

**BOARD OF DIRECTORS** : S. K. Nevatia, Chairman & Managing Director  
Uma S. Nevatia, Executive Vice Chairperson  
D. R. Mehta  
Niraj Ramkrishna Bajaj  
Bharat Swaroop  
Pawan Kumar Golyan  
V. K. Bhartia  
Binod Patodia  
Pradeep V. Goyal  
Akhil Marfatia, Additional Director (w.e.f. 11th April, 2011)

**MANAGEMENT TEAM** : S. K. Nevatia - Chairman & Managing Director  
Uma S. Nevatia - Executive Vice Chairperson  
R. C. Chandan - Chief Executive  
Saurabh Nevatia - Chief Executive (Nashik)  
A. K. Nemani - Chief Financial Officer

**BANKERS** : ICICI Bank 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 PRIVATE LIMITED  
19, Jafarbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059.

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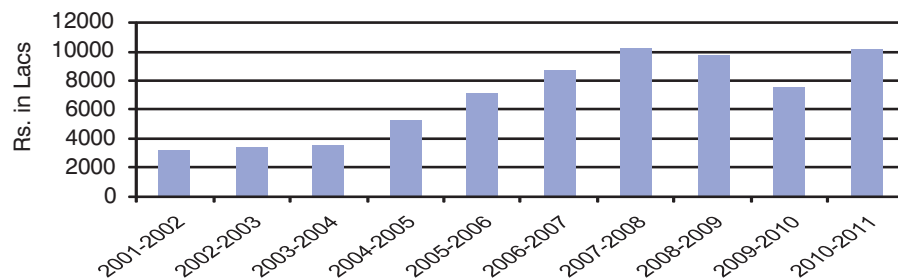
## 53RD ANNUAL GENERAL MEETING

**Date** : 5th August, 2011  
**Time** : 3.30 p.m.  
**Venue** : M.C. Ghia Hall,  
4th Floor, Bhogilal Hargovindas Building,  
18/20, K. Dubhash Marg, Kala Ghoda,  
Mumbai - 400 001.

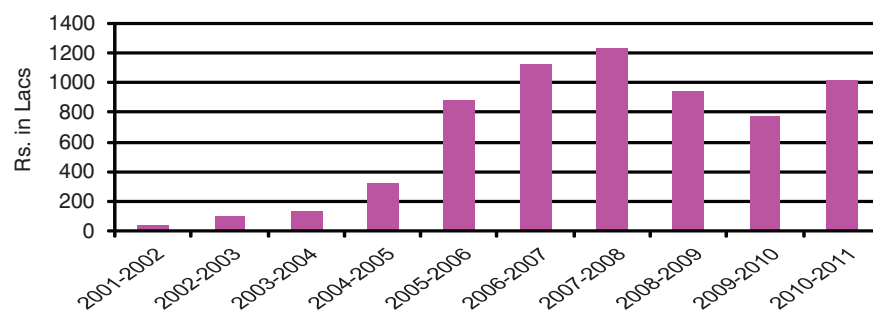
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Cover Page : 12-Pulse WF Cooled Thyristor Rectifier Cubicle 90V/12kA DC.  
Back Cover Page : 12-Pulse ONAN Cooled Rectifier Transformer for 90V/10kA Thyristor Rectifier Cubicle (shown on Cover Page) for Defence Application supplied to Vikram Sarabhai Space Centre.  
Inner Back Cover Page : 11kV/8.2 MVA, ONAN Cooled Auto Transformer with On Load Tap Changer (OLTC) to achieve 100 step AC Voltage developed and erected for Graphite Production.

