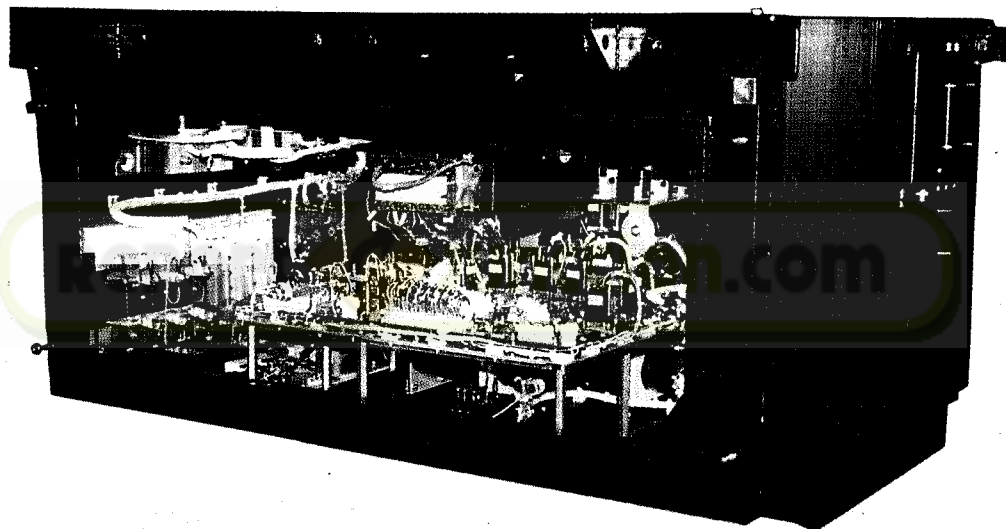


Hirect

HIND RECTIFIERS LIMITED



45th
ANNUAL REPORT

2002-2003

Hirect

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)
BRANCHES	:	62, Dayanand Road, Daryaganj, New Delhi - 110 002. Chatterjee International Centre, 15th Floor, Flat No. 10, 33-A, J. N. Road, Kolkata - 700 071. 'Anna Mansion', 1st Floor, No. 7/1 Avenue Road, Nungambakam, Chennai - 600 034. 6-1-103/50, Padmarao Nagar, Secunderabad 500 025.

CONTENTS

Notice to the members	2
Director's Report	5
Secretarial Compliance Certificate	8
Auditors' Report	10
Balance Sheet	12
Profit & Loss Account	13
Schedules	14
Cash Flow	27

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

MANAGEMENT TEAM

: S. K. Nevatia - Managing Director
 Vinod Maria - President
 Saurabh Nevatia - Chief Executive (Nashik)
 P. D. Telang - Vice President (Manufacturing)
 U. V. Ramchandran - Vice President (Marketing)
 R. Ramnath - Sr. Gen. Manager (New Business & Export)
 A. K. Nemani - Sr. Gen. Manager (Finance)
 S. N. Khot - Gen. Manager (P & A)

BANKERS

: The Bank of Rajasthan Limited
 Union Bank of India

AUDITORS

: M/s. Khandwala & Shah
 Chartered Accountants

LEGAL ADVISORS

: M/s. Kanga & Co.

REGISTRAR AND TRANSFER AGENT

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

45TH ANNUAL GENERAL MEETING

Date : Saturday, August 30, 2003
Time : 3.30 p.m.
Venue : Kamalnayan Bajaj Hall & Art Gallery,
 Ground Floor, Bajaj Bhavan,
 Nariman Point,
 Mumbai - 400 021.

Cover photograph :

25KVA, 415V, 50Hz, 3 Phase Inverter, under slung type, natural air cooled for roof mounted airconditioner package unit for A.C. Coaches in Indian Railways with Transtechnik GmbH, Germany Technology.

Hirect

NOTICE TO THE MEMBERS

Notice is hereby given that the 45th Annual General Meeting of the members of HIND RECTIFIERS LIMITED will be held on Saturday the 30th day of August, 2003 at 3.30 P. M. at Kamalnayan Bajaj Hall & Art Gallery, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai – 400 021 to transact, with or without modification(s) the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2003 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare the Dividend on Equity Shares for the year ended 31st March, 2003.
3. To appoint a Director in place of Mr. Pawan Kumar Golyan, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Niraj Ramkrishna Bajaj, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Bankey Aggarwal, who retires from office by rotation, and being eligible offers himself for re-appointment.
6. To appoint 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 :

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

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 :

Following be added at the end of Article 191 of the Articles of Association of the Company

"At the option of a shareholder, dividend may be paid in any manner which has the effect of transferring the amount of dividend to the benefit of the shareholder including credit to his/her bank account and transfer of amount of dividend from the Company's bank to the shareholder's bank account."

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 26/08/2003 to 30/08/2003 (both days inclusive).
4. The Dividend on Equity Shares as recommended by the Board of Directors of the Company, when sanctioned at the Annual General Meeting of the Company will be paid on or after August 30, 2003 :
 - I] to those members of the Company whose names stand registered on the Company's Register of Members as on August 30, 2003 OR
 - II] in respect of shares held in electronic form, to those "deemed members" whose names appear on the

statements of beneficial ownership furnished by the National Securities Depository Limited [NSDL] and Central Depository Services [India] Limited [CDSL], at the end of business hours on August 29, 2003.

5. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 1995 has been transferred to the credit of the General Revenue Account of the Central Government. The members who have not received the dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, CGO Complex, 2nd Floor, "A" Wing, CBD-Belapur, Navi Mumbai – 400 614, Telephone No. 2757 6802.

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

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 1996 and onwards are requested to claim the amount forthwith from the Company.

6. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at an early date so that the requested information can be made available at the time of the meeting.
7. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
8. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

M/s. ADROIT CORPORATE SERVICES LIMITED,
[Unit: Hind Rectifiers Limited]
19, Jafarbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka,
Andheri [East], Mumbai - 400 059. Telephone Nos. 2859 0942, 2850 3748.

9. I] Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.
- II] 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. ECS Mandate Form is sent herewith with the Annual Report.
- III] 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.
10. 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. upto the date of the Annual General Meeting.

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

Dated : 24th June, 2003.

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

S. K. NEVATIA
Chairman & Managing Director

Hirect

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

Item 7:

The Company proposes to offer the facility of payment of Dividend to the Shareholders by electronic transfer whereby at the option of shareholders the amount of dividend will be credited directly to their bank account. This will reduce the risk of postal misarriage.

The above measure require alteration of the Articles of Association.

Section 31 of the Companies Act, 1956, requires that alteration of Articles of Association can be made only by passing a special resolution. Hence the special resolution has been proposed.

None of the Directors of the Company are concerned or interested in the said resolution.



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

Dated : 24th June, 2003.

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

S. K. NEVATIA
Chairman & Managing Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting 45th Annual Report together with the Audited accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	Year ended 31.03.2003	Rs. In Lacs Year ended 31.03.2002
Turnover	3386.39	3222.04
Gross Profit	128.46	67.08
Less : Depreciation	24.40	27.07
Profit before taxes	104.06	40.01
Less : Provision for taxation	8.20	3.07
Profit after tax	95.86	36.94
Excess/(Short) Provision for taxation of earlier years	3.35	(0.03)
Adjustment in respect of earlier years	(0.65)	(2.70)
Surplus of previous year	10.17	—
Profit available for appropriation	108.73	34.21
Appropriations :		
Transferred to General Reserve	65.00	14.00
Proposed Dividend	20.08	10.04
Tax on Dividend	2.57	—
Surplus Carried to Balance Sheet	21.08	10.17

OPERATIONS :

Increase in turnover, coupled with better product mix has resulted in substantial improvement in the performance of the company. The gross profit has jumped to Rs. 1.04 crores (previous year Rs. 0.40 crores) and profit after tax to Rs. 0.95 crores (previous year Rs. 0.36 crores).

The business from Indian railways further increased substantially from Rs. 6.10 crores in the previous year to Rs. 9.75 crores during the year.

The company has initiated steps for increasing exports and initial response is encouraging.

The company is putting in its best efforts inspite of keener competition, especially from liberalized imports, to maintain the progress.

DIVIDEND :

The Directors recommend for consideration of the Shareholders at the Annual General Meeting payment of dividend at 20% (Rs. 2/- per Share) amounting to Rs. 20,07,724/- for the year ended 31st March, 2003 (previous year Rs. 10,03,862/-).

DEPOSITS :

Deposit amounting to Rs. 98,000/- due for payment on or before 31st March, 2003 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. 30,000/- 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, Mr.Pawan Kumar Golyan, Mr.Niraj Ramkrishna Bajaj and Mr. Bankey Aggarwal Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT :

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

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2003.

Hirect

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

AUDITORS :

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

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

AUDITORS' OBSERVATIONS :

The observation of the Auditors contained in their Report have been adequately dealt with in the Notes to the Accounts given in schedule "T" which are self-explanatory and therefore, do not call for any further comments.

SECRETARIAL COMPLIANCE REPORT :

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

DEPOSITORY SERVICES :

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories. The Company has been allotted ISIN No. INE835D01015.

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

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

PARTICULARS OF EMPLOYEES :

None of the employees of the Company came within the preview of the information required u/s 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended.

LISTING :

The Company has listed its shares on The Stock Exchange, Mumbai. The Company is regular in payment of listing fee.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION :

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

ACKNOWLEDGEMENT :

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

Mumbai

Dated : 24th June, 2003.

On behalf of the Board of Directors

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, 2003.

I. CONSERVATION OF ENERGY

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

II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. High frequency, high voltage rectifier using IGBT inverter, developed and under final testing.
2. Developed sine wave signal generator which provides variable frequency sine wave outputs having 0-180 degree phase shift between 2 outputs and independent DC shift in positive and negative direction.
3. Development of IGBT based, pulse rectifier, double pulse rectifier, reverse polarity rectifier and SMPS power supply.
4. Developed a 12 pulse rectifier using single digital controller.
5. 3800A / 1200V Self-Cooled 3 Φ Proto-type WDM2C Rectifier for Diesel Component Works, Patiala was commissioned in Loco Unit in May, 2003 and it is under field trial in South Central Railway.

III. FOREIGN EXCHANGE EARNING 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 : 24th June, 2003.

On behalf of the Board of Directors

S. K. NEVATIA
Chairman