67 & 74,
Village Charba, Vikas Nagar,
Dehradun - 248197 Uttarakhand (India)

iv) New Khasra. No. 295, 296 & 301,
Village Charba, Vikas Nagar,
Dehradun - 248197 Uttarakhand (India)

REGIONAL OFFICES

Western Region : Marketing Division
Lake Road, Bhandup (West),
Mumbai - 400078.

Eastern Region : Chatterjee International Centre
6th Floor, Flat No. 4,
33-A, J. N. Road, Kolkata - 700071.

Northern Region : 7B/5024, 2nd Floor,
N. S. Marg, New Delhi - 110002.

Southern Region : 403, 4th Floor, C Block,
Shivalaya Building, Ethiraj Salai,
Egmore, Chennai - 600008.

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BOARD OF DIRECTORS

S. K. Nevatia, Chairman & Managing Director
Uma S. Nevatia, Executive Vice Chairperson (upto 3rd November, 2016)
Bharat Swaroop (upto 24th April, 2017)
Pawan Kumar Golyan
V. K. Bhartia
Binod Kumar Patodia
Pradeep V. Goyal
Parimal Merchant
Akshada Nevatia (w.e.f. 15th January, 2017)
Vandan Shah (w.e.f. 15th January, 2017)

CHIEF FINANCIAL OFFICER

Shyam Aswani (upto 31st May, 2016)
A. K. Nemani (w.e.f. 11th August, 2016)

COMPANY SECRETARY & COMPLIANCE OFFICER

Meenakshi Anchlia

BANKERS

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

AUDITORS

M/s Khandwala & Shah
Chartered Accountants

SECRETARIAL AUDITORS

M/s GMJ & Associates
Comapny Secretaries

LEGAL ADVISORS

M/s Kanga & Co.

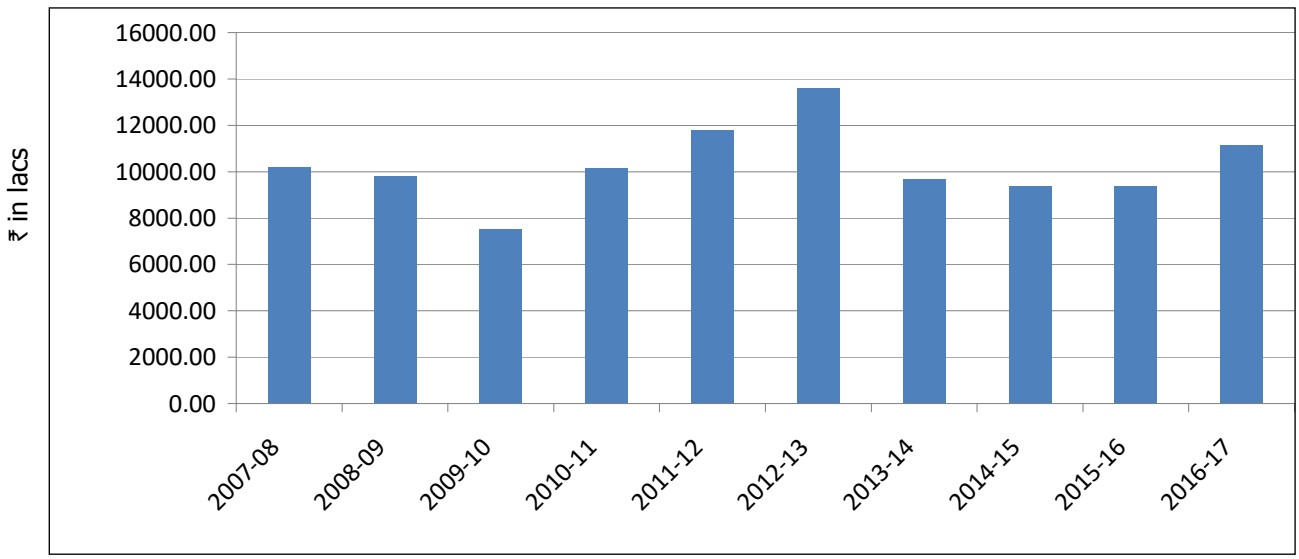
REGISTRAR AND TRANSFER AGENT

M/s Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400059.

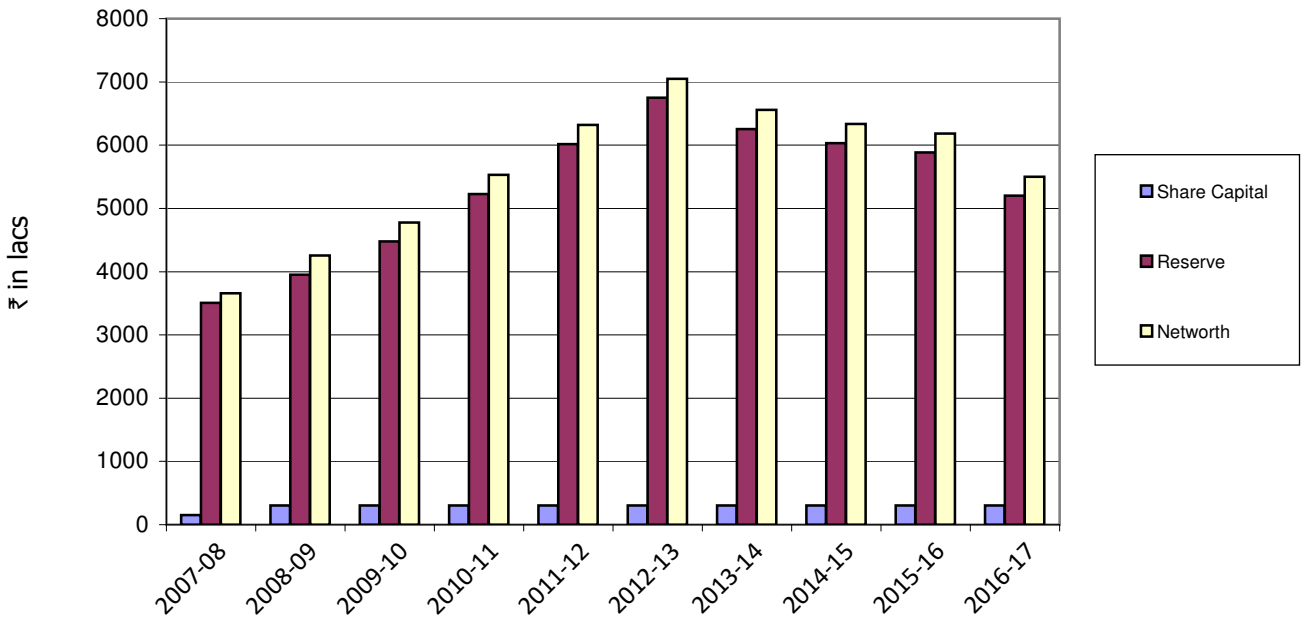
59th ANNUAL GENERAL MEETING

Date	:	8th September, 2017
Time	:	3.30 p.m.
Venue	:	Kamalnayan Bajaj Hall & Art Gallary, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400021.

SALES



NET WORTH



HIGHLIGHTS

			2016-17	2015-16	2014-15	2013-14	2012-13
INCOME :							
1	Gross Operational Income	(₹ in lacs)	12,048.28	9,947.53	9,895.73	10,187.09	14,539.64
2	Net Operational Income	(₹ in lacs)	11,133.96	9,393.59	9,396.82	9,671.66	13,621.65
3	Profit before Finance Cost, Depreciation & Tax	(₹ in lacs)	543.95	266.63	(209.97)	(306.72)	1,440.74
4	Finance Cost	(₹ in lacs)	503.91	327.47	234.91	170.78	95.38
5	Depreciation	(₹ in lacs)	199.75	157.53	146.98	228.67	234.67
6	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lacs)	(159.71)	(218.37)	(591.86)	(706.17)	1,110.69
7	Exceptional Items	(₹ in lacs)	779.33	-	-	-	-
8	Profit after Tax	(₹ in lacs)	(681.81)	(150.98)	(357.26)	(492.54)	1,012.77
9	Dividends	(₹ in lacs)	-	-	-	30.11	240.93
EQUITY SHARE DATA :							
10	Sales & other Income per equity Share	(₹)	74	63	63	65	91
11	Earnings per equity share	(₹)	(4.53)	(1.00)	(2.37)	(3.27)	6.73
12	Book value of equity share	(₹)	36.54	41.07	42.07	43.54	46.81
13	Networth	(₹ in lacs)	5,501.98	6,183.79	6,334.77	6,555.95	7,048.90
14	Market Price :						
	a) High	(₹)	114.30	100.00	104.80	61.95	70.50
	b) Low	(₹)	61.00	52.55	33.65	28.30	36.00
15	Dividend	(%)	-	-	-	10	80
RATIO :							
16	PBT / Net Operational Income	(%)	(1.43)	(2.32)	(6.30)	(7.30)	8.15
17	Profit after Tax / Networth	(%)	(12.39)	(2.44)	(5.64)	(7.51)	14.37
18	Total Liabilities / Total Assets	Times	0.52	0.50	0.45	0.42	0.38
19	Total Debt / Equity	Times	0.73	0.51	0.41	0.35	0.27
20	Total Outside Liability / Total networth	Times	1.08	0.97	0.81	0.71	0.61
21	Current Ratio	Times	1.49	1.69	1.69	1.95	2.21
22	PBDIT / Finance Costs	Times	1.08	0.81	(0.89)	(1.80)	15.11

CHAIRMAN'S STATEMENT



Dear Shareholders,

I am happy to report that after suffering for last four years due to lack of orders from the Railways we have in the current year a very good order booking.

Due to lack of adequate sales in the past, the Company suffered losses which seriously affected the working capital. To overcome this problem, the Company is coming out with a Right Issue.

To enter into advanced technology Railway business, the Company has signed a collaborator agreement with a Croatian company.

Our R&D team is actively working in diversified fields such as new product development, cost reduction of existing products and trying to achieve international standards in all respects.

Have a little patience, I assure you beginning from the current financial year your company will be on an ascending graph.

I take this opportunity to thank my colleagues on the Board for their valuable contribution.

I also would like to thank our employees for their unstinted support and loyalty especially when the Company was passing through difficult times.

I would like to express my gratitude to all our shareholders for their continuing faith in HIRECT.

With Best Wishes

S. K. Nevatia
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present the 59th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2017.

(₹ in Lacs)

FINANCIAL RESULTS:		Year ended 31.03.2017	Year ended 31.03.2016
Gross Revenue from Operation		**12,048.28**	9,947.53
Less: Excise Duty / Service Tax		**914.32**	553.94
Net Operational Income		**11,133.96**	9,393.59
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)		**543.95**	266.63
Less: Finance Cost		**503.91**	327.47
Profit / (Loss) before Depreciation & Tax		**40.04**	(60.84)
Less : Depreciation		**199.75**	157.53
Profit / (Loss) before Exceptional item		**(159.71)**	(218.37)
Exceptional item		**779.33**	-
Profit / (Loss) before Tax		**(939.04)**	(218.37)
Less : Provision for Taxation - Deferred	**(257.08)**		(63.60)
- For Earlier Years	**(0.15)**		(3.79)
		(257.23)	(67.39)
Profit / (Loss) after taxes		**(681.81)**	(150.98)
Add: Balance brought forward		**(485.84)**	(334.86)
Surplus Carried to Balance Sheet		**(1,167.65)**	(485.84)

OPERATIONS

Turnover of the Company during the year 2016-17 was ₹ 11,133.96 lacs as compared to ₹ 9,393.59 lacs in the year 2015-16. Profit before interest, depreciation and tax was ₹ 543.95 lacs compared to ₹ 266.63 lacs in the previous year, however due to substantial increase in the financial cost overall loss is reduced marginally.

Company is focusing on development of new products for Railways and also for other applications. For improving the performance, Company has taken an expansion plan of Nashik for manufacturing of Power Supply unit for Electrostatic Precipitator (ESP), Roof Mounted A/C Package Unit (RMPU), Switch Board Cabinet (SBC) etc. and the commercial production in regard to the said expansion is likely to start before end of September, 2017. Considering the expected increase in the turnover, Company is planning Right Issue to take care of the increased Working Capital requirements.

Demand from Railways is improving and Company has healthy order bookings for the year 2017-18.

RIGHT ISSUE

In January 2017, the Board of Directors approved raising of funds upto ₹ 1,200 lacs by way of offer and issue of Equity Shares on a rights basis to the eligible shareholders. The draft Letter of offer for the Rights Issue will be filed with the Securities Exchange Board of India ("SEBI"), BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE") shortly.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was ₹ 3,01,15,860/-. During the year under review, the Company has not issued any shares with or without differential voting rights nor has granted any stock options or sweat equity.

DEPOSITS

During the year under consideration, the Company has not accepted any deposits. There were no unpaid or unclaimed deposits as on 31st March, 2017.

Company has borrowed by way of intererest free loan from its Director which is exempt under Deposit Rules. Outstanding loan as on 31st March, 2017 was ₹ 120 Lacs.

BOARD OF DIRECTORS

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

Smt. Uma Nevatia, Executive Vice Chairperson of the Company, passed away on 3rd November, 2016. The Board, while condoling the death of Late Uma Nevatia, records its appreciation of the valuable services rendered by her.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Shri Vandan Shah as an Additional Director (Non-Executive and Non-Independent) with effect from 15th January, 2017. His appointment requires the approval of members at the ensuing Annual General Meeting.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Smt. Akshada Nevatia as an Additional Director (Executive Category) for five years with effect from 15th January, 2017. Her appointment requires the approval of members at the ensuing Annual General Meeting.

Shri Bharat Swaroop stepped down from the Board with effect from 24th April, 2017. He was the Non-Executive Director of the Company between 1990 and 2017. The Board records its appreciation of the contribution made by Shri Bharat Swaroop during his long association with the Company.

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

KEY MANAGERIAL PERSONNEL

Shri Shyam Aswani, Chief Financial Officer of the Company resigned as the Key Managerial Personnel with effect from 31st May, 2016.