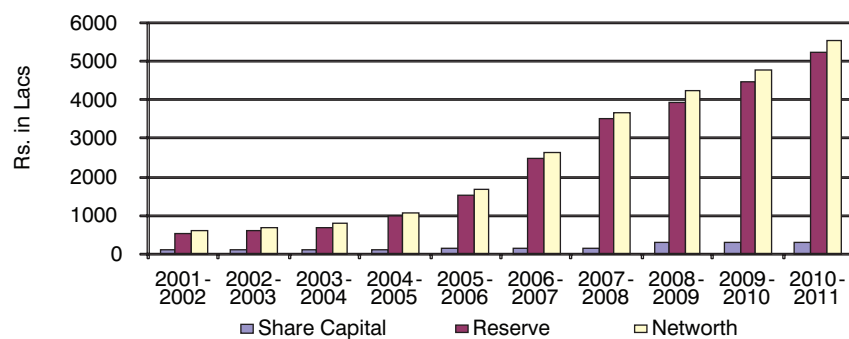
## SALES



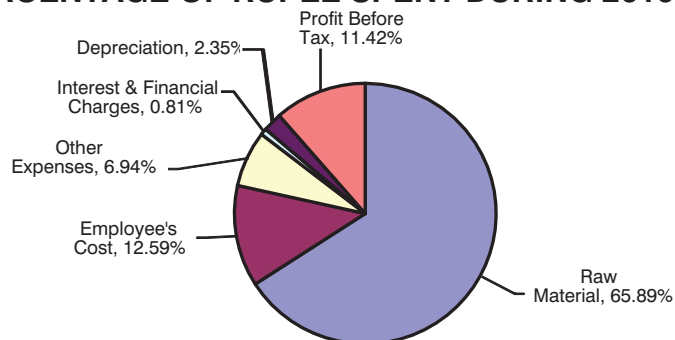
## NET PROFIT



## NETWORTH



## PERCENTAGE OF RUPEE SPENT DURING 2010-2011



## HIGHLIGHTS

|                |   | 2010-11            | 2009-10      | 2008-09        | 2007-08        | 2006-07        |
|----------------|---|--------------------|--------------|----------------|----------------|----------------|
| <b>INCOME:</b> |   |                    |              |                |                |                |
| 1              | Gross Operational Income                                  | Rs. 1,08,10,39,015 | 79,70,91,520 | 1,08,69,04,831 | 1,17,58,66,815 | 1,00,89,21,622 |
| 2              | Net Operational Income                                    | Rs. 1,01,63,88,090 | 75,34,46,375 | 98,14,85,589   | 1,02,01,06,313 | 87,31,74,468   |
| 3              | Profit before Interest, Depreciation & Tax                | Rs. 14,84,56,693   | 12,15,27,582 | 16,60,20,526   | 21,14,45,187   | 19,36,20,090   |
| 4              | Interest  | Rs. 82,10,057      | 54,56,868    | 81,95,458      | 83,86,625      | 83,52,854      |
| 5              | Depreciation  | Rs. 2,39,68,464    | 1,56,39,694  | 1,72,35,086    | 1,40,40,950    | 1,40,05,451    |
| 6              | Gross Profit after Interest & Depreciation but before Tax | Rs. 11,62,78,172   | 10,04,31,020 | 14,05,89,982   | 18,90,17,612   | 17,12,61,785   |
| 7              | Profit after Tax  | Rs. 10,12,06,172   | 7,77,41,020  | 9,44,76,407    | 12,29,07,387   | 11,23,09,785   |
| 8              | Dividends   | Rs. 2,25,86,895    | 2,10,81,102  | 3,01,15,860    | 1,50,57,930    | 1,50,57,930    |

## EQUITY SHARE DATA:

|    |                                       |                  |              |              |              |              |
|----|---------------------------------------|------------------|--------------|--------------|--------------|--------------|
| 9  | Sales & other Income per equity Share | Rs. 68           | 50           | 65           | 136          | 117          |
| 10 | Earnings per equity share             | Rs. 6.72         | 5.16         | 6.27         | 16.32        | 14.92        |
| 11 | Book value of equity share            | Rs. 36.72        | 31.73        | 28.25        | 48.57        | 35.18        |
| 12 | Networth                              | Rs. 55,29,82,451 | 47,77,92,467 | 42,53,50,024 | 36,56,57,370 | 26,48,96,907 |
| 13 | Market Price :                        |                  |              |              |              |              |
|    | a) High                               | Rs. 78.95        | 91.80        | 188.00       | 298.25       | 226.00       |
|    | b) Low                                | Rs. 39.05        | 33.90        | 25.60        | 110.25       | 109.80       |
| 14 | Dividend                              | (%) 75           | 70           | 100          | 100          | 100          |
| 15 | Allotment of Bonus Shares             | (Ratio) –        | –            | 1:1          | –            | –            |

