



HIND RECTIFIERS LIMITED

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**41ST
ANNUAL REPORT
1998-1999**

Hirect**BOARD OF DIRECTORS**

R. P. Nevatia, Chairman Emeritus
 S. K. Nevatia, Chairman & Managing Director
 J. H. Shah
 H. L. Gidwani
 D. R. Mehta
 Bankey Aggarwal
 Bharat Swaroop
 Pawan Kumar Golyan
 Niraj Ramkrishna Bajaj

BANKERS

The Bank of Rajasthan Limited
 Union Bank of India

AUDITORS

M/s. Khandwala & Shah
 Chartered Accountants

LEGAL ADVISORS

M/s. Kanga & Co.

REGISTERED OFFICE

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

WORKS

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

Plot No. 110/111, M.I.D.C.,
 Satpur, Nashik- 422 007. (INDIA)

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41ST ANNUAL GENERAL MEETING

on Friday, the 30th July, 1999
 at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallery,
 Ground Floor, Bajaj Bhavan,
 Nariman Point,
 Mumbai 400 021.

NOTICE OF FORTYFIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Fortyfirst Annual General Meeting of the members of the Company will be held on Friday, the 30th July, 1999 at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400 021 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 1999 and the audited Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jayant H. Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri H.L. Gidwani, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Bharat Swaroop, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER. THE DULY COMPLETED PROXY FORMS IN ORDER TO BE EFFECTIVE SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st July, 1999 to 30th July, 1999 (both days inclusive).
3. Pursuant to Section 205A (5) of the companies Act, 1956 all unclaimed Dividends for the Accounting Year ended on 31st March, 1995 have been transferred to the General Reserve Account of the Central Government. Members are requested to claim the same from the Registrar of companies, Maharashtra, Mumbai.
4. Members are requested to notify immediately any change in their addresses to the Company.
5. Members are requested to bring their copies of the Annual report to the Meeting.
6. Members desiring any information on accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

Registered Office :

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

By order of the Board of Directors
For **HIND RECTIFIERS LIMITED**

Dated : 25th May, 1999.

S. K. NEVATIA
Chairman & Managing Director

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DIRECTORS' REPORT TO THE MEMBERS

The Directors present their 41st Annual Report and Audited Statements of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

	1998-99 (Rs. lacs)	1997-98 (Rs. lacs)
Turnover	2422.96	3169.62
Gross Profit/ (Loss)	(64.08)	287.31
Less : Depreciation	30.94	31.67
Profit/ (Loss) before taxes	(95.02)	252.04
Less : Provision for taxation	—	92.00
Profit/ (Loss) after tax	(95.02)	160.04
Adjustment in respect of earlier years	14.77	(1.71)
Surplus of previous year	26.87	21.66
Surplus/ (Deficit) available for appropriation	<u>(53.38)</u>	<u>179.99</u>
Appropriations :		
Transferred to General Reserve	—	120.00
Proposed Dividend	—	30.12
Tax on distributed profit	—	3.01
Surplus/ (Deficit) carried to Balance Sheet	<u>—</u>	<u>26.86</u>
		<u>179.99</u>

OPERATIONS :

During the year under review the performance of the Company was adversely affected due to overall recession in the industry. The turnover of the Company during the year was Rs. 2422.96 lacs as compared to Rs. 3169.62 lacs in the previous year. Further the net realization price was also lower due to increased competition on account of limited business in the market. This resulted into loss of Rs. 95.02 lacs.

Efforts are being made to improve the performance of the Company in the current year by increasing the turnover with addition of new products.

The Company has received orders for Inverters for A.C. Coaches and also orders for EMU Transformers to be supplied in the year 1999-2000

DIVIDEND

In view of loss for the year, the Directors are not in a position to recommend any dividend.

Y2K PREPAREDNESS

The Company has already made the hardwares and softwares Y2K compliant during this year and tested the same satisfactorily. The expenses incurred to make the system Y2K compliant do not have any material financial impact.