Shri Anil Kumar Nemani was appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from 11th August, 2016.

BOARD MEETINGS

During the year under review the Board of Directors met 5 times i.e. on 27/05/2016, 04/08/2016, 14/11/2016, 15/01/2017 and 09/02/2017. The details of the Board Meetings are given in the Corporate Governance Report which forms a part of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / (loss) of the Company for that period;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual accounts have been prepared on a going concern basis;

e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and

f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees of the Board. The Independent Directors met separately on 14th November, 2016 to discuss the following:

(i) review the performance of Non-Independent Directors and the Board as a whole;

(ii) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

The outcome of the Board evaluation was discussed by Nomination and Remuneration Committee and the Board.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2016-17, the Company has not given any loans, guarantees or made any investments as per the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

NOMINATION AND REMUNERATION POLICY

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Accordingly, Company had constituted CSR committee comprising Shri V. K. Bhartia (Chairman), Shri S. K. Nevatia and Smt. Uma Nevatia (Members). The Committee was reconstituted due to sad demise of Late Uma Nevatia and Smt. Akshada Nevatia, joined as a new member of the Committee.

Due to losses in three preceding financial years, CSR is not applicable on the Company in reporting financial year 2016-17. Thus, report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required.

During April, 2017, the Company, Chairman and Managing Director, Chief Financial Officer and ex-Company Secretary received a Show Cause Notice (SCN) from Registrar of Companies, Mumbai for alleged violation of section 134(8) of the Companies Act, 2013. As per SCN the contravention is in respect of Corporate Social Responsibility applicability in financial year 2014-15.

The Company has filed its reply to the SCN with the Registrar of Companies, Mumbai. In the best interest of stakeholders of the Company to avoid litigation, the Company had decided to file an application with the Registrar of Companies, Mumbai for compounding of the contraventions alleged in the SCN.

AUDIT COMMITTEE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

AUDITORS

Pursuant to the provisions of section 139 of the Companies Act, 2013 and rules made thereunder, the term of office of M/s Khandwala & Shah, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board places on record its deep appreciation for the valuable contributions of the Auditors during their long association since the inception of Company and wishes them success in the Future.

Based on the recommendation of the Audit Committee, Board at its meeting held on 26th May, 2017, appointed M/s Ravi A. Shah & Associates, Chartered Accountants (ICAI Firm Registration No. 125079W), as the Auditors of the Company, in place of the retiring auditors M/s Khandwala & Shah, Chartered Accountants, to hold office from the conclusion of the ensuing 59th Annual General Meeting until conclusion of the 64th Annual General Meeting of Company to be held in the year 2022, subject to the approvals of the members of the Company at the ensuing Annual General Meeting and ratification by the members of the Company every year thereafter, if required.

Your Company has received a certificate from M/s Ravi A. Shah & Associates, Chartered Accountants confirming their eligibility to be appointed as Auditors of the Company in terms of the provisions of section 141 of the Companies Act, 2013 and Rules framed thereunder.

Based on the recommendation of the Audit Committee, Board at its meeting held on 26th May, 2017, appointed M/s Ratan Chandak & Co., Chartered Accountants (ICAI Firm Registration No. 108696W) and M/s Ronak Gada & Associates, Chartered Accountants (ICAI Firm Registration No. 133987W) as Branch Auditors of Nashik and Dehradun plants of the Company respectively, to hold office from the conclusion of the ensuing 59th Annual General Meeting until conclusion of the 64th Annual General Meeting of Company to be held in the year 2022, subject to the approvals of the members of the Company at the ensuing Annual General Meeting and ratification by the members of the Company every year thereafter, if required.

Your Company has received a certificate from M/s Ratan Chandak & Co., Chartered Accountants and M/s Ronak Gada & Associates, Chartered Accountants confirming their eligibility to be appointed as Branch Auditors of the Company in terms of the provisions of section 141 of the Companies Act, 2013 and Rules framed thereunder.

The Proposal for their appointment has been included in the Notice convening the 59th Annual General Meeting for obtaining approval of the members of the Company.

AUDITORS' OBSERVATIONS

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

COST AUDITOR

As per the requirement of Central Government and pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to audit cost records.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s N. Ritesh & Associates, Cost Accountants, (Firm Registration Number 100675) as Cost Auditor to audit the cost accounts of the Company for the financial year 2017-18. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

GOODS AND SERVICE TAX

Goods and Services Tax (GST) is a landmark reform which will have a lasting impact on the economy and on businesses. Implementation of a well-designed GST model that applies to the widest possible base at a low rate can provide significant growth stimulus to the business and contribute to the Prime Minister's mission of 'Make in India'.

Your Company has been preparing for migrating to GST for the past year; changes across IT systems, Supply Chain and operations have been made keeping in mind the sweeping changes that GST would bring in. While there are a few areas that need to be addressed, the Government has announced an intention to go live on GST on 1st July, 2017 and your Company is ready for this transformative reform.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND ITS ADEQUACY

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

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

RISK MANAGEMENT

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

CORPORATE GOVERNANCE

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Annual Report.

CODE OF CONDUCT

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

LISTING

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

POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website viz. www.hirect.com. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

DEPOSITORY SERVICES

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

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

PARTICULARS OF EMPLOYEES

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

The information required pursuant to section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable because Company has not employed any employee drawing salary of ₹ 8.5 lacs per month or ₹ 1.02 cr. per annum during the year under review.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to woman at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where woman feel secure. The Company has also constituted Internal Committees at all its locations to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2017 and 26th May, 2017 being the date of this report.

EXTRACT OF ANNUAL RETURN

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

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEFP Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares will be transferred as per the requirements of the IEPF rules, details of which are provided on the website of the Company viz. www.hirect.com.

SECRETARIAL AUDIT

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

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

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

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

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

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

ACKNOWLEDGMENT

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

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

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

Place: Mumbai.
Date: 26th May, 2017

S. K. Nevatia
Chairman and Managing Director

ANNEXURE "A" TO THE DIRECTORS' REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i)	CIN	:	L28900MH1958PLC011077
ii)	Registration Date	:	25.04.1958
iii)	Name of the Company	:	HIND RECTIFIERS LIMITED
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	Lake Road, Bhandup (West), Mumbai-400078. Tel:- +91 22 25696789 / Fax: +91 22 25964114
vi)	Whether Listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	ADROIT CORPORATE SERVICES PVT LTD. 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400059. Tel.: +91 22 42270400 / Fax: +91 22 28503748

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Manufacture of other electrical equipment	2790	72.35
2	Repair of other equipments	3319	16.04

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**Promoter**									
1	**Indian**									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others (specify)									
i	Directors Relatives	3402310	0	3402310	22.59	4853019	0	4853019	32.23	9.63
ii	Directors	3295097	0	3295097	21.88	1848738	0	1848738	12.28	-9.61
	Sub Total (A)(1)	**6697407**	**0**	**6697407**	**44.48**	**6701757**	**0**	**6701757**	**44.51**	**0.03**
2	**Foreign**									
(a)	Individuals (NRI / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total shareholding of Promoter & Promoter group (A)=(A)(1)+(A)(2)	**6697407**	**0**	**6697407**	**44.48**	**6701757**	**0**	**6701757**	**44.51**	**0.03**
(B)	**Public Shareholding**									
B 1	**Institutions**									
(a)	Mutual Funds / UTI	0	750	750	0.00	0	750	750	0.00	0.00
(b)	Banks / Financial Institutions	750	8250	9000	0.06	750	8250	9000	0.06	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00
(h)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0	0.00
	Sub-Total (B)(1)	**750**	**9000**	**9750**	**0.06**	**750**	**9000**	**9750**	**0.06**	**0.00**

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
B 2	**Non-institutions**									
(a)	Bodies Corporate									
i	Indian	366633	14000	380633	2.53	314356	14000	328356	2.18	-0.35
ii	Overseas	0	2400000	2400000	15.94	0	2400000	2400000	15.94	0.00
(b)	Individuals									
i	Individuals-Hold nominal share capital upto ₹ 1L	3378491	566045	3944536	26.20	3387421	564295	3951716	26.24	0.05
ii	Individuals-Hold nominal share capital in excess of ₹ 1L	1355711	150000	1505711	10.00	1072744	450000	1522744	10.11	0.11
(c)	Any Other (specify)									
i	Clearing member	5496	0	5496	0.04	6732	0	6732	0.04	0.01
ii	Non Resident Indian	110147	2250	112397	0.75	129325	2250	131575	0.87	0.13
iii	Trusts	2000	0	2000	0.01	2000	0	2000	0.01	0.00
iv	Director*	0	0	0	0	3000	0	3000	0.02	0.02
v	Foreign Individual (Including FDI)	0	0	0	0	300	0	300	0.00	0.00
	Sub Total (B) (2)	**5218478**	**3132295**	**8350773**	**55.46**	**4915878**	**3430545**	**8346423**	**55.43**	**-0.03**
(B)	**Total Public Shareholding (B)= (B)(1) + (B) (2)**	**5219228**	**3141295**	**8360523**	**55.52**	**4916628**	**3439545**	**8356173**	**55.49**	**-0.03**
	TOTAL (A)+(B)	**11916635**	**3141295**	**15057930**	**100.00**	**11618385**	**3439545**	**15057930**	**100.00**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**11916635**	**3141295**	**15057930**	**100.00**	**11618385**	**3439545**	**15057930**	**100**	**0.00**

- Shri Vandan Shah, Director of the Company holds 1200 shares as registered owner and holds 1800 shares in personal capacity.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged / encumbered	No. of shares	% of total to total shares	% of shares Pledged / encumbered to total shares	
1	Nimai Swaroop	7500	0.05	0.00	0	0.00	0.00	-0.05
2	Shekhar Bajaj	306000	2.03	0.00	102000	0.68	0.00	-1.35
3	Priyanka Chhabria	0	0.00	0.00	0	0.00	0.00	0.00
4	Veena Sitaram Shah	44250	0.29	0.00	44250	0.29	0.00	0.00
5	Sushil Kumar Nevatia HUF	35000	0.23	0.00	35000	0.23	0.00	0.00
6	Bharti Nevatia	240900	1.60	0.00	240900	1.60	0.00	0.00
7	Bharat Swaroop	15000	0.10	0.00	22500	0.15	0.00	0.05
8	Suramya Saurabh Nevatia	292250	1.94	0.00	1716209	11.40	0.00	9.46
9	Surabhi Golyan	223000	1.48	0.00	223000	1.48	0.00	0.00
10	Mridula Bawari	9250	0.06	0.00	8500	0.06	0.00	0.00
11	Saurabh Nevatia HUF	10200	0.07	0.00	10200	0.07	0.00	0.00
12	Madhur Bajaj	61230	0.41	0.00	163230	1.08	0.00	0.68
13	Shri Niraj Bajaj	61230	0.41	0.00	163230	1.08	0.00	0.68
14	Kiran Bajaj	153000	1.02	0.00	153000	1.02	0.00	0.00
15	Suryansh Saurabh Nevatia	419500	2.79	0.00	419500	2.79	0.00	0.00
16	Shriya Nevatia	315700	2.10	0.00	315700	2.10	0.00	0.00
17	Saurabh Nevatia	1243300	8.26	0.00	1243300	8.26	0.00	0.00
18	Uma Nevatia	1423959	9.46	0.00	0	0.00	0.00	-9.46
19	Sushil Kumar Nevatia	1821138	12.09	0.00	1821138	12.09	0.00	0.00
20	Jaya Darpan Sanghvi	15000	0.10	0.00	15000	0.10	0.00	0.00
21.	*Akshada Anand Jog (Nevatia)	-	-	-	5100	0.03	0.00	0.03
	Total	**6697407**	**44.48**	**0.00**	**6701757**	**44.51**	**0.00**	**0.03**

* Akshada Anand Jog (Nevatia) has been reclassified as 'Promoter Group Category' from 'Public Category'.