## RATIO:

|    |   |             |       |       |       |       |
|----|---|-------------|-------|-------|-------|-------|
| 16 | PBT/ Net Operational Income             | (%) 11.44   | 13.33 | 14.32 | 18.53 | 19.61 |
| 17 | Profit after Tax/Networth               | (%) 18.30   | 16.27 | 22.21 | 33.61 | 42.40 |
| 18 | Total Liabilities/Total Assets          | Times 0.32  | 0.27  | 0.35  | 0.45  | 0.49  |
| 19 | Total Debt/ Equity                      | Times 0.13  | 0.08  | 0.18  | 0.33  | 0.35  |
| 20 | Total Outside Liability/Total net worth | Times 0.47  | 0.37  | 0.54  | 0.80  | 0.96  |
| 21 | Current Ratio                           | Times 2.55  | 3.20  | 2.58  | 1.99  | 1.72  |
| 22 | PBDIT/ Finance Costs                    | Times 18.08 | 22.27 | 20.26 | 25.21 | 23.18 |

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 53rd Annual General Meeting of the members of **HIND RECTIFIERS LIMITED** will be held on Friday the 5th August, 2011 at 3.30 P. M. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai - 400 001 to transact, with or without modification(s) the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet as on that date together with the Report of the Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended March 31, 2011.
3. To appoint a Director in place of Shri Bharat Swaroop, who retires from office by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Pawan Kumar Golyan, who retires from office by rotation, and being eligible offers himself for re-appointment.
5. To appoint M/s. Khandwala & Shah, Chartered Accountants having firm Registration No.: 105069W as Statutory Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To appoint Branch Auditors for Nashik and Dehradun Plants to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

#### 7. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** Shri Akhil Marfatia who was appointed as an Additional Director of the Company with effect from 11th April, 2011 pursuant to section 260 of the Companies Act, 1956 and who holds office up to the date of the Annual General Meeting and being eligible offers himself for appointment and in respect of whom Company has received a notice in writing from a member under Section 257 and other applicable provisions, if any of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company.

#### 8. AS AN ORDINARY RESOLUTION:

**"RESOLVED THAT** in supersession of all earlier resolutions in this regard, consent of the Company be and is hereby accorded in terms of Section 293[1](a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct to or in favour of all or any of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 50 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under Agreement/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

## 9. AS A SPECIAL RESOLUTION:

**RESOLVED THAT** the Company do hereby accord its consent under the provisions of Section 314 of the Companies Act, 1956 and other applicable provisions of Law to hold and continuing to hold an office or place of profit as an Executive of the Company by Shri Suramya Nevatia relative of a Director of the Company in the Management Cadre of the Company at a Salary not exceeding Rs. 2,50,000/- p.m. w.e.f. 1st July, 2011 together with usual allowances, benefits, perquisites as applicable to other employees of the Company and further as may be amended from time to time by the Government.

### NOTES:

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

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified True copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
4. Brief resume of all Directors proposed to be appointed / 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 Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the annexure.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 02/08/2011 to 05/08/2011 (both days inclusive).
6. The dividend on Equity Shares as recommended by the Board of Directors of the Company, when approved at the Annual General Meeting of the Company will be paid on or after 5th August, 2011.
7. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 years has to be transferred by the Company to The Investors Education & Protection Fund, constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.

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

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

| Dividend for the year | Date of Declaration of Dividend | Due Date of transfer to The Investor Protection and Education Fund |
|-----------------------|---------------------------------|--|
| 2003 – 2004           | 17.08.2004                      | 16.08.2011   |
| 2004 – 2005           | 29.07.2005                      | 28.07.2012   |
| 2005 – 2006           | 30.08.2006                      | 29.08.2013   |
| 2006 – 2007           | 28.07.2007                      | 27.07.2014   |
| 2007 – 2008           | 25.08.2008                      | 24.08.2015   |
| 2008 – 2009           | 10.09.2009                      | 09.09.2016   |
| 2009 – 2010           | 12.08.2010                      | 11.08.2017   |

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

8. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
9. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
10. The Company has listed its shares on The Bombay Stock Exchange Limited & National Stock Exchange of India Limited.
11. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/s. ADROIT CORPORATE SERVICES PVT. LTD.**

[ Unit : Hind Rectifiers Limited ]

19, Jafarbhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059.

