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HIND RECTIFIERS LIMITED

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44th
ANNUAL REPORT

2001-2002

BOARD OF DIRECTORS

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

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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44 TH ANNUAL GENERAL MEETING

on 31st day of July, 2002
 at 3.30 p.m. at Kamalnayan Bajaj Hall & Art Gallery,
 Ground Floor, Bajaj Bhavan,
 Nariman Point,
 Mumbai- 400 021.

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NOTICE OF FORTYFOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fortyfourth Annual General Meeting of the members of the Company will be held on Wednesday, the 31st day of July, 2002 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 year ended 31st March, 2002 and the audited Balance Sheet as at that date together with the Report of the Directors and Auditors thereon.
2. To declare dividend .
3. To appoint a Director in place of Mrs. Uma S. Nevatia, who retires from office by rotation, and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Shri H. L. Gidwani, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri D. R. Mehta, who retires from office by rotation, and being eligible offers himself for re-appointment.
6. To appoint the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

To consider and if thought fit, to pass, with or without modifications, the following Resolutions :

7. AS A SPECIAL RESOLUTION :

RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any of the Companies Act, 1956, the Articles of Association of the Company be and is hereby amended, altered and/or substituted in the manner and to the extent set out herein below :

- A. Following be inserted in Article 2 at appropriate place
DIVIDEND: Dividend includes interim Dividend.
- B. The following new clause 3(a) be added after Article 3 :
3(a) The Share Capital of the Company shall be of two kinds only, namely:
 (I) Equity Share Capital :
 (i) With Voting Rights; or
 (ii) With differential rights as to dividend, voting or otherwise as may be prescribed under the provisions of the section 86 or any other provision of the Companies Act, 1956 or such other rules, regulations governing the matter from time to time.
 (II) Preferential Share Capital.
- C. The following new clause 98(a) be added after Article 98 :

98(a) POSTAL BALLOT

"The Company may and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the Company. Where the Company is required to, or decides to, as the case may be, get a resolution passed by means of a postal ballot, the provisions of Section 192 A of the Act shall be complied with. Any matter / issue pertaining to or arising out of the postal ballot shall be decided by the chairman of the meeting or in his absence of the Board."

- D. The following new clause (M) and (N) be added after clause (L) in Article 122 :
 Clause (M) :
 "he is already a director of a public company which,
 (1) has not filed the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999; or

- (2) has failed to repay its deposit or interest thereon on due date or redeem its debenture on due date or pay dividend and such failure continues for one year or more :

Provided that he shall not be eligible to be appointed as a director for a period of five years from the date on which such other Public Company, in which he is a director, failed to file annual accounts and annual returns or has failed to repay its deposits or interest or redeem its debentures on due date or pay dividend.

The above disqualification of a director shall be governed by the provisions of Sections 274 (1) (g) of the Companies Act, 1956 or such other rules, regulations governing the matter from time to time."

Clause (N) :

"he becomes disqualified in terms of any of the provisions of Companies Act, 1956, amended from time to time."

NOTES :

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 25.07.2002 to 31.07.2002 (both days inclusive).
4. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended 31st March, 1995 has been transferred to the credit of the General Revenue Account of the Central Government. The members who have not claimed the dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
Members are hereby informed that Dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956. Members who have not encashed the dividend warrant(s) so far for the Financial Year ended 31st March, 1996 or any subsequent financial year are requested to make their claim at registered office. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above no claim shall lie in respect thereof.
5. Members desirous of seeking any information concerning the Account of the Company are requested to address their queries in writing to the Company at an early date so as to enable the management to keep the information ready .
6. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting .
7. The Company has listed its shares at Bombay Stock Exchange, Phiroze Jeejibhoy Towers, Dalal Street, Mumbai - 400 023 under Security Code No. 504036. The Company is regular in payment of the Listing Fee to the Exchange.
8. Members are requested to notify immediately any change in their address to the Company's Share Transfer Agent M/S. ADROIT CORPORATE SERVICES PRIVATE LIMITED, 19, Jafarbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri [East], Mumbai – 400 059.
9. All documents referred to in the Notice and Explanatory Statement are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

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

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

Dated : 15th June, 2002.

S. K. NEVATIA
Chairman & Managing Director

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Explanatory statement pursuant to Section 173 of the Companies Act, 1956 :

Item 7 :

The Companies (Amendment) Act, 2000 has brought about several changes in the Companies Act, 1956 by inserting inter-alia regarding Equity Share Capital with differential rights, voting by postal ballot, disqualification of directors, transfer of unpaid Dividend etc.

The consequential changes are proposed to be made in the Articles of Association of the Company to ensure conformity with the provisions of the Companies Act, 1956 amended by the Companies (Amendment) Act, 2000.

None of the Directors of the Company is/are interested in the said resolution.

The Directors recommend the Resolution set out at item no. 7 of the Notice for the approval of the shareholders.