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

Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**At the beginning of the year**	**Sushil Kumar Nevatia**	01/04/2016	1821138	12.09	1821138	12.09
	Date wise increase / decrease in Promoter Shareholding during the year		Nil Movement during the Year				
	At the end of the year		31/03/2017	1821138	12.09	1821138	12.09
2	**At the beginning of the year**	**Saurabh Nevatia**	01/04/2016	1243300	8.26	1243300	8.26
	Date wise increase / decrease in Promoters Shareholding during the year		Nil Movement during the Year				
	At the End of the year		31/03/2017	1243300	8.26	1243300	8.26
3	**At the beginning of the year**	**Madhur Bajaj**	01/04/2016	61230	0.41	61230	0.41
	Date wise increase / decrease in Promoters Shareholding during the year		23/12/2016	+102000	+0.68	163230	1.08
	At the end of the year		31/03/2017	163230	1.08	163230	1.08
4	**At the beginning of the year**	**Shekhar Bajaj**	01/04/2016	306000	2.03	306000	2.03
	Date wise increase / decrease in Promoters Shareholding during the year		23/12/2016	-204000	-1.35	102000	0.68
	At the end of the year		31/03/2017	102000	0.68	102000	0.68
5	**At the beginning of the year**	**Uma Nevatia**	01/04/2016	1423959	9.46	1423959	9.46
	Date wise increase / decrease in Promoters Shareholding during the year		02/12/2016	-1423959	-9.46	0	0
	At the end of the year		31/03/2017	-	-	-	-
6	**At the beginning of the year**	**Saurabh Nevatia HUF**	01/04/2016	10200	0.07	10200	0.07
	Date wise increase / decrease in promoters Shareholding during the year		Nil Movement during the Year				
	At the End of the year		31/03/2017	10200	0.07	10200	0.07
7	**At the beginning of the year**	**Sushil Kumar Nevatia HUF**	01/04/2016	35000	0.23	35000	0.23
	Date wise increase / decrease in promoters Shareholding during the year		Nil Movement during the Year				
	At the End of the year		31/03/2017	35000	0.23	35000	0.23
8	**At the beginning of the year**	**Veena Sitaram Shah**	01/04/2016	44250	0.29	44250	0.29
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	44250	0.29	44250	0.29

Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**At the beginning of the year**	**Niraj Bajaj**	01/04/2016	61230	0.41	61230	0.41
	Date wise increase / decrease in Promoters Shareholding during the year		23/12/2016	102000	0.68	163230	1.08
	At the end of the year		31/03/2017	163230	1.08	163230	1.08
10	**At the beginning of the year**	**Kiran Bajaj**	01/04/2016	153000	1.02	153000	1.02
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	153000	1.02	153000	1.02
11	**At the beginning of the year**	**Priyanka Chhabria**	01/04/2016	0	0.00	0	0.00
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	0	0.00	0	0.00
12	**At the beginning of the year**	**Bharti Nevatia**	01/04/2016	240900	1.60	240900	1.60
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	240900	1.60	240900	1.60
13	**At the beginning of the year**	**Mridula Bawari**	01/04/2016	9250	0.06	9250	0.06
	Date wise increase / decrease in Promoters Shareholding during the year		19/08/2016	-750	0.00	8500	0.06
	At the end of the year		31/03/2017	8500	0.06	8500	0.06
14	**At the beginning of the year**	**Suryansh Saurabh Nevatia**	01/04/2016	419500	2.79	419500	2.79
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	419500	2.79	419500	2.79
15	**At the beginning of the year**	**Shriya Nevatia**	01/04/2016	315700	2.10	315700	2.10
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	315700	2.10	315700	2.10

Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
16	**At the beginning of the year**	**Suramya Saurabh Nevatia**	01/04/2016	292250	1.94	292250	1.94
	Date wise increase / decrease in Promoters Shareholding during the year		02/12/2016	+1423959	+9.46	1716209	11.40
	At the end of the year		31/03/2017	1716209	11.40	1716209	11.40
17	**At the beginning of the year**	**Bharat Swaroop**	01/04/2016	15000	0.10	15000	0.10
	Date wise increase / decrease in Promoters Shareholding during the year		12/08/2016	+7500	+0.05	22500	0.15
	At the end of the year		31/03/2017	22500	0.15	22500	0.15
18	**At the beginning of the year**	**Nimai Swaroop**	01/04/2016	7500	0.05	7500	0.05
	Date wise increase / decrease in Promoters Shareholding during the year		12/08/2016	-7500	-0.05	0	0
	At the end of the year		31/03/2017	0	0	0	0
19	**At the beginning of the year**	**Surabhi Golyan**	01/04/2016	223000	1.48	223000	1.48
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	223000	1.48	223000	1.48
20	**At the beginning of the year**	**Jaya Darpan Sanghvi**	01/04/2016	15000	0.10	15000	0.10
	Date wise increase / decrease in Promoters Shareholding during the year		Nil Movement during the Year				
	At the end of the year		31/03/2017	15000	0.10	15000	0.10
21	**At the beginning of the year**	***Akshada Anand Jog (Nevatia)**	01/04/2016	5100	0.03	5100	0.03
	Date wise increase / decrease in Promoters Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	5100	0.03	5100	0.03

* Akshada Anand Jog (Nevatia) has been reclassified as 'Promoter Group category' from 'Public Category'.

(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Name of the Shareholder	As on Date	No. of Shares held at the beginning of the year		No. of Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**At the beginning of the year**	**BTR Industries Ltd**	01/04/2016	2400000	15.94	2400000	15.94
	Date wise increase / decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	2400000	15.94	2400000	15.94
2	**At the beginning of the year**	**Rahul Kumar Bajaj**	01/04/2016	357000	2.37	357000	2.37
	Date wise increase / decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	357000	2.37	357000	2.37
3	**At the beginning of the year**	**Dhirajlal Shantilal Mehta**	01/04/2016	300000	1.99	300000	1.99
	Date wise increase / decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	300000	1.99	300000	1.99
4	**At the beginning of the year**	**Veena K Jagwani**	01/04/2016	174067	1.16	174067	1.16
	Date wise increase / decrease in Shareholding during the year		29/07/2016	+7500	+0.05	181567	1.21
			05/08/2016	+12500	+0.08	194067	1.29
			23/09/2016	+16933	+0.11	211000	1.40
	At the end of the year		31/03/2017	211000	1.40	211000	1.40
5	**At the beginning of the year**	**Roshan F. Hinger**	01/04/2016	150000	1.00	150000	1.00
	Date wise increase / decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	150000	1.00	150000	1.00
6	**At the beginning of the year**	**Contemporary Industries Limited**	01/04/2016	143810	0.96	143810	0.96
	Date wise increase / decrease in Share holding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	143810	0.96	143810	0.96
7	**At the beginning of the year**	**Bhavna Govindbhai Desai**	01/04/2016	132500	0.88	132500	0.88
	Date wise increase / decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2017	132500	0.88	132500	0.88
8	**At the beginning of the year**	**Ruchira Agarwal**	01/04/2016	76044	0.51	76044	0.51
	Date wise increase / decrease in Shareholding during the year		Nil movement during the year				
	At the end of the year		31/03/2017	76044	0.51	76044	0.51

Sr. No.	For Each of the Top 10 Shareholders	Name of the Shareholder	As on Date	No. of Shares held at the beginning of the year		No. of Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	**At the beginning of the year**	**Sharad Kanayalal Shah**	01/04/2016	98000	0.65	98000	0.65
	Date wise increase / decrease in Shareholding during the year		04/11/2016	-63000	-0.42	35000	0.23
			11/11/2016	-35000	-0.23	0	0
	At the end of the year		31/03/2017	0	0	0	0
10	**At the beginning of the year**	**Hafeez Sorab Contractor**	01/04/2016	60000	0.40	60000	0.40
	Date wise increase / decrease in Shareholding during the year		17/06/2016	-26574	-0.18	33426	0.22
			24/06/2016	-33426	-0.22	0.00	0.00
	At the end of the year		31/03/2017	0.00	0.00	0.00	0.00
11	**At the beginning of the year**	**Kamal Metharam Jagwani**	01/04/2016	44242	0.29	44242	0.29
	Date wise increase / decrease in Shareholding during the year		12/08/2016	+30758	+0.20	75000	0.50
	At the end of the year		31/03/2017	75000	0.50	75000	0.50
12	**At the beginning of the year**	**Vinod Kumar Ohri**	01/04/2016	40921	0.27	40921	0.27
	Date wise increase / decrease in Shareholding during the year		23/09/2016	+21696	+0.14	62617	0.42
			21/10/2016	+4041	+0.03	66658	0.44
	At the end of the year		31/03/2017	66658	0.44	66658	0.44

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Shri S.K.Nevatia**				
	At the beginning of the year	1821138	12.09	1821138	12.09
	Purchase / Sale	Nil movement during the year			
	At the end of the year	1821138	12.09	1821138	12.09
2	**Smt. Uma Nevatia**				
	At the beginning of the year	1423959	9.46	1423959	9.46
	Purchase / Sale (Shares transmitted due to death)	-1423959	-9.46	-	-
	At the end of the year	-	-	-	-
3.	**Shri Bharat Swaroop**				
	At the beginning of the year	15000	0.10	15000	0.10
	Purchase / Sale (Shares acquired by way of gift)	+7500	+0.05	22500	0.15
	At the end of the year	22500	0.15	22500	0.15
4.	**Shri Vandan Shah**				
	At the beginning of the year	0	0	0	0
	Purchase / Sale	+3000	+0.02	3000	0.02
	At the end of the year	3000	0.02	3000	0.02
5.	**Smt. Akshada Nevatia**				
	At the beginning of the year	5100	0.03	5100	0.03
	Purchase / Sale	Nil movement during the year			
	At the end of the year	5100	0.03	5100	0.03

Note: 1) Shri Vandan Shah, Director of the Company holds 1200 shares as registered owner and holds 1800 shares in personal capacity.
2) Shareholdings of other Directors are Nil.
3) Shri A. K. Nemani, Chief Financial Officer, Shri Shyam Aswani, Former Chief Financial Officer and Ms. Meenakshi Anchlia, Company Secretary do not hold any shares in the Company.

V INDEBTEDNESS

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

(₹ in lacs)

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	**Indebtedness at the beginning of the financial year**				
	i) Principal Amount	3040.15	125.00	-	**3165.15**
	ii) Interest due but not paid	-	-	-	**-**
	iii) Interest accrued but not due	-	-	-	**-**
	Total (i+ii+iii)	3040.15	125.00	-	**3165.15**
2	**Changes in indebtedness during the financial year**				
	Addition	878.45	-	-	**878.45**
	Reduction	-	5.00	-	**5.00**
	Net Change	878.45	-5.00	-	**873.45**
3	**Indebtedness at the end of the financial year**				
	i) Principal Amount	3911.85	120.00	-	**4031.85**
	ii) Interest due but not paid	-	-	-	**-**
	iii) Interest accrued but not due	6.75	-	-	**6.75**
	Total (i+ii+iii)	**3918.60**	**120.00**	**-**	**4038.60**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD / WTD / Manager

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			
		Shri S. K. Nevatia Chairman & Managing Director	Smt. Uma S. Nevatia Executive Vice Chairperson	* Smt. Akshada Nevatia Executive Director (Addtional)	Total Amount
1	Gross Salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	37.85	12.28	0.79	50.92
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.24	0.24	-	1.48
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profits	-	-		-
	- others, specify	-	-		-
5	Others – Provident Fund / Superannuation	2.88	1.28	0.13	4.29
	Total	**41.97**	**13.80**	**0.92**	**56.69**
Ceiling as per Act		Company is having no profit therefore renumeration of CMD, EVC & ED had been made under the provisions of section 197(3) and Schedule V - Part II-section II of the Companies Act, 2013.			

* Appointed w.e.f. 15th January, 2017.

B. Remuneration to other Directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	**Independent Directors**	**Shri V. K. Bhartia**	**Shri Binod Kumar Patodia**	**Shri Pradeep Goyal**	**Shri Parimal Merchant**	
	Fees for attending Board / Committee meetings	0.70	0.33	0.70	0.50	2.23
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**0.70**	**0.33**	**0.70**	**0.50**	**2.23**
2	**Other Non-Executive Directors**	**Shri Bharat Swaroop**	**Shri Pawan Kumar Golyan**	***Shri Vandan Shah**		
	Fees for attending Board / Committee meetings	0.22	0.23	0.07		0.52
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (2)	**0.22**	**0.23**	**0.07**		**0.52**
	Total Managerial Remuneration (1+2)					**2.75**

* Appointed w.e.f. 15th January, 2017.

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

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Ms. Meenakshi Anchlia	*Shri Shyam Aswani	**Shri A.K. Nemani	Total Amount
		Company Secretary	Chief Financial Officer		
1.	Gross Salary:				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4.72	2.66	15.58	22.96
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.03	0.21	0.24
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profits	-	-	-	-
	- others, specify	-	-	-	-
5	Others – Provident Fund & Superannuation	0.14	0.08	1.54	1.76
	Total	**4.86**	**2.77**	**17.33**	**24.96**

* Shri Shyam Aswani resigned w.e.f. 31st May, 2016.

** Shri A.K. Nemani has been appointed w.e.f. 11th August, 2016.

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

(₹ In lacs)

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-		-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE "B" TO THE DIRECTORS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,
The Members,
HIND RECTIFIERS LIMITED
Lake Road,
Bhandup west,
Mumbai-400078

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz;

   a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: (**Not applicable during the period of audit**);

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: (**Not applicable during the period of audit**);

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: (**Not applicable during the period of audit**);

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client: (**Not applicable during the period of audit**);

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: (**Not applicable during the period of audit**);

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: (**Not applicable during the period of audit**);

v. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

Further being a Power Transmission Manufacturing (Electric) Industry, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

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

We report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

We further report that

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

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

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

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

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]

PARTNER
FCS: 3706 COP: 2324

Place: Mumbai
Date: 26th May, 2017

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
HIND RECTIFIERS LIMITED
Lake Road,
Bhandup West,
Mumbai-400078

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

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]

Place: Mumbai
Date: 26th May, 2017

PARTNER
FCS: 3706 COP: 2324

ANNEXURE "C" TO THE DIRECTORS' REPORT

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

(1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

(₹ In lacs)

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2016-17	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1	S. K. Nevatia Chairman & Managing Director	43.36	-0.14	10.10
2	Uma Nevatia Whole Time Director (ceased w.e.f. 03/11/2016)	14.70	*	*
3	Akshada Nevatia Executive Director (Additional) Appointed w.e.f. 15/01/2017	0.94	**	**
4	Bharat Swaroop Non-Executive Director (ceased w.e.f. 24/04/2017)	0.22	46.67	0.05
5	Pawan Golyan Non-Executive Director	0.23	228.57	0.05
6	Vijay Kumar Bhartia Non-Executive & Independent Director	0.70	-17.65	0.16
7	Binod Kumar Patodia Non-Executive & Independent Director	0.33	10.00	0.08
8	Pradeep Goyal Non-Executive & Independent Director	0.70	11.11	0.16
9	Parimal Merchant Non-Executive & Independent Director	0.50	-33.33	0.12
10	Vandan Shah Non-Executive Director (Additional) Appointed w.e.f. 15/01/2017	0.07	***	***

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2016-17	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
11.	Shyam Aswani Chief Financial Officer (ceased w.e.f. 31/05/2016)	2.77	****	****
12.	Anil Kumar Nemani Chief Financial Officer (Appointed w.e.f. 11/08/2016)	17.43	*****	*****
13	Meenakshi Anchlia Company Secretary	4.86	12.50	1.13

* Details not given as Late Uma Nevatia was Whole Time Director only for the part of the financial year 2016-17 i.e. upto 3rd November, 2016.

** Details not given as Smt. Akshada Nevatia has been appointed as Executive Director w.e.f. 15th January, 2017.

*** Details not given as Shri Vandan Shah has been appointed as Non-Executive Director w.e.f. 15th January, 2017.

**** Details not given as Shri Shyam Aswani was Chief Financial Officer only for the part of the Financial Year 2016-17 i.e. upto 31st May, 2016.