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

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

**Registered Office:**

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

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

Place: Mumbai  
Dated: 30th May, 2011

**S. K. Nevatia**  
Chairman & Managing Director

## INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

1. Name : Shri Pawan Kumar Golyan  
Age : 55 years  
No. of shares held in the Company : Nil  
Brief Resume & Functional expertise : Shri Pawan Kumar Golyan, Commerce graduate (B.Com) from Kathmandu University and working with Golyan Group as a Director and having total experience of more than 28 years.  
Outside Directorships : Nepal Merchant Banking & Finance Ltd.  
Reliance Spinning Mills Ltd.  
Air Nepal International.  
Chairmanship / Membership of Board Committees : Dhanalaxmi Synthetics Ltd.  
Nepal Ind. & Commercial Bank Ltd.  
Nepal Life Insurance Co. Ltd.
2. Name : Shri Bharat Swaroop  
Age : 58 Years  
No. of shares held in the Company : 15500  
Brief Resume & Functional expertise : Shri Bharat Swaroop is a Commerce Graduate from Mumbai University and working with M/s. L. H. Sugar Factories Ltd., as a Promoter Executive Director and having total experience of more than 34 years.  
Outside Directorships : L. H. Sugar Factories Ltd.  
Sushev Agricultural P. Ltd.  
Chairmanship / Membership of Board Committees : Nil
3. Name : Shri Akhil Marfatia  
Age : 72 Years  
No. of shares held in the Company : Nil  
Brief Resume & Functional expertise : Shri Akhil Marfatia is a Commerce Graduate and B.Sc. (Economics) from London School of Economics and has 50 years rich & varied professional experience in the field of Marketing Management. He was associated with Eureka Forbes Ltd. for 12 years as President & M.D. and with Johnson & Johnson India Ltd. for about 10 years as a General Manager – Consumer Products.  
Outside Directorships : Ion Exchange India Ltd.  
Advanced Cleaning Technics India P. Ltd.  
Chairmanship / Membership of Board Committees : Nil

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

### ITEM NO. 7:

Shri Akhil Marfatia was appointed as an Additional Director of the Company with effect from 11th April, 2011 under section 260 of the Companies Act, 1956 and Articles 116 of the Articles of Association of the Company. Shri Akhil Marfatia holds office till the conclusion of 53rd Annual General Meeting. The Company has received a notice in writing from a member together with requisite deposit under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Akhil Marfatia as a candidate for the Office of the Director. Shri Akhil Marfatia, is a Commerce Graduate and B.Sc. (Economics) from London School of Economics and has 50 years rich & varied professional experience in the field of Marketing Management. He was associated with Eureka Forbes Ltd. for 12 years as President & M.D. and with Johnson & Johnson India Ltd. for about 10 years as a General Manager – Consumer Products. It will be in the interest of the Company to draw on the valuable expertise and counsel of Shri Akhil Marfatia by appointing him as a Director of the Company.

The Board recommends the resolution for approval of the members.

None of the Directors other than Shri Akhil Marfatia is interested in the resolution.

### ITEM NO. 8:

The Company, from time to time, obtains loans and financial assistance from the Financial Institutions/Banks/ other lending agencies/trustees for the holders of debentures/bonds/other instruments which may be issued and the same are required to be secured by creation of mortgage/charge on the assets of the Company.

Section 293[1](a) of the Companies Act, 1956, interalia, provides that the Board of Directors of a Public Limited Company shall not without the consent of the Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Since creation of mortgage/charge by the Company in favour of the above entities may be regarded as disposal of the assets or undertaking of the Company, it is necessary for the members to pass a resolution under section 293[1](a) of the Companies Act, 1956.

Therefore it is necessary for members to pass the resolution under section 293[1](a) of the Companies Act, 1956.

The Board recommends the resolution to be passed.

None of the Directors of the Company is/are concerned or interested in the Resolution.

### ITEM NO. 9:

Shri Suramya Nevatia was appointed as a Management Trainee of the Company for a period of six months w.e.f. January 1, 2011.

Shri Suramya Nevatia looks after Marketing of the Company.

Shri Suramya Nevatia is M.Sc. in Marketing Management from Aston University, Birmingham, U.K. considering his marketing experience of over 2 years, the Board recommends to appoint him as Asst. General Manager of the Company w.e.f. 1st July, 2011 for a remuneration finalized by the Board within the overall ceiling as approved by the Shareholders as mentioned in the Resolution.

Shri S. K. Nevatia and Smt. Uma S. Nevatia, Directors may be deemed to be concerned or interested in this resolution being related to Shri Suramya Nevatia. None of the other Directors of the Company are concerned or interested in the resolution.

### Registered Office:

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

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

Place: Mumbai  
Dated: 30th May, 2011

**S. K. Nevatia**  
Chairman & Managing Director



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting 53rd Annual Report together with the Audited accounts for the year ended March 31, 2011.