DEPOSITS

Deposits amounting to Rs. 67,000/- due for payment on or before 31.3.99 were not claimed by the depositors on that date. Letters have been sent to such depositors reminding them to claim their deposits. As at the date of this report, no amount thereof have been claimed or renewed.

DIRECTORS

Shri Jayant H. Shah, Shri H. L. Gidwani and Shri Bharat Swaroop retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s Khandwala & Shah, the Auditors of the Company retire, and are eligible for reappointment. The Members are requested to appoint the Auditors for the current year, and fix their remuneration.

Hirect**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The required information under section 217 (I)(e) of the Companies Act, 1956 and the Rules thereunder is given in the prescribed format as an Annexure I to this Report.

PARTICULARS OF EMPLOYEES

Particulars required under Section 217 (2A) of the Companies Act, 1956, and the Rules thereunder as amended, are given in the format as an Annexure II to the Directors' Report.

The Relations with the employees remained cordial throughout the year.

On behalf of the Board of Directors

MUMBAI

Dated : 25th May, 1999

S. K. NEVATIA

Chairman.

ANNEXURE I TO THE DIRECTORS' REPORT

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1999.

I. CONSERVATION OF ENERGY

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

II. TECHNOLOGY ABSORPTION

1. Battery plate forming rectifier with control through PC and PLC is successfully developed, supplied and awaiting commissioning.
2. Hard anodising pulse rectifier has been successfully developed, supplied and awaiting commissioning.
3. Hard anodising pulse power supply with RS485 communication for setting/changing parameters from remote is under development.
4. 180 KVA auxiliary converter (Arno-Converter replacement) technical know-how has been signed. Proto expected in 14 to 16 months.

III. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. 150V/150A battery discharger converter for feeding battery discharge power to mains is commissioned and under observation.
2. 200 KW H.V. Power Supply (60 KV/3.3A + auxiliary supply) for BARC developed, tested and inspected successfully at factory.
3. 5400 KVA loco transformer test completed and results sent for approval.
4. 25KVA, 415 V, 50 Hz, 3 Phase Inverter, under slung type, natural air cooled for roof mounted air-conditioner package unit for A.C. Coaches in Indian Railways, 1 No. Prto unit delivered to I.C.F. in Sept., 1998 and is successfully running over a distance of 2,00,000 km. Commercial production of the inverters is taken up from May 1999.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

To avoid repetition, Members are kindly requested to refer to notes Nos. 14, 15, 16 & 17 to the accounts where such information is furnished.

On behalf of the Board of Directors

MUMBAI

Dated : 25th May, 1999

S. K. NEVATIA

Chairman.

REPORT OF THE AUDITORS

To,
THE MEMBERS OF HIND RECTIFIERS LIMITED,

We have audited the attached Balance Sheet of **HIND RECTIFIERS LIMITED**, as at 31st March, 1999 and Profit & Loss Account for the year ended on that date annexed thereto (in which are incorporated the accounts of Nashik Division of the Company, audited by other auditors) which are in agreement with the Company's books of account.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, in our opinion, and on the basis of such checks of the books and records as we considered appropriate, and according to the information and explanation given to us during the course of our audit, we report that :

- i) The Company, has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. These assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) The stocks of finished goods, stores, spare parts and raw material have been physically verified during the year by the management. The frequency of verification is reasonable.
- iv) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) The discrepancies noticed on verification between the physical stocks and the book records were not material.
- vi) On the basis of our examination of stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceeding year.
- vii) There are no loans taken from any firms, companies or parties listed in the Register maintained under Section 301 of the Companies Act, 1956. We were informed that there are no companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
- viii) There are no loans given to any party listed in the Register maintained under Section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
- ix) The Company has given advances in nature of loans to its employees who are repaying the principle amount as stipulated and have also been regular in the payment of interest where applicable.
- x) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to sale of goods.
- xi) During the year under report, there were no purchase of goods and materials and sale of goods made in pursuance of the contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more.
- xii) The Company has regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for loss arising on the item so determined.
- xiii) The Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposit accepted from public.
- xiv) The Company has maintained reasonable records for the sale and disposal of scrap. The Company has no by-product.