***** Details not given as Shri Anil Kumar Nemani has been appointed as Chief Financial Officer w.e.f. 11th August, 2016.

(2) The median remuneration of employees (excluding managerial personnel) of the Company during the Financial Year was ₹ 4,29,438/-

(3) In the financial year, there was decrease of 4.36% in the median remuneration of employees.

(4) There were 221 permanent employees (excluding workers) on the rolls of the Company as on 31st March, 2017.

(5) Average percentage decrease in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 4.36% whereas the decrease in the managerial remuneration for the same financial year was 15.96%. The average decrease in median renumeration was due to employing of some employees at lower renumeration.

(6) Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the Remuneration is as per the Remuneration policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE "D" TO THE DIRECTORS' REPORT

Information under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2017.

I CONSERVATION OF ENERGY

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

II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Successful development of Master Controller for locomotives.
2. Successful development of 4.5 KW underslung Regulated Battery Charger (RBC) for LHB coaches.
3. Successful development / commercialization of rectifier stack for WDH EMD locomotives.
4. Successful development / commercialization of power supplies for pantry cars for AC coaches.
5. Successful execution of 1800 KW Mobile Battery Charger for Mazagon Dock Ltd (MDL) for submarine charging for defence.
6) Successful execution of 20KA & 25KA water cooled rectifier and retrofit of converter transformer for refining application.
7) Successful execution of largest water cooled rectifier (820V / 30KA) 25MW rectifier for caustic soda application.
8) Successful development / commercialization of universal controllers for Constant Current Controller (CCR) for air field lighting.

III. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

Place: Mumbai
Date: 26th May, 2017

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

S. K. Nevatia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

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

The Board endeavours to achieve this first, by leveraging the resources at its disposal and fostering an environment for growth and development of human resources. The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders.

Secondly, the Board has institutionalised best management practices to bring about an atmosphere of accountability. Systems are in place for strategic planning, risk management, financial plans and budgets, integrity of internal controls and reporting, communications policy with emphasis on transparency and full disclosure on the various facets of the Company's operations, its functioning and its financials and total compliance with all statutory / regulatory requirements not only in the letter of the law but also in its spirit.

We believe that good governance generates goodwill among business partners, customers and investors and earns respect from society at large.

CORPORATE ETHICS

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

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

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

BOARD OF DIRECTORS

The Company as on 31st March, 2017, consists of nine Directors. Shri Bharat Swaroop, Non-Executive Director resigned w.e.f. 24th April, 2017. There are two Executive Directors and the remaining six Directors are Non-Executive Directors. Out of the two Executive Directors one is the Chairman & Managing Director and the other is an Executive Director (Additional). There are two Non-Independent Non-Executive Directors (one is Additional Director). The remaining four Non-Executive Directors are Independent Directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per the Listing Regulations, the Board should have an optimum combination of both Executive and Non-Executive Directors. The Board of your Company has 3/4th of the Directors as Non-Executive Directors.

Four out of the six Non-Executive Directors are Independent Directors which is equal to one half of the total size of the Board. The Company also has a Woman Director.

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

None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2017, have been made by the Directors.

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

Name of the Director	Category	No. of Other Directorships held as on 31/03/2017*		Outside Committee position held as on 31/03/2017**		Shareholding in the Company as on as on 31/03/2017
		Public	Private	Member	Chairman	
Shri S. K. Nevatia (Chairman & Managing Director)	Non-Independent Executive & Promoter	0	0	0	0	1821138
Smt. Uma Nevatia (Executive Vice Chairperson)	Non-Independent Executive & Promoter	Ceased w.e.f. 3rd November, 2016				
Shri Bharat Swaroop	Non-Independent Non-Executive	1	1	0	0	22500
Shri Pawan Kumar Golyan	Non-Independent Non-Executive	0	0	0	0	NIL
Shri V. K. Bhartia	Independent Non-Executive	1	2	0	0	NIL
Shri Binod Kumar Patodia	Independent Non-Executive	4	4	4	0	NIL
Shri Pradeep Goyal	Independent Non-Executive	3	2	4	2	NIL
Shri Parimal Merchant	Independent Non-Executive	0	3	0	0	NIL
Smt. Akshada Nevatia	Non-Independent Executive (Additional) & Promoter Group entity	0	0	0	0	5100
Shri Vandan Shah	Non-Executive & Non-Independent (Additional)	1	3	0	0	***3000

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

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

*** Shri Vandan Shah, Director of the Company holds 1200 shares as registered owner and holds 1800 shares in personal capacity.

INDEPENDENT DIRECTORS

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

BOARD MEETING

The Board of Directors met 5 times during the financial year 2016-17 i.e. on 27/05/2016, 04/08/2016, 14/11/2016, 15/01/2017 and 09/02/2017.

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

The details of attendance of Directors at Board Meetings held during the financial year 2016-17 and at the last Annual General Meeting held on 04/08/2016 are as follows:

Name of the Director	No. of Board Meetings held during the tenure of the Director in 2016-17	No. of Board Meetings Attended	Whether attended last AGM
Shri S. K. Nevatia	5	5	Yes
Smt Uma S. Nevatia*	2	0	No
Shri Bharat Swaroop	5	3	Yes
Shri Pawan Kumar Golyan	5	3	No
Shri V. K. Bhartia	5	4	Yes
Shri Binod Kumar Patodia	5	3	Yes
Shri Pradeep Goyal	5	4	Yes
Shri Parimal Merchant	5	4	Yes
Shri Vandan Shah**	2	2	NA
Smt Akshada Nevatia***	2	2	NA

* Late Uma S. Nevatia ceased due to death on 3rd November, 2016.

** Shri Vandan Shah has been appointed as Additional Director w.e.f. 15th January, 2017.

*** Smt Akshada Nevatia has been appointed as Additional Director w.e.f. 15th January, 2017.

RELATIONSHIP BETWEEN DIRECTORS

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

INFORMATION SUPPLIED TO THE BOARD

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

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

- Detailed Business Review;
- Annual operating plans and budgets and any updates thereof;
- Capital budgets and any updates thereof;

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

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

POST MEETING MECHANISM

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

BOARD SUPPORT

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

As mandated by Listing Regulations and section 149 of the Companies Act, 2013, the Independent Directors on the Board of the Company:

- are persons of integrity and also possess relevant expertise & experience;
- are not the Promoters of the Company or its holding or any of its Associate or Subsidiary Companies;
- are not related to the Promoters or Directors of the Company, its holding, its Subsidiary or Associate Company;
- apart from receiving Director's remuneration by way of sitting fees, do not have any pecuniary relationship with the Company, its holding, its Subsidiary or Associate Company, their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- or any of their relatives do not have any pecuniary relationship or transaction with the Company, its holding, its Subsidiary or Associate Company or their Promoters or Directors amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- or any of their relatives do not hold the position of a Key Managerial Personnel or have been employees of the Company or its holding or its Subsidiary or Associate Company in any of the three financial years immediately preceding the current financial year;
- are not employees or proprietor's or partners, in any of the three financial years immediately preceding the current financial year in which they are proposed to be appointed, in -
    - a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding or its Subsidiary or Associate Company; or
    - any legal or a consulting firm that has or had any transaction with the Company, its holding, its Subsidiary or Associate Company amounting to ten per cent or more of the gross turnover of such firm;
- either singly or together with their relatives, do not hold two per cent or more of the total voting power of the Company;
- are not Chief Executives or Directors, by whatever name called, of any non-profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, Directors or it Subsidiary or Associate Company that holds two per cent or more of the total voting power of the Company;
- are not material suppliers, service providers or customers or lessors or lessees of the Company;
- are not less than 21 years of age.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review the Independent Directors of the Company have met once on 14th November, 2016 without the attendance of Non-Independent Directors. All the Independent Directors of the Company were present at the meeting.

The Independent Directors in their meeting;

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

FAMILIARIZATION PROGRAMME

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

The familiarization programme for Independent Directors in terms of provisions of Listing Regulation is uploaded on the website of the Company and can be accessed through the following link: www.hirect.com.

COMMITTEES OF THE BOARD

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

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

AUDIT COMMITTEE

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

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

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

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

Shri S. K. Nevatia, Chairman & Managing Director, Shri Suramya Nevatia, Chief Executive Officer, Shri A. K. Nemani, Chief Financial Officer of the Company are permanent invitees to the Audit Committee Meeting. In addition to this, representative of the Statutory & Internal Auditors and other executives as may be required attend these meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Audit Committee met four times during the year i.e. on 27/05/2016, 04/08/2016, 14/11/2016 and 09/02/2017.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2016-17:

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Independent Directors. The Committee meets as and when necessary and reviews & approves the Salaries, Commission, Perks and other employment conditions of the Directors and senior management personnel. The terms of reference of the committee are as follows:

- To recommend to the Board, the appointment and removal of Directors, Key Managerial Personnel and senior management;
- To recommend to the Board, the remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- To formulate a criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board, the policy relating to remuneration for Directors, Key Managerial Personnel and and senior management;
- Formulate criteria for evaluation of the Independent Directors and the Board;
- To carry out evaluation of every Director's performance;
- Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this policy;
- To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and new senior management personnel;
- To provide the Key Managerial Personnel and senior management personnel with reward based fixed and incentive pay which is directly linked to their efforts, performance, dedication, achievement and operations of the Company;
- To recommend to the Board, the appointment, removal and the remuneration payable to a relative of Director;
- To assist the Board in fulfilling its responsibilities;
- To perform such other functions as may be necessary or appropriate for the performance of its duties;

The Nomination and Remuneration Committee met three times during the year i.e. on 27/05/2016, 04/08/2016 & 15/01/2017.

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

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Shri V. K. Bhartia, Chairman	Independent Non-Executive	3	2
Shri Binod Kumar Patodia	Independent Non-Executive	3	2
Shri Pradeep Goyal	Independent Non-Executive	3	3

NOMINATION AND REMUNERATION POLICY

The Company has formulated a Nomination and Remuneration policy which is in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. This policy is applicable to Directors, Key Managerial personal and senior management personnel.

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

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial personnel and senior management personnel;

b) To recommend to the Board, the Remuneration payable to the Directors, Key Managerial personnel and senior management personnel;

c) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

REMUNERATION OF DIRECTORS

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

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

The details of remuneration / sitting fees paid to the Directors of the Company during the financial year 2016-17 are as under:

(₹ in Lacs)

Name of the Director	Salary	Benefits	Bonus / Commission	Sitting Fees	Total
Shri S. K. Nevatia	24.00	19.36	-	-	43.36
Smt Uma S. Nevatia	10.65	4.05	-	-	14.70
Smt. Akshada Nevatia	0.50	0.44	-	-	0.94
Shri Bharat Swaroop	-	-	-	0.22	0.22
Shri Pawan Kumar Golyan	-	-	-	0.23	0.23
Shri V. K. Bhartia	-	-	-	0.70	0.70
Shri Binod Kumar Patodia	-	-	-	0.33	0.33
Shri Pradeep Goyal	-	-	-	0.70	0.70
Shri Parimal Merchant	-	-	-	0.50	0.50
Shri Vandan Shah	-	-	-	0.07	0.07

The tenure of office of Smt. Akshada Nevatia, Executive Director is for a period of three years with effect from 15th January, 2017, subject to the approval of members in Annual General Meeting. Shri S. K. Nevatia, Chairman & Managing Director whose tenure of office ended on 31st March, 2016, was further re-appointed for a period of three years with effect from 1st April, 2016. There is no provision for payment of severance fees.

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

BOARD EVALUATION

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

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

Phone : +91 22 25696789

Email : investors@hirect.com

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

The following table shows the nature of complaints received from the shareholders during the year 2016-17.

Nature of complaints	No. of complaints received during the year 2016-17	No of complaints resolved during the year 2016-17
Non receipt of Dividend Warrant	1	1
Non receipt of Annual Report	-	-
Non receipt of Share Certificate	-	-

There were no complaints pending as on 31st March, 2017.

The Stakeholders Relationship Committee met two times during the year i.e. on 27/05/2016 and 14/11/2016.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the aforesaid meeting held during the financial year 2016-17 are given below:

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

RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee of the Company comprises of three members i.e. Shri S. K. Nevatia, Chairman and Managing Director, Shri Parimal Merchant, Non-Executive Independent Director and Shri A. K. Nemani, Chief Financial Officer of the Company as on 31st March, 2017. Shri S. K. Nevatia is the Chairman of the Risk Management Committee.

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

a) The Committee shall meet at least twice in a year;

b) To identify and evaluate the impact of risk reported by various departments;

c) To review the effectiveness of the corrective measures submitted by the concerned departments;

d) To provide guidance to the concerned departments, in case, a better course of action is there to tackle / reduce / mitigate the risk(s);

e) To tabulate the high risks, for the consideration of the Board of Directors and to present the same to the Board along with the course of action, if any;

f) To generally monitor, review and whenever necessary, update the risk management plan / policy and process to ensure that there is timely and effective reporting of risks;

g) To inform the Board from time to time;

h) Any other functions as may be necessary or required;

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition:

The Corporate Social Responsibility (CSR) Committee comprises of three Directors. Shri V. K. Bhartia, Non-Executive Independent Director is the Chairperson of the Committee. The other members of the CSR Committee include Shri S. K. Nevatia and Smt. Akshada Nevatia as on 31st March, 2017. The Composition of CSR Committee is pursuant to the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per section 135 of the Companies Act, 2013, the Company need not to spend any amount on CSR for the financial year 2016-17 due to losses in three preceding financial years. The Company formulated CSR Policy, which is uploaded on the website of the Company viz. www.hirect.com.

Terms of Reference:

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

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

The corporate social responsibility committee met one time during the year i.e. on 09/02/2017.