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

Dated : 15th June, 2002.

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

S. K. NEVATIA
Chairman & Managing Director

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting 44th Annual Report together with the Audited accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Year ended 31.03.2002 Rs. In Lacs	Year ended. 31.03.2001 Rs. In Lacs
Turnover	3222.04	2606.03
Gross Profit / (Loss)	67.08	(33.30)
Less : Depreciation	27.07	28.44
Profit / (Loss) before taxes	40.01	(61.74)
Less: provision for taxation	3.07	—
Profit / (Loss) after tax	36.94	(61.74)
Excess / (Short) Provision for taxation of earlier years	(0.03)	6.02
Adjustment in respect of earlier years	(2.70)	6.11
Net Surplus / (Deficit)	34.21	(49.61)
Appropriations :		
Transferred to General Reserve	14.00	—
Proposed Dividend	10.04	—
Surplus carried to Balance Sheet	10.17	—

OPERATIONS

Substantial increase in turnover primarily due to the commercialisation of new products coupled with continuing emphasis on cost reduction has resulted in company getting on the path of progress. The increase in turnover from Rs.2606 lacs to Rs.3322 lacs, a percentage increase of 24% (approx.) has resulted in company showing gross profit of Rs.67.08 lacs and profit after tax of Rs.36.94 lacs against previous year's loss of Rs.61.74 lacs.

The Indian railways continue to repose confidence in the company and during the year under review the contribution of Railway business in the total sales went up to 38% as compared to 33% in the previous year. The company has been successful in manufacturing and supplying 25 KVA inverters for air conditioned coaches manufactured by Integral Coach Factory, Chennai and Railway Coach Factory, Kapurthala which will contribute to the company's sales and profits in the coming years.

The company expects to consolidate its performance further during the current financial year.

DIVIDEND

The Directors recommend for consideration of the shareholders at the Annual General Meeting payment of dividend at 10% (Re.1/- Per Share) amounting to Rs.10,03,862/- for the year ended 31st March, 2002 (previous year nil).

AMENDMENT IN ARTICLES OF ASSOCIATION

The Companies (Amendment) Act, 2000 has brought out certain changes in the Companies Act, 1956 relating to differential voting rights on shares, postal ballot, disqualification of Directors etc. These changes are proposed to be incorporated in the Articles of Association of the Company.

DEPOSITS

Deposit amounting to Rs.89,000/- due for payment on or before 31/03/2002 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 Rs.46,000/- thereof have been claimed and paid.

BOARD OF DIRECTORS

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mrs. Uma S. Nevatia, Mr. H. L. Gidwani and Mr. D. R. Mehta, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

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DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. Khandwala & Shah, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a certificate from them that they are qualified under section 224 (1B) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to appoint the auditors for the current year and fix their remuneration.

AUDITORS' OBSERVATIONS

Notes on Accounts and other observations made in the Auditor's Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

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 Limited (CDSL) under ISIN No. INE835D01015. As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories.

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

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

PARTICULARS OF EMPLOYEES

There were no employees in the financial year ending on 31st March, 2002, who were in receipt of remuneration which in the aggregate was Rs. 24 lacs or more per annum if employed throughout the year or were in receipt of the remuneration which in aggregate was Rs. 2 lakh or more per month if employed for a part of the year, pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) rules 1975 as amended from time to time.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

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

ACKNOWLEDGEMENT

Company records with much grief the unfortunate passing away at the age of 94 as on 20.03.2002 of Shri. R.P. Nevatia, Chairman Emeritus and Founder of the Company. The Board puts on record its sincere appreciation for contribution made and guidance given by him to the company since its inception.

The Company wishes to convey its appreciation to the shareholders, customers, suppliers, bankers 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.

On behalf of the Board of Directors

Mumbai

Dated : 15th June, 2002.

S. K. NEVATIA

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information under section 217(1) of the Companies Act, 1956 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, 2002.

I. CONSERVATION OF ENERGY

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

II. TECHNOLOGY ABSORPTION

1. Development of SMPS for DOT Exchanges as per TEC specification.
2. Development of IGBT based unity PF Rectifiers.
3. Development of Auto KVAR import/export control for Wind Generator with ER&DC.

III. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. IGBT based high voltage power supply is under final testing.
2. Sealed type transformers manufactured, supplied and exported.
3. Pulse Rectifier for hard anodizing manufactured and supplied to VSSC, Trivandrum as import substitute.
4. 3800A/1200V, Self-cooled 3 Phase Rectifier for WDG-2 (Goods Traffic) as well as WDM2-C (Mix Traffic) Diesel – Electric Locomotive has been developed and approved by RDSO.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

To avoid repetition, Members are kindly requested to refer to notes Nos.18,19,20 & 21 to the accounts where such information is furnished.



Mumbai

Dated : 15th June, 2002.

On behalf of the Board of Directors

S. K. NEVATIA
Chairman