(Rs. In Lacs)

| <b>FINANCIAL RESULTS:</b>                                    | <b>Year ended<br/>31.03.2011</b> | <b>Year ended<br/>31.03.2010</b> |
|--|----------------------------------|----------------------------------|
| <b>Gross Operational Income</b>                              | <b>10,810.39</b>                 | 7,970.91                         |
| <b>Less: Excise Duty</b>                                     | <b>646.51</b>                    | 436.45                           |
| <b>Net Operational Income</b>                                | <b>10,163.88</b>                 | 7,534.46                         |
| <b>Gross Profit</b>  | <b>1,402.46</b>                  | 1,160.71                         |
| <b>Less: Depreciation</b>                                    | <b>239.68</b>                    | 156.40                           |
| <b>Profit before tax</b>                                     | <b>1,162.78</b>                  | 1,004.31                         |
| <b>Less: Provision for Taxation</b>                          |                                  |                                  |
| - Current  | 234.00                           | 197.00                           |
| - MAT Credit Entitlement (54.00)                             |                                  | —                                |
| - Deferred   | (29.28)                          | 29.90                            |
|  | <b>150.72</b>                    |                                  |
| <b>Profit after taxes</b>                                    | <b>1,012.06</b>                  | 777.41                           |
| <b>Excess/(Short) Provision for taxation of earlier year</b> | <b>3.15</b>                      | (4.50)                           |
| <b>Adjustment in respect of earlier years</b>                | <b>(0.80)</b>                    | (1.85)                           |
| <b>Surplus of previous year</b>                              | <b>54.20</b>                     | 49.78                            |
| <b>Profit available for appropriation</b>                    | <b>1,068.61</b>                  | 820.84                           |
| <b>Appropriations:</b>                                       |                                  |                                  |
| <b>Transferred to General Reserve</b>                        | <b>750.00</b>                    | 520.00                           |
| <b>Proposed Dividend</b>                                     | <b>225.87</b>                    | 210.81                           |
| <b>Tax on Dividend</b>                                       | <b>36.64</b>                     | 35.83                            |
| <b>Surplus Carried to Balance Sheet</b>                      | <b>56.10</b>                     | 54.20                            |

### OPERATIONS:

As envisioned, the output from Dehradun plant has been continuously improving with sustained efforts combined with aggressive marketing, the Company has been able to book higher orders despite keen competition resulting in increased sales. These two factors have helped the Company to show marked improvements in the top-line and bottom-line.

The Company continues its policy of assertive marketing, vendor development and outsourcing of intermediate products which will reflect in better results at the end of financial year 2011-2012.

The Company's performance further improved due to the following :

- The Company supplied 2 MW Traction sub-station with HIRECT rectifier sets for Mumbai Monorail which is the first monorail in India in the year 2010-2011. The Company is targeting the business of Monorail in India and South East Asia for further growth.
- The Company executed an order with a rating of 6MW for graphite application and the Company expects to do further business in this area in the coming financial year. The market in India of High Current Rectifiers (Water Cooled) is showing positive signs of improvement.
- The Company will continue its sustained efforts in the export market in the current year to create a niche in the global market.

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## **DIVIDEND:**

The Directors are pleased to recommend for consideration of the Shareholders at the Annual General Meeting, payment of dividend @ 75% (Rs. 1.50 per share) amounting to Rs.2,25,86,895/- for the year ended 31st March, 2011 (previous year Rs.2,10,81,102/-).

## **DEPOSITS:**

Deposits amounting to Rs.4,00,000/- due for payment on or before 31st March,2011 remained unclaimed by the depositors on that date. Letters have been sent to such depositors reminding them to claim their deposits

## **BOARD OF DIRECTORS:**

As per the Provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Shri Pawan Kumar Golyan & Shri Bharat Swaroop, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The Board has appointed Shri Akhil Marfatia as an Additional Director of the Company with effect from April 11, 2011. His term expires at the forthcoming Annual General Meeting of the Company. Being eligible, he offers himself for re-appointment and the Board recommends that he be re-appointed.

During the year Shri Jayant H. Shah expressed his inability to continue as Director of the Company due to his old age. Your Board places its appreciation for the services rendered by Shri Jayant H. Shah during the tenure of his directorship.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
2. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on a going concern basis.

## **AUDITORS:**

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

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

M/s. R. Gupta & Associates [name of the firm changed from Mullick & Co. to R. Gupta & Associates], Chartered Accountants, Branch Auditors of the Company for Dehradun Plants are retiring and eligible for re-appointment and have expressed their willingness to act as Branch Auditors of the Company.

## **AUDITORS' OBSERVATIONS:**

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

## **SECRETARIAL COMPLIANCE REPORT:**

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