The composition of corporate social responsibility committee and the attendance of its members at the aforesaid meeting held during the financial year 2016-17 are given below :-

Name of Committee Members	Position	No. of Meetings held	Meetings attended
Shri V. K. Bhartia, Chairman	Independent Non-Executive	1	1
Shri S. K. Nevatia	Manager Director	1	1
Smt. Akshada Nevatia	Executive Director	1	1

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
56th AGM	31/03/2014	14/08/2014	3:30 p.m.	Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400021.
57th AGM	31/03/2015	13/08/2015	3:30 p.m.	Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400021.
58th AGM	31/03/2016	04/08/2016	3:30 p.m.	M. C. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K Dubash Marg, Kala Ghoda, Mumbai 400001.

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

56th AGM

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

57th AGM

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

58th AGM

Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
1.	Reappointment of Shri S. K. Nevatia as Chairman and Managing Director of the Company	Special	Implemented

Resolution passed through postal ballot

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

DISCLOSURES

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website viz. www.hirect.com.

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

c) The Company has a Vigil Mechanism / Whistle Blower Policy in place as required under SEBI LODR, 2015 and as per the provisions of section 177 of the Companies Act, 2013. The Directors and employees of the Company are free to report genuine concerns about unethical behavior, misconduct or unlawful act, factual or suspected fraud or violation of the code of conduct or the ethics policy. The policy provides mechanism for an individual to report violations without fear of victimization. The Policy is available on the website of the Company viz. www.hirect.com It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee.

d) The Company does not have any material subsidiary Company whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

e) The Company has complied with the mandatory requirements under SEBI LODR, 2015, pertaining to the Corporate Governance.

f) The Company has also fulfilled the following non-mandatory requirements as prescribed in the Listing Regulations:

I. Audit Qualification:

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

II. Reporting of Internal Auditor:

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

COMPLIANCES REGARDING INSIDER TRADING

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

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

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

MEANS OF COMMUNICATION

(a) The unaudited quarterly / half yearly financial results are announced within forty-five days of the close of the quarter. The audited annual financial results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

(b) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language (Marathi) newspaper, within forty-eight hours of approval thereof.

(c) The Company's financial results are displayed on the Company's website viz. www.hirect.com.

(d) The quarterly financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

(e) A separate section on the Company's website gives information on unclaimed dividends, unclaimed shares, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors / public.

GENERAL SHAREHOLDER INFORMATION

a) **AGM:** 59th Annual General Meeting for the financial year 2016-17 is scheduled to be held on Friday, 8th September, 2017, at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400021.

b) **Financial Year:** The Company follows April to March as its financial year. The financial results for every quarter have been declared within the time prescribed in the Listing Regultions. The details for the forthcoming financial year 2017-18 are as follows:

Financial year 2017-18	1st April, 2017 to 31st March, 2018
Financial reporting for the quarter ended 30th June, 2017	* On or before 14th September, 2017
Financial reporting for the quarter ended 30th Sept., 2017	* On or before 14th December, 2017
Financial reporting for the quarter ended 31st Dec., 2017	Before 14th February, 2018
Financial reporting for the year ended 31st March, 2018	Audited Results by end of May, 2018

* The timeline for submitting the financial results in compliance with the provisions of Circular dated 5th July, 2016, is extended by one month due to smooth implementation of IND-AS.

c) **Date of Book Closure:** 29/08/2017 to 08/09/2017 [Both days inclusive].

d) **Dividend Payment Date:** Not Applicable

e) **Payment of Dividend:** Not Applicable

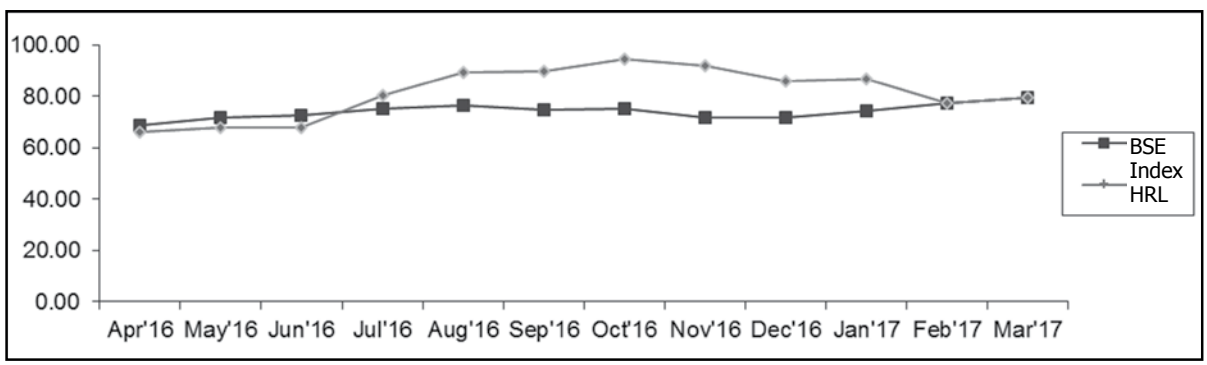
f) **Listing on Stock Exchanges:** The Company's equity shares are listed on the BSE Limited and National Shock Exchange of India Limited. The Company has paid listing fees to the Stock Exchanges for the financial year 2017-18.

g) **Stock Code / Symbol:** BSE Limited – 504036. National Stock Exchange of India Limited – HIRECT. Demat ISIN: INE835D01023

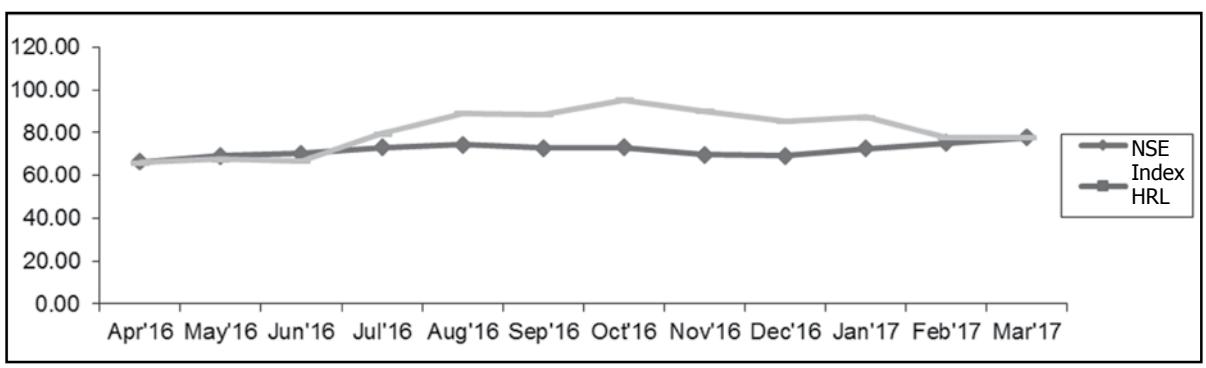
h) **Market Price Data:** The Monthly High / Low market price of equity shares of Hind Rectifiers Ltd. during the Financial Year 2016-17:

Month	BSE		NSE	
	High	Low	High	Low
April, 2016	71.95	61.00	74.95	61.05
May, 2016	73.00	58.50	73.00	61.00
June, 2016	73.95	62.00	71.40	62.00
July, 2016	86.40	66.10	86.70	66.35
August,2016	93.65	76.80	93.50	76.00
September, 2016	102.50	85.00	102.95	82.60
October, 2016	97.35	86.70	96.60	87.20
November, 2016	113.60	80.00	114.30	75.70
December, 2016	96.80	83.50	95.85	82.20
January, 2017	102.70	82.65	104.05	75.40
February, 2017	91.00	76.80	90.00	75.80
March, 2017	85.90	75.10	83.25	75.00

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX



i) **Registrar & Share 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]
17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai – 400059
Tel: +91 22 42270400 Fax: +91 22 28503748
Email: info@adroitcorporate.com Website: www.adroitcorporate.com

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

k) **Shareholding Pattern as on 31st March, 2017**

Category	No. of shares held	% of shareholding
Promoters & Associates	6701757	44.51
Mutual Funds & UTI	750	0.00
Banks / Financial Institutions	9000	0.06
Private Bodies Corporate	328356	2.18
NRI / OCBs	2531575	16.81
Others	5486492	36.44
Total	15057930	100.00

l) **Distribution of Shareholding as on 31st March, 2017**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	4875	715280	4.75
501 - 1000	582	475790	3.16
1001 - 2000	460	706844	4.69
2001 - 3000	204	551505	3.66
3001 - 4000	62	220932	1.47
4001 - 5000	45	211079	1.40
5001 - 10000	82	569973	3.79
10001 & above	83	11606527	77.08
Total	**6393**	**15057930**	**100**

m) **Dematerialisation of Shares:** 11618385 equity shares representing 77.16% of total equity share capital were held in dematerialized form with NSDL and CDSL as on 31st March, 2017. Members can hold shares in electronic form and trade the same in Depository System. However, they may hold the same in physical form also.

Status of Dematerialization of equity shares as on 31st March, 2017

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	3893	10238854	68.00
Central Depository Services (India) Limited	2181	1379531	9.16
Total Dematerialized	**6074**	**11618385**	**77.16**
Shares held in Physical form	319	3439545	22.84
Grand Total	**6393**	**15057930**	**100**

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

o) **Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity shares:** The Company does not have any GDRs / ADRs / Warrants or any Convertible Instruments as on date.

p) **Plant Locations:**

a. Lake Road, Bhandup (West), Mumbai - 400078

b. Plot No.110/111, M.I.D.C., Satpur, Nashik - 422007

c. New Khasra No. 64-67 & 74, Village Charba, Vikas Nagar, Dehradun - 248197 Uttarakhand

d. New Khasra No. 295, 296 & 301, Village Charba, Vikas Nagar, Dehradun - 248197 Uttarakhand

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

r) **Address for Correspondence:**

HIND RECTIFIERS LIMITED
Lake Road, Bhandup (West),
Mumbai - 400078
CIN: L28900MH1958PLC011077
E-mail: investors@hirect.com
Tel. No. +91 22 25696789
Fax No.: +91 22 25964114

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

MANAGEMENT DISCUSSIONS & ANALYSIS

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

CEO / CFO CERTIFICATION

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

DECLARATION

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

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

The said Code of Conduct has also been posted on the Company's website viz www.hirect.com.

All the Board Members and senior management personnel have affirmed their compliance with the said Code of Conduct for year ended on 31st March, 2017.

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

Place: Mumbai
Date: 26th May, 2017

S. K. Nevatia
Chairman and Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Hind Rectifiers Limited**

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Limited ('the Company'), for the year ended 31st March, 2017, as per the provisions of Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Premal P Gandhi
Proprietor
Membership No. 045462

Place: Mumbai
Date: 26th May, 2017

CEO/CFO CERTIFICATION

The Board of Directors
Hind Rectifiers Limited
Mumbai.

Re: Compliance Certificate for the Financial Statements for 2016-17.

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

A. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2017 and to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

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

D. We have indicated to the auditors and the Audit Committee:

(1) significant changes, if any, in internal control over financial reporting during the year;

(2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and

(3) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai	**S. K. Nevatia**	**A. K. Nemani**
Date: 26th May, 2017	Chairman and Managing Director	Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS

1) INDUSTRY STRUCTURE & DEVELOPMENTS

The Company continues to be in the niche space of power Electronics and DC wound products and has very strong presence in the Industry. The main customer remains as Indian Railway. There is an increased focus on 3 Phase technology which is more energy efficient, however it needs higher investment and gestation period. There is good mix of small, medium, large and multinational players in the market. In view of increasing market size more players are entering in the field.

2) OPPORTUNITIES AND THREATS

The Company has a strong brand and leadership position. Equipments of 3 Phase Locomotives, Pollution controlled equipments have a great potential. Company is focusing more on development of more products. There is also opportunity from the Middle East countries for Pollution Control Equipments. In view of the technological changes which require high investment as well as have high market potential there is always a threat from multinational players entering the field with the support from their parent Company.

3) OUTLOOK

Government of India has emphasized for more electrification, modernization as well as Indian Railways has undertaken several initiatives to upgrade its ageing infrastructure and enhance its quality of service and accordingly the outlook of the Industries seems to be good.

For increasing the business, Company has taken an expansion plan at Nashik for various Railway products as well as for Capital Goods Industries.

For improving the performance, Company is adding more and more products to the product basket.

Further there is more emphasis by Government of India as well as Middle East countries for better pollution norms and accordingly Industry is likely to improve. Considering a longstanding Industry we are positive on the business growth.

4) RISKS AND CONCERNS

Policies of Indian Railways and the Government will influence the growth of the Company. Delayed cash flow could, apart from causing the pressure on managing the working capital requirements may also have an impact on profitability of the business. Very high working capital requirements are causing higher incidence of interest cost.

There is always competitive bidding and this could have an impact on the margins.

5) SEGMENTWISE AND PRODUCTWISE PERFORMANCE

The Equipment Division of the Company is having products like Inverters, Converters, Traction Transformers, Electrostatic Precipitator, Loco Transformer, Thyristor Controlled Rectifier. All these products cater to the Railways and Capital goods industries. Component Business consisting of mainly semiconductor Devices like Diodes,Thyristor, Modules etc. are used for manufacturing of Rectifier Equipment and also used captively. In view of low demand as well as increased competition, performance is affected adversely.

Segment wise Performance is reported in the Balance Sheet as notes to Accounts.

6) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

Internal audits and checks are ongoing process within the Company.

7) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's performance was affected due to limited increase in the turnover, competitive price and increase in finance cost. Demand from the Capital Goods Industries was very much limited.

Company is putting efforts for increasing the turnover so that fixed overheads can be allocated on the higher turnover.

8) DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Attracting and retaining talent with requisite competencies, especially for the emerging businesses and focus on training and development to improve productivity are key thrust areas for businesses to strengthen competitive advantage.

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

Industrial relations with the Union are cordial and peaceful.

Registered Office:
Lake Road, Bhandup (West)
Mumbai 400078

Place: Mumbai
Date: 26th May, 2017

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

S. K. Nevatia
Chairman and Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIND RECTIFIERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of HIND RECTIFIERS LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the auditors of the Company's branches at Nashik and Dehradun Unit-I & Unit-II.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Other Matter

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   c. The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

   d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

   e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   f. On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of section 164(2) of the Act.

   g. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

      ii. The Company has made provision as at 31st March, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. The Company has provided requisite disclosures in the Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 08/11/2016 to 30/12/2016 and such disclosures are in accordance with the books of account maintained by the Company.

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

PREMAL P. GANDHI
Proprietor
Membership No.045462

Place: Mumbai
Date: 26th May, 2017

Annexure I to Independent Auditor's Report

Annexure referred to in our report of even date to the members of HIND RECTIFIERS LIMITED on the accounts for the year ended 31st March, 2017

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.

c. According to the information and explanations given to us and based on verification of records, the title deeds of immovable properties are held in the name of the Company;

ii) Physical verification of inventory has been conducted by the management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account;

iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv) According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security to which provisions of section 185 and 186 of the Act apply.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

vi) We have broadly reviewed the cost records maintained by the Company in accordance with section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund (PF), Investor Education & Protection Fund, Employees' State Insurance (ESI), Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and other statutory dues with the Appropriate Authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2017 for a period of more than six months from the day they become payable;

(b) The disputed statutory dues aggregating ₹ 224.48 lacs, that have not been deposited on account of disputed matters pending before Appropriate Authorities are as under:

Name of the Statute	Nature of Dues	Amount (in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	117.86 (net of advance of ₹ 8.98 lacs)	2005-2016	Central Excise & Service Tax Appellate Tribunal
Central Excise Act	Excise Duty	0.85 (net of advance of ₹ 0.19 lacs)	2010-2014	Departmental Authorities
Central Sales Tax and Local Sales Tax Act	Central Sales Tax and Local Sales Tax	105.77 (net advance of ₹ 39.97 lacs)	2006-2013	Departmental Authorities

viii) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loan from any financial institution or government or by way of issue of debentures.

ix) In our opinion, and according to the information and explanations given to us, the term loan has been applied for the purpose for which the same was obtained.

x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees having a material misstatement on the financial statements has been noticed or reported during the year.

xi) According the information and explanations given to us and based on verification of records, the Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi company and hence reporting under clause (xii) of the order does not arise.

xiii) According to the information and explanations given to us and based on verification of records and approvals of the Board of Directors, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him;

xvi) According to the information and explanations given to us, the Company is not a Non Banking Finance Company and therefore is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

PREMAL P. GANDHI
Proprietor
Membership No.045462

Place: Mumbai:
Date: 26th May, 2017

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HIND RECTIFIERS LIMITED

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

We have audited the Internal Financial Controls over Financial Reporting of Hind Rectifiers Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

PREMAL P. GANDHI
Proprietor
Membership No.045462

Place: Mumbai
Date: 26th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017 (₹ In lacs)

Particulars	Note		As at March 31, 2017	As at March 31,2016
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	1	**301.16**		301.16
(b) Reserves and Surplus	2	**5,200.82**		5,882.63
			5,501.98	6,183.79
(2) Non-current Liabilities				
(a) Long-term Borrowings	3	**702.46**		632.32
(b) Other Long-term Liabilities	4	**15.76**		16.76
(c) Long-term Provisions	5	**166.06**		162.31
			884.28	811.39
(3) Current Liabilities				
(a) Short-term Borrowings	6	**3,329.39**		2,540.15
(b) Trade Payables	7	**1,231.05**		2,245.46
(c) Other Current Liabilities	8	**528.95**		496.10
(d) Short-term Provisions	9	**43.54**		44.47
			5,132.93	5,326.18
TOTAL			**11,519.19**	12,321.36
II. ASSETS				
(1) Non-current Assets	10			
(a) Fixed Assets				
(i) Tangible Assets		**1,580.18**		1,647.80
(ii) Intangible Assets		**407.71**		409.04
(iii) Capital Work In Progress		**474.24**		194.75
(b) Non-current investments	11	**5.26**		5 .26
(c) Deferred Tax Assets (Net)	12	**707.00**		449.92
(d) Long-term Loans and Advances	13	**379.67**		269.94
(e) Other Non-current Assets	14	**338.05**		338.05
			3,892.11	3,314.76
(2) Current Assets				
(a) Inventories	15	**2,713.30**		3,262.98
(b) Trade Receivables	16	**3,943.16**		4,473.34
(c) Cash and Cash Equivalents	17	**115.56**		453.62
(d) Short-term Loans and Advances	18	**855.06**		816.66
			7,627.08	9,006.60
TOTAL			**11,519.19**	12,321.36
Other Notes on Financial Statements	26			

The accompanying notes form integral part of the financial statements

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

Premal Gandhi
Proprietor
Membership No. 045462

Place: Mumbai
Date: 26th May, 2017

For and on behalf of the Board of Directors

S. K. NEVATIA	Chairman & Managing Director
V. K. BHARTIA	Director
A. K. NEMANI	Chief Financial Officer
MEENAKSHI ANCHLIA	Company Secretary & Compliance Officer

Place: Mumbai
Date: 26th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017 (₹ In lacs)

Particulars		Note		Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue from Operations	19			
	Gross Operational Income		**12,048.28**		9,947.53
	Less: Excise Duty / Service Tax		**914.32**		553.94
	Net Operational Income			**11,133.96**	9,393.59
II.	Other Income	20		**59.82**	61.16
III.	**Total Revenue (I + II)**			**11,193.78**	9,454.75
IV.	Expenses:				
	Cost of Materials Consumed	21	**7,172.43**		6,042.90
	Purchases of Stock-in-Trade		**174.18**		1,741.30
	Changes in Inventories of Finished Goods,	22			
	Work-in-Progress and Stock-in-Trade		**536.35**		(1,181.37)
	Employee Benefits Expense	23	**1,850.37**		1,651.09
	Finance Costs	24	**503.91**		327.47
	Depreciation and Amortization Expense		**199.75**		157.53
	Other Expenses	25	**916.50**		934.20
	Total Expenses			**11,353.49**	9,673.12
V.	**Profit / (Loss) Before Exceptional Items and Taxes (III - IV)**			**(159.71)**	(218.37)
VI.	Exceptional items (Refer Note 26 (viii))			**779.33**	-
VII.	**Profit / (Loss) before tax (V-VI)**			**(939.04)**	(218.37)
VIII	Tax Expenses:				
	Deferred Tax		**(257.08)**		(63.60)
	(Excess) / Short Provision of Taxation for Earlier Years		**(0.15)**		(3.79)
				(257.23)	(67.39)
IX.	**Profit / (Loss) for the year (VII - VIII)**			**(681.81)**	(150.98)
X.	Basic & Diluted Earning Per Share of face value of ₹ 2/- each. (Refer Note 26 (xv))			**(4.53)**	(1.00)
	Other Notes on Financial Statements	26			

The accompanying notes form integral part of the financial statements

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

Premal Gandhi
Proprietor
Membership No. 045462

Place: Mumbai
Date: 26th May, 2017

For and on behalf of the Board of Directors

S. K. NEVATIA	Chairman & Managing Director
V. K. BHARTIA	Director
A. K. NEMANI	Chief Financial Officer
MEENAKSHI ANCHLIA	Company Secretary & Compliance Officer

Place: Mumbai
Date: 26th May, 2017

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2017 (₹ In lacs)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit / (Loss) Before Exceptional Item	**(159.71)**	(218.37)
	Less: Exceptional Items	**779.33**	-
	Net Profit / (Loss) Before Tax & Extra-Ordinary Items	**(939.04)**	(218.37)
	Adjusted for		
	Depreciation	**199.75**	157.53
	Investment Income	**(33.95)**	(14.12)
	Interest Charged	**503.91**	327.46
	Operating Profit before Working Capital Changes	**(269.33)**	252.50
	Changes in		
	Trade & Other Receivables	**313.42**	1,018.42
	Inventories	**549.68**	(1,025.23)
	Trade & Other Payables	**(986.49)**	305.97
		(123.39)	299.16
	Cash Generated from Operations	**(392.72)**	551.66
	Direct Taxes Paid	**70.57**	(31.04)
	Cash Flow before Extra-Ordinary Items	**(322.15)**	520.62
	Extra-Ordinary Items (Subsidy received from Govt. of India)	**-**	-
	Net Cash from Operating Activities	**(322.15)**	520.62
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchases of Fixed Assets	**(416.16)**	(470.21)
	Sale / Disposal of Fixed Assets	**6 .76**	8.86
	Purchases of Investments	**-**	(5.26)
	Sale of Investments	**-**	-
	Interest Received	**31.27**	12.68
	Dividend Received	**-**	-
	Net Cash used in Investing Activities	**(378.13)**	(453.93)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Share Capital	**-**	-
	Proceeds from Borrowings	**859.38**	616.11
	Interest Paid	**(497.16)**	(327.46)
	Dividend Paid	**-**	-
	Tax on Distributed Profit	**-**	-
	Net Cash used in Financing Activities	**362.22**	288.65
	Net Changes in Cash & Cash Equivalents (A+B+C)	**(338.06)**	355.34
	Cash & Cash Equivalents - Opening Balance	**453.62**	98.28
	Cash & Cash Equivalents - Closing Balance	**115.56**	453.62

The accompanying notes form integral part of the financial statements

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

Premal Gandhi
Proprietor
Membership No. 045462

Place: Mumbai
Date: 26th May, 2017

For and on behalf of the Board of Directors

S. K. NEVATIA	Chairman & Managing Director
V. K. BHARTIA	Director
A. K. NEMANI	Chief Financial Officer
MEENAKSHI ANCHLIA	Company Secretary & Compliance Officer

Place: Mumbai
Date: 26th May, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. SHARE CAPITAL (₹ In lacs)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each	**1,000.00**	1,000.00
Issued Capital		
1,50,57,930 Equity Shares of ₹ 2/- each	**301.16**	301.16
Subscribed and Paid up		
1,50,57,930 Equity Shares of ₹ 2/- each	**301.16**	301.16
TOTAL	**301.16**	301.16

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

Name of Shareholder	**As at March 31, 2017**		As at March 31, 2016	
	No of shares	**% held**	No of shares	% held
Shri. S. K. Nevatia	18,21,138	12.09	18,21,138	12.09
Smt. Uma Nevatia	-	-	14,23,959	9.46
Shri. Suramya Nevatia	17,16,209	11.40	2,92,250	1.94
Shri. Saurabh Nevatia	12,43,300	8.26	12,43,300	8.26
BTR Industries Limited	24,00,000	15.94	24,00,000	15.94

b. Reconciliation of number of shares

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

2. RESERVES AND SURPLUS

(₹ in lacs)

Particulars		As at March 31, 2017	As at March 31, 2016
General Reserve			
Opening Balance		**6,333.65**	6,333.65
Closing Balance		**6,333.65**	6,333.65
Capital Reserve			
Opening Balance		**34.82**	34.82
Closing Balance		**34.82**	34.82
Profit and Loss Account			
Opening balance		**(485.84)**	(334.86)
Add: Profit / (Loss) for the year		**(681.81)**	(150.98)
Less: Appropriations			-
Proposed Dividend	-		
[Dividend per Share ₹ Nil (Previous Year ₹ Nil)]			
Tax on Dividend	-		-
		-	-
Closing Balance		**(1,167.65)**	(485.84)
GRAND TOTAL		**5,200.82**	5,882.63

3. LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
SECURED		
Term Loan from Apna Sahakari Bank *	**139.51**	-
Working Capital Term Loan from Apna Sahakari Bank **	**442.95**	500.00
Vehicle Loan from ICICI Bank Ltd.***	**-**	5.64
Vehicle Loan from HDFC Bank Ltd.****	**-**	1.68
UNSECURED		
Loan from Directors	**120.00**	125.00
TOTAL	**702.46**	632.32

* Secured by hypothecation of Plant & Machinery, Equipments, Furniture & Fixture, Computers etc at Nashik Factory and Mortgage of Land & Building situated at Plot No 110/111, Satpur MIDC, Nashik Repayable in 60 monthly installments from June, 2017.

** Secured against mortgage of Land and Building situated at Plot No 110/111, Satpur MIDC, Nashik. Repayable in 60 monthly installments from July, 2017.

*** Secured against hypothecation of Motor Car No. MH 03 BS 7225.

**** Secured against hypothecation of Motor Car No. WB 02 AG 0842.

4. OTHER LONG-TERM LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Dealership Deposit	**15.76**	16.76
TOTAL	**15.76**	16.76

5. LONG-TERM PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits		
Gratuity	**119.56**	107.99
Leave Encashment	**46.50**	54.32
TOTAL	**166.06**	162.31

6. SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
SECURED		
Loan from Consortium Banks (*)		
i) Cash Credit	**3,329.39**	1,728.29
ii) Preshipment Credit In Foreign Currency	**-**	300.18
iii) Foreign Currency Non Residential Loan	**-**	511.68
TOTAL	**3,329.39**	2,540.15

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

7. TRADE PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Micro, Small and Medium Enterprises	**5.63**	16.07
Others	**1,225.42**	2,229.39
TOTAL	**1,231.05**	2,245.46

8. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term debt (*)	**121.94**	12.06
Advance from Customers	**90.06**	89.60
Unclaimed Dividend	**15.03**	19.76
Interest Accrued but not Due	**6.75**	-
Other payables (**)	**295.17**	374.68
TOTAL	**528.95**	496.10

(*) Loan for vehicles ₹ 7.33 lacs (Previous year ₹ 12.06 lacs) and Term Loan ₹ 114.61 lacs (Previous year ₹ Nil)

(**) Includes statutory dues and outstanding expenses

9. SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars		As at March 31, 2017	As at March 31, 2016
Provision for Employee Benefits			
Provision for Gratuity	**28.23**		32.65
Provision for Leave encashment	**15.31**		11.82
		43.54	44.47
Others			
Proposed Dividend	**-**		-
Tax on Proposed Dividend	**-**		-
		-	-
TOTAL		**43.54**	44.47

10. FIXED ASSETS

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01/04/2016	Since Added	Deduction/ Adjusted	As at 31/03/2017	As at 01/04/2016	For the Year	Amt Transfer To/ From Reserves *	Recouped sold or Adjusted	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Tangible Assets											
Land - Owned	229.99	-	-	**229.99**	-	-	-	-	**-**	**229.99**	229.99
Land - Leasehold	21.01	-	-	**21.01**	8.25	0.22	-	-	**8.47**	**12.54**	12.76
Roads	51.24	-	-	**51.24**	45.88	2.31	-	-	**48.19**	**3.05**	5.36
Building	866.36	-	-	**866.36**	201.76	20.03	-	-	**221.79**	**644.57**	664.60
Plant & Machinery	969.38	58.34	-	**1,027.72**	437.17	62.55	-	-	**499.72**	**528.00**	532.21
Motor Cars & Vehicles	220.53	-	25.05	**195.48**	111.97	22.99	-	19.18	**115.78**	**79.70**	108.56
Furniture & Fixtures	278.01	1.27	-	**279.28**	202.40	13.71	-	-	**216.11**	**63.17**	75.61
Computers	67.35	11.16	-	**78.51**	48.64	10.71	-	-	**59.35**	**19.16**	18.71
Total	**2,703.87**	**70.77**	**25.05**	**2,749.59**	**1,056.07**	**132.52**	**-**	**19.18**	**1,169.41**	**1,580.18**	**1,647.80**
Previous Year	2,655.97	67.04	19.14	2,703.87	932.78	133.58	-	10.29	1,056.07	1,647.80	-
Intangible Assets											
Technical Knowhow & Licence Fees	573.69	4.00	-	**577.69**	339.64	34.62	-	-	**374.26**	**203.43**	234.05
Computer software	70.82	8.03	-	**78.85**	54.66	6.81	-	-	**61.47**	**17.38**	16.16
Production Development Cost	163.19	53.87	-	**217.06**	4.36	25.80	-	-	**30.16**	**186.90**	158.83
Total	**807.70**	**65.90**	**-**	**873.60**	**398.66**	**67.23**	**-**	**-**	**465.89**	**407.71**	**409.04**
Previous Year	466.36	341.34	-	807.70	374.71	23.95	-	-	398.66	409.04	-
Capital Work In Progress	194.75	335.91	56.42	**474.24**	-	-	-	-	**-**	**474.24**	194.75

11. NON-CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Investments (At cost)		
Fully paid equity shares (unquoted)		
Apna Sahakari Bank Ltd.	**0.26**	0.26
Thane Janta Sahakari Bank Ltd.	**5.00**	5.00
TOTAL	**5.26**	5.26

12. DEFERRED TAX ASSET (NET)

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	**284.80**	79.40
Carried forward losses and unabsorbed depreciation	**545.50**	480.00
	830.30	559.40
Deferred Tax Liability		
Related to Fixed Assets	**123.30**	109.48
TOTAL	**707.00**	449.92

13. LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, Considered Good		
Capital Advances	**237.64**	145.32
Security Deposits	**58.25**	58.54
Earnest Money Deposits	**83.78**	66.08
Staff Loans	**-**	-
TOTAL	**379.67**	269.94

14. OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
MAT Credit Entitlement	**338.05**	338.05
TOTAL	**338.05**	338.05

15. INVENTORIES

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials and Components	**1,316.74**	1,344.80
Work-in-Progress	**1,283.62**	1,785.98
Finished Goods	**41.88**	45.82
Stock-In-Trade	**21.78**	53.14
Stores and Spares	**0.29**	0.58
Loose Tools and Instruments	**39.34**	28.57
Scrap	**9.65**	4.09
TOTAL	**2,713.30**	3,262.98

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

16. TRADE RECEIVABLES

(₹ in lacs)

Particulars		As at March 31, 2017	As at March 31, 2016
Trade receivables outstanding for a period less than six months			
Secured, considered good	**3.50**		3.77
Unsecured, considered good	**3,545.39**		3,498.81
		3,548.89	3,502.58
Trade receivables outstanding for a period exceeding six months			
Secured, considered good	**0.75**		10.74
Unsecured, considered good	**393.52**		960.02
Unsecured considered doubtful	**722.06**		-
	1,116.33		-
Less : Provision for Bad & Doubtful Debts	**(722.06)**		-
		394.27	970.76
TOTAL		**3,943.16**	4,473.34

17. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars		As at March 31, 2017	As at March 31, 2016
Balances with banks			
In Current Account *	**42.40**		147.20
In Margin Account **	**65.71**		300.21
In Fixed Deposit	**-**		0.60
		108.11	448.01
Cash on hand		**7.45**	5.61
TOTAL		**115.56**	453.62

* Balance with banks in current account includes Unclaimed Dividend of ₹ 15.03 lacs (Previous year ₹ 19.76 lacs)

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

18. SHORT-TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	**395.79**	359.79
Earnest Money Deposits	**39.02**	39.17
Balance with Excise, Customs and Port Trust	**205.23**	264.20
Taxes Paid in Advance / Deducted at Source (Net of Provision for Tax)	**77.47**	147.89
Interest Income accrued but not due	**7.40**	5.61
Service Income Accrued	**187.42**	-
	912.33	816.66
Less: Provisions for doubtful debts	**(57.27)**	-
TOTAL	**855.06**	816.66

19. REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
Gross Sales	**10,009.20**		8,698.22
Less: Excise Duty	**743.41**		433.80
		9,265.79	8,264.42
Gross Reconditioning, Repairing & Servicing Income	**2,039.08**		1,249.31
Less: Excise Duty and Service Tax	**170.91**		120.14
		1,868.17	1,129.17
TOTAL		**11,133.96**	9,393.59

20. OTHER INCOME

(₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest Income	**33.06**	14.13
Credit Balances Written Back	**4.92**	4.12
Profit on Sale of Assets	**0.89**	-
Exchange Fluctuation	**6.23**	-
Duty Drawback	**14.53**	3.27
Compensation received from vendor	**-**	39.64
Dividend from Trade Investments	**0.13**	-
Miscellaneous Income	**0.06**	-
TOTAL	**59.82**	61.16

21. COST OF MATERIALS CONSUMED

(₹ in lacs)

Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Stock of Raw Materials		**1,344.80**	1,505.41
Add: Purchases of Raw Materials	**6,546.58**		5,519.99
Add: Conversion and Processing Charges	**597.79**		362.30
		7,144.37	5,882.29
Less: Closing Stock of Raw Materials		**1,316.74**	1,344.80
TOTAL		**7,172.43**	6,042.90

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

(₹ in lacs)

Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Inventory			
Finished Goods	**45.82**		44.10
Work-In-Progress	**1,785.98**		581.44
Stock-In-Trade	**53.14**		76.11
		1,884.94	701.65
Closing Inventory			
Finished Goods	**41.88**		45.82
Work-In-Progress	**1,283.62**		1,785.98
Stock-In-Trade	**21.78**		53.14
		1,347.28	1,884.94
Add / (Less) Excise duty on Finished Goods		**(1.31)**	1.92
(INCREASE) / DECREASE		**536.35**	(1,181.37)

23. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salaries, Wages, Gratuity and Bonus etc.	**1,637.11**	1,444.79
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	**107.67**	106.40
Staff Welfare Expenses	**105.59**	99.90
TOTAL	**1,850.37**	1,651.09

24. FINANCE COSTS

(₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest on Bank Borrowings	**326.45**	267.42
Interest on Deposits & Loans	**-**	1.50
Other Interest	**6.15**	9.20
Interest on Term Loan	**62.15**	2.37
Exchange Fluctuation (FCNR / Buyer's Credit)	**26.02**	11.68
Bank Charges	**83.14**	35.30
TOTAL	**503.91**	327.47

25. OTHER EXPENSES

(₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Consumable Stores, Tools and Instruments	**31.51**	31.25
Electricity, Water and Fuel Charges	**151.74**	147.99
Packing	**75.22**	82.11
Repairs		
To Machinery	**9.68**	5.58
To Building	**4.33**	26.76
To Other Assets	**15.61**	18.55
Repairing and Servicing Expenses	**2.14**	3.64
Rent	**22.16**	21.03
Rates and Taxes	**7.57**	9.24
Insurance	**5.29**	7.91
Travelling, Conveyance and Vehicle Expenses	**211.73**	178.98
Directors' Travelling, Conveyance and Sitting Fees	**6.71**	4.72
Printing and Stationery	**13.55**	14.16
Postage, Telegram and Telex	**34.48**	33.36
Advertisement and Publicity	**6.16**	10.84
Liquidated Damages	**6.25**	7.60
Commission	**28.90**	25.49
Legal and Professional Charges	**115.78**	108.59
Payment to Auditors	**4.42**	4.13
Transit Insurance and Freight	**72.03**	91.63
Bad Debts	**18.42**	8.43
Exchange Rate Fluctuation	**-**	2.61
Miscellaneous Expenses	**72.82**	89.60
TOTAL	**916.50**	934.20

26. OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2017

i) Significant Accounting Policies

a) Basis of Preparation of Financial Statements

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

b) Use of estimates

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

c) Fixed Assets / Intangible Assets

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

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

iii) Expenses incurred on development of new products are treated as Capital Work in Progress during the development period and once the product is developed, the same is shown as Product Development Cost under Intangible Assets.

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

d) Depreciation

i) Depreciation on fixed assets is provided on the basis of useful life of assets as per Schedule II of the Companies Act, 2013.

ii) Depreciation on Technical know-how is provided on the basis of its useful life as per Schedule II of the Companies Act, 2013.

iii) Product Development Cost is amortised on the basis of its useful life as per Schedule II of the Companies Act, 2013.

iv) Leasehold Land is amortized over the period of lease.

e) Valuation of Inventories

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

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

ii) Work in progress, Finished Goods and Stock-in-Trade are valued at cost or net realisable value whichever is lower.

iii) Scrap is valued at estimated selling price.

iv) Stores and Spares are valued at cost. Tools and Instruments are valued at book value.

f) Revenue Recognition

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

Sales

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

Other Income

Interest income is accounted on accrual basis.

g) Foreign Currency Transactions

i) Transactions denominated in foreign currency are recorded at the rate of exchange prevailing at the time of transaction.

ii) Current Liabilities / Assets not covered by forward contract are stated at the rates ruling at the year end and any exchange difference arising on such transaction is dealt with in the Statement of Profit and Loss.

iii) Transactions completed during the year are adjusted at the prevailing rates.

h) Research and Development

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

i) Retirement and Other Employee Benefits

i) Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to the Statement of Profit & Loss in the year when the contributions to the funds are due.

ii) Superannuation Fund is a defined contribution scheme and contribution to the scheme are charged to the Statement of Profit & Loss in the year when contributions are made in respect of employees covered under the scheme. The scheme is funded with Life Insurance Corporation of India.

iii) The Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The liability in respect of employees is provided and contributed to Life Insurance Corporation of India under Group Gratuity (Cash Accumulation) Scheme except;

a) In case of Chairman cum Managing Director and Executive Vice Chairperson, in whose cases the additional Gratuity liability in accordance with their terms of appointment, is provided in the books.

b) In case of Nashik and Dehradun Division it is provided on the basis of actuarial valuation.

iv) The Company has other long term employee benefits in the form of Leave Encashment. The liability in respect of Leave Encashment is provided for on the basis of actuarial valuation made at the end of the Financial Year. The aforesaid Leave Encashment is not funded.

v) The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees is recognized during the period when the employee renders the services.

vi) Terminal Benefits:

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

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

j) Provision for Current and Deferred Tax

i) Provision for current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective 'Previous Year'. Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognised as an asset by way of credit to the Statement of Profit and Loss only if there is convincing evidence of its realisation. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

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

k) Impairment of Assets

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

l) Earnings Per Share

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

ii) Estimated amount of contract remaining to be executed and not provided on account of Technical Know-How ₹ 86.56 lacs (previous year ₹ 94.28 lacs) and on account of Capital Purchase ₹ 341.87 lacs (previous year ₹ 271.54 lacs).

iii) Contingent Liabilities in respect of the following: (₹ in lacs)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Letters of credit opened by the bankers of the Company in favour of the third parties	**161.43**	233.85
Guarantee given by the banks to the third parties on behalf of the company	**785.26**	1,013.39
Letter of Credit discounted with bank	**-**	-
Claims of Excise disputed by the Company *	**127.88**	122.06
Claims of Sales Tax disputed by the Company *	**145.74**	141.36

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

iv) Payment to Auditors (Excluding Service Tax): (₹ in lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
As Auditor	**2.25**	2.25
For Tax Audit	**0.60**	0.60
For Certification etc.	**0.58**	0.80
For out of pocket expenses	**0.45**	0.39
TOTAL	**3.88**	4.04

v) Employee Benefits:

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

Defined Contribution Plan:

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

(₹ in lacs)

Particulars	2016-2017	2015-2016
Employer's Contribution to Provident Fund	**43.84**	43.56
Employer's Contribution to Superannuation Fund	**18.61**	22.52
Employer's Contribution to Pension Fund	**36.86**	36.30

Defined Benefit Plan: (₹ in lacs)

Particulars	Gratuity		Leave Encashment	
	2016-2017	2015-2016	**2016-2017**	2015-2016
i) Reconciliation of opening and closing balances of Defined Benefit				
Defined Benefit obligation at beginning of the year				
Funded	**352.20**	375.91	**-**	-
Non-Funded	**114.35**	101.95	**66.14**	66.32
	466.55	477.86	**66.14**	66.32
Current Service Cost				
Funded	**29.53**	20.98	**-**	-
Non-Funded	**4.91**	4.20	**14.93**	15.44
	34.44	25.18	**14.93**	15.44
Interest Cost				
Funded	**24.83**	30.07	**-**	-
Non-Funded	**3.47**	2.95	**4.66**	4 .85
	28.30	33.02	**4.66**	4 .85
Actuarial (gain) / loss				
Funded	**(22.68)**	(22.33)	**-**	-
Non-Funded	**(2.50)**	5.61	**5.18**	10.92
	(25.18)	(16.72)	**5.18**	10.92
Benefits paid				
Funded	**63.82**	52.43	**-**	-
Non-Funded	**3.61**	0.36	**29.10**	31.40
	67.43	52.79	**29.10**	31.40
Defined Benefit obligation at year end				
Funded	**320.06**	352.20	**-**	-
Non-Funded	**116.62**	114.35	**61.81**	66.14
	436.68	466.55	**61.81**	66.14

(₹ in lacs)

Particulars	Gratuity		Leave Encashment	
	2016-2017	2015-2016	**2016-2017**	2015-2016
ii) Reconciliation of opening and closing balances of fair value of plan				
Fair value of plan assets at beginning of the year	**325.91**	350.05	**-**	-
Expenses deducted from the fund	**(0.79)**	(0.35)	**-**	-
Expected return on plan assets	**25.74**	33.53	**-**	-
Actuarial (gain) / loss	**(1.66)**	(6.25)	**-**	-
Employer contribution	**3.51**	1.37	**-**	-
Benefits paid	**63.82**	52.43	**-**	-
Fair value of plan assets at year end	**288.89**	325.91	**-**	-
Actual return on plan assets	**24.08**	27.28	**-**	-
iii) Expense recognised during the year				
Current Service Cost				
Funded	**29.53**	20.98	**-**	-
Non-Funded	**4.91**	4.21	**14.93**	15.44
	34.44	25.19	**14.93**	15.44
Interest Cost				
Funded	**24.83**	30.07	**-**	-
Non-Funded	**3.47**	2.95	**4.65**	4.84
	28.30	33.02	**4.65**	4.84
Expected return on plan assets				
Funded	**25.74**	33.53	**-**	-
Non-Funded	**-**	-	**-**	-
	25.74	33.53	**-**	-
Actuarial (gain) / loss				
Funded	**(21.02)**	(16.08)	**-**	-
Non-Funded	**(2.50)**	5.61	**5.18**	10.92
	(23.52)	(10.47)	**5.18**	10.92
Net Cost				
Funded	**7.60**	1.44	**-**	-
Non-Funded	**5.88**	12.77	**24.76**	31.21
	13.48	14.21	**24.76**	31.21
iv) Reconciliation of fair value of assets and obligations				
Fair value of plan assets				
Funded	**288.89**	325.91	**-**	-
Non-Funded	**-**	-	**-**	-
	288.89	325.91	**-**	-
Present value of obligation				
Funded	**320.06**	352.20	**-**	-
Non-Funded	**116.62**	114.35	**61.81**	66.14
	436.68	466.55	**61.81**	66.14
Amount recognised in Balance Sheet				
Funded	**31.17**	26.29	**-**	-
Non-Funded	**116.62**	114.35	**61.81**	66.14
	147.79	140.64	**61.81**	66.14
Investment Details	Insurer Managed Funds		N.A.	
Actuarial assumptions				
Mortality Table (LIC)	1994-96 (Ultimate)		1994-96 (Ultimate)	
Discount rate (per annum)	**7.40%**	7.85%	**7.40%**	7.85%
Expected rate of return on plan assets (per annum)	**7.40%**	7.85%	**-**	-
Rate of escalation in salary (per annum)	**3.50%**	5.00%	**3.50%**	5.00%

vi) Trade Receivables over six months comprises of ₹ 313.11 lacs (Previous year ₹ 774.20 lacs) due from Government concerns and ₹ 81.16 lacs (Previous year ₹ 196.56 lacs) due from commercial parties.

vii) In the opinion of the Management, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business and all provisions for laibilities are adequate and not in excess of the amount considered necessary.

viii) During the year Company has reviewed in detail of all advances, deposits, receivables and wherever Company felt that recovery is subject to some outcome or is doubtful, necessary provisions are made in accounts, accordingly a sum of ₹ 779.33 lacs has been provided under the head Exceptional Item and ₹ 722.06 lacs has been reduced from Trade Receivables and ₹ 57.27 lacs has been reduced from Short Term Loans and Advances.

ix) In the opinion of the Management, no provision is required against contingent liabilities referred herein above.

x) Advance and deposits from customers reflected under 'Other Long Term Liabilities' and 'Other Current Liabilities' represent advance / dealership deposit received by the Company for supply of capital goods

xi) Balance of Trade Receivables and Trade Payables are subject to confirmation.

xii) During the year, the Company has incurred an expenditure of ₹ 225.71 lacs on the development of various products and completed the development process of the products of ₹ 53.87 lacs (including ₹ 28.40 lacs incurred upto 31st March, 2016) and balance of ₹ 342.35 lacs (including ₹ 142.11 lacs incurred upto 31st March, 2016) related to the products still under development is clubbed under Capital Work in Progress.

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

(₹ in lacs)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Principal amount due and remaining unpaid	**-**	-
Interest due on above and unpaid interest	**-**	-
Interest paid	**-**	-
Payment made beyond the appointed day during the year	**-**	-
Interest due and payable for the period of delay	**-**	-
Interest accrued and remaining unpaid	**-**	-
Amount of further interest remaining due and payable in succeeding years	**-**	-

xiv) The recurring expenditure of ₹ 82.31 lacs (Previous year ₹ 59.74 lacs) and Capital Expenditure of ₹ 190.75 lacs (Previous Year ₹ 114.45 lacs) spent in respect of Research and Development during the year have been debited to respective account.

xv) Earnings per Share : (₹ in lacs)

Particulars	**Year Ended March 31, 2017**	Year Ended March 31, 2016
Profit after taxation as per Statement of Profit & Loss	**(681.81)**	(150.98)
Weighted average number of equity shares outstanding	**1,50,57,930**	1,50,57,930
Basic and diluted earnings per share (₹)	**(4.53)**	(1.00)

xvi) Segment Information :

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

Primary Segment Information :

(₹ in lacs)

	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
A	**Segment Revenue**		
	Electronic Components	**1,084.15**	2,784.19
	Equipments	**10,287.53**	6,831.71
	Total	**11,371.68**	9,615.90
	Less : Inter-Segment Revenue	**237.72**	222.31
	Net Sales / Income from Operations	**11,133.96**	9,393.59
B	**Segment Results - Profit / (Loss)**		
	Electronic Components	**(83.38)**	4.45
	Equipments	**771.33**	428.07
	Total	**687.95**	432.52
	Less : Interest & Financial Charges	**503.91**	327.46
	Other Unallocable Expenditure (Net of unallocable Income)	**343.75**	323.43
	Profit Before Tax	**(159.71)**	(218.37)
C	**Capital Employed**		
	Electronic Components	**159.69**	247.93
	Equipments	**2,906.89**	3,514.97

xvii) Related Party disclosures under Accounting Standard-18:

a) List of related parties

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

b) Transactions during the year (₹ in lacs)

S. No.	Nature of transaction	Key Management	Relative of Key Management	Total
1	Loan Received	- (125.00)	- -	- (125.00)
2	Loan Repaid	**5 .00** -	**-** -	**5.00** -
3	Income			
	Sale	- -	**0.42** **-**	**0.42** **-**
4	Expenditure			
i	Remuneration	**59.00** (70.73)	**56.08** (48.75)	**115.08** (119.48)
ii	Directors Sitting Fees	- -	**0.53** (0.22)	**0.53** (0.22)
iii	Rent	- -	**4.80** (3.90)	**4.80** (3.90)
iv	Purchase	- -	**30.10** (0.93)	**30.10** (0.93)

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

xviii) Particulars of Sales: (₹ in lacs)

Particulars		Year Ended March 31, 2017	Year Ended March 31, 2016
a)	**Manufactured Goods**		
	Converter & Inverter Equipments	**2,479.43**	2,151.72
	Diodes, Thyristors, Modules, Bridges	**463.01**	549.92
	High Voltage Rectifiers	**1,350.37**	1,394.89
	High Current Rectifiers	**1,294.22**	1,289.79
	Transformers	**2,450.04**	416.82
	Others	**979.38**	566.04
	Total	**9,016.45**	6,369.18
b)	**Traded Goods**		
	Capacitors	**191.72**	335.84
	Others	**57.62**	1,559.40
	Total	**249.34**	1,895.24
TOTAL		**9,265.79**	8,264.42

xix) Particulars of Purchase of Stock-In-Trade: (*) (₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Capacitors	**150.69**	242.71
Others	**49.33**	1,536.01
TOTAL	**200.02**	1,778.72

(*) Includes purchases for manufacturing ₹ 25.84 lacs (Previous year ₹ 37.42 lacs)

xx) Particulars of Consumption of Raw Materials: (*) (₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Non-ferrous metals	**1,602.11**	1,394.30
CRGO lamination	**326.82**	43.08
Electrical accessories and semi conductor components	**2,502.22**	3,308.18
Others	**2,741.28**	1,297.34
TOTAL	**7,172.43**	6,042.90

(*) Raw materials consumed:

i) Includes material used for service activities.

ii) Excludes sale and stock of scrap.

iii) Includes Conversion and Processing charges ₹ 597.79 lacs (Previous Year ₹ 362.30 lacs)

xxi) Consumption of Imported Raw Materials, Components and Spare Parts: (₹ in lacs)

Particulars	Year Ended March 31, 2017		Year Ended March 31, 2016	
	Amount	Percentage	Amount	Percentage
Imported	**748.64**	**10.44**	788.55	13.05
Indigenous	**6,423.79**	**89.56**	5,254.35	86.95
TOTAL	**7,172.43**	**100.00**	6,042.90	100.00

xxii) Value of Imports on C.I.F Basis: (₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Raw Materials & Components	**928.34**	722.39
Capital goods	-	-
TOTAL	**928.34**	722.39

xxiii) Expenditure in foreign currency (on payment basis): (₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Travelling Expenses	**6.79**	3.89
Technical Know How, Licence Fee (shown under Capital advance)	-	-
Royalty	-	-
Others	-	0.04
TOTAL	**6.79**	3.93

xxiv) Earnings in foreign currency: (₹ in lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Export on F.O.B. basis	186.32	651.75
Others	-	-
TOTAL	186.32	651.75

xxv) Dividend paid abroad:

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Remittance of foreign exchange on account of dividend (₹)	-	-
Number of non-resident shareholders	-	-
Number of shares on which remittance was made	-	-
Year for which the dividend was remitted	-	-

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

xxvii) The Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 in the Table below:-

(₹ in lacs)

Particulars	SBN's	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	6.23	7.33	13.55
(+) Permitted Receipts	-	13.72	13.72
(-) Permitted Payments	-	12.68	12.68
(-) Amount deposited in Banks	6.23	-	6.23
Closing cash in hand as on 30/12/2016	-	8.37	8.37

xxviii) Previous year's figures have been re-classified and re-grouped wherever necessary.

The accompanying notes form integral part of the financial statements

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

Premal Gandhi
Proprietor
Membership No. 045462

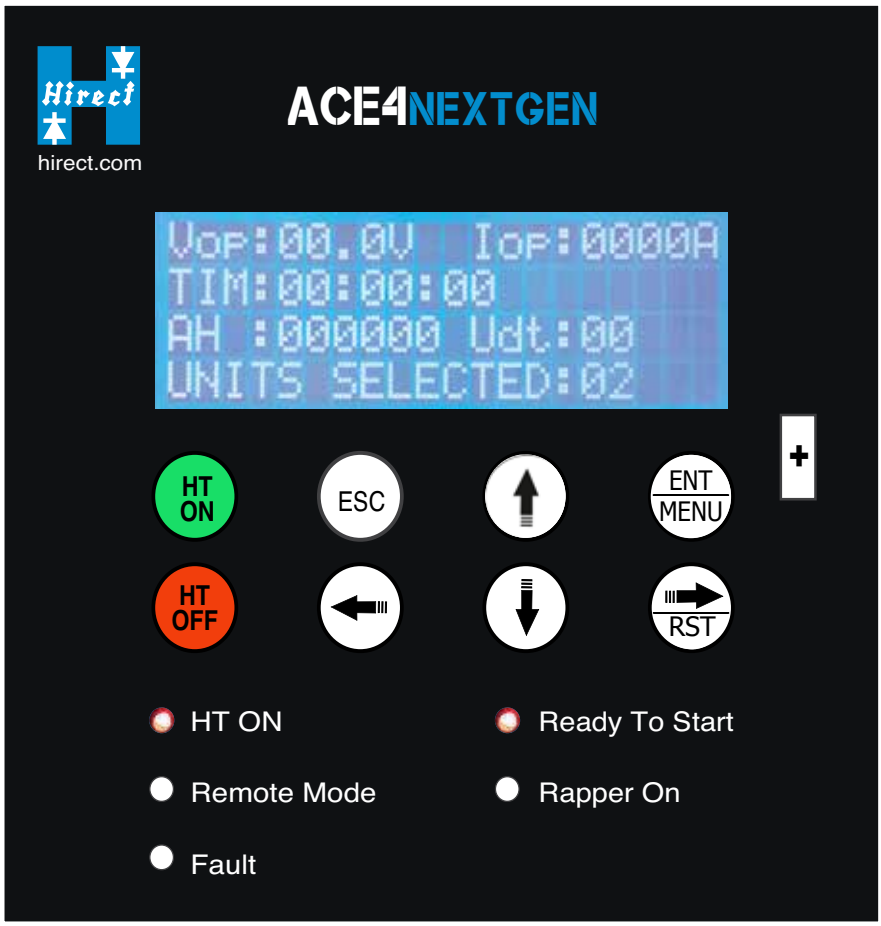
Place: Mumbai
Date: 26th May, 2017

For and on behalf of the Board of Directors

S. K. NEVATIA	Chairman & Managing Director
V. K. BHARTIA	Director
A. K. NEMANI	Chief Financial Officer
MEENAKSHI ANCHLIA	Company Secretary & Compliance Officer

Place: Mumbai
Date: 26th May, 2017

Notes



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