



**Hind Rectifiers Limited**

PERFECTLY ENGINEERED POWER CONVERSION SYSTEMS

# **ANNUAL REPORT**

## **2020-2021**

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## Hind Rectifiers Limited

**63rd Annual Report 2020-2021**

[hirect.com](http://hirect.com)

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## Board of Directors

### **S. K. Nevatia**

Chairman & Managing Director  
(upto 14th September, 2020)

### **Suramya Nevatia**

Managing Director & CEO  
(w.e.f. 17th August, 2020)

### **Akshada Nevatia**

Executive Director

## Independent Director

### **Pradeep V. Goyal**

Chairman of the Board

### **V. K. Bhartia**

### **Binod Kumar Patodia**

(upto 6th November, 2020)

### **Parimal Merchant**

### **Vandan Shah**

(w.e.f. 10th February, 2021)

(Non Executive Non Independent upto 9th February, 2021)

### **Ashlesha Bodas**

## Non Executive Non Independent

**Pawan Kumar Golyan**

## Key Managerial Personnel

### **S. K. Nevatia**

Chairman & Managing Director  
(upto 14th September, 2020)

### **Suramya Nevatia**

Managing Director & CEO  
(w.e.f. 17th August, 2020)  
(CEO upto 16th August, 2020)

### **A. K. Nemani**

Chief Financial Officer

### **Meenakshi Anchlia**

Company Secretary & Compliance Officer

## Bankers

**ICICI Bank Ltd.**

**Standard Chartered Bank**

**TJSB Sahakari Bank Ltd.**

**Apna Sahakari Bank Ltd.**

## Statutory Auditors

**M/s Ravi A. Shah & Associates**

Chartered Accountants

## Secretarial Auditors

**M/s GMJ & Associates**

Company Secretaries

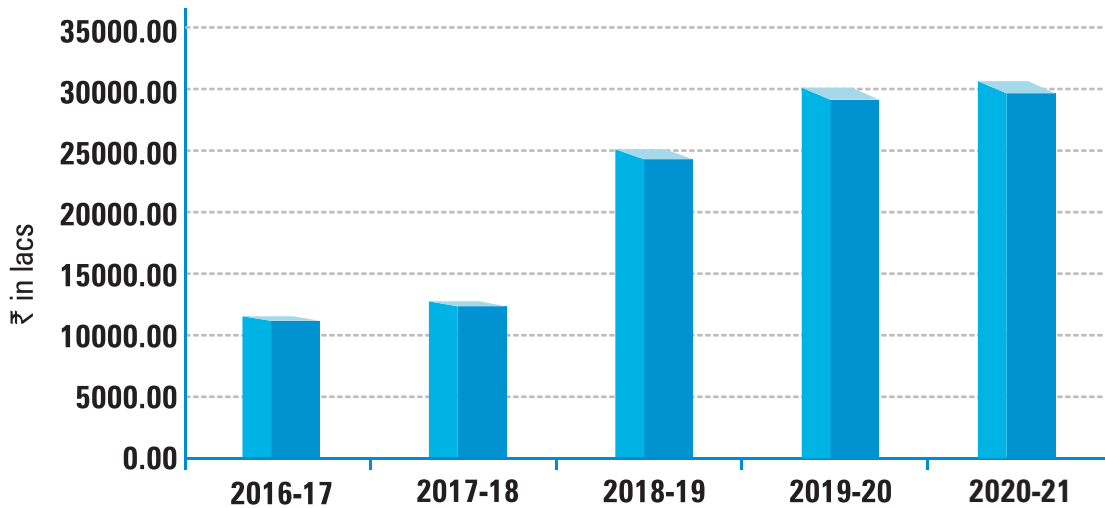
## Registrar And Transfer Agent

**M/s Adroit Corporate Services Private Limited**

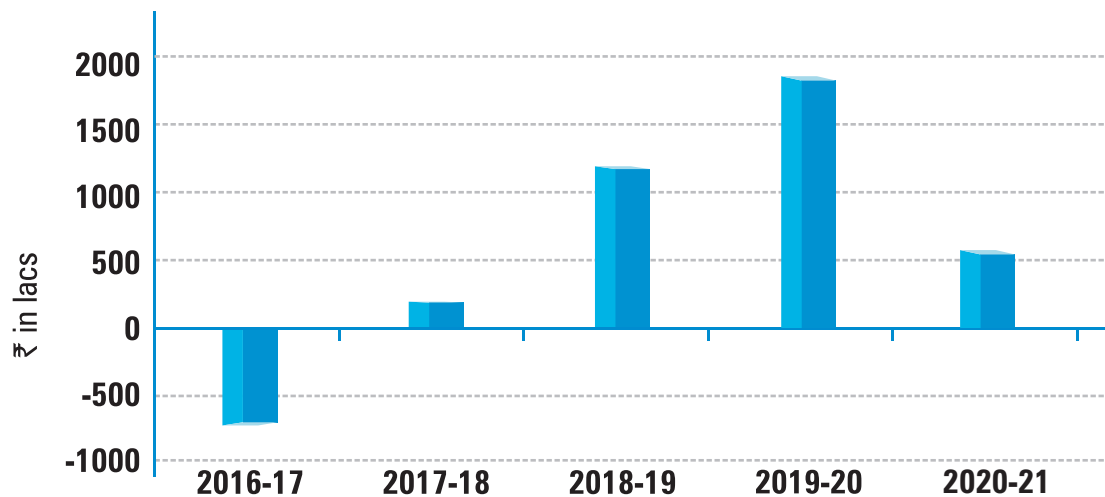
19-20, Jafferbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka,  
Andheri (East), Mumbai 400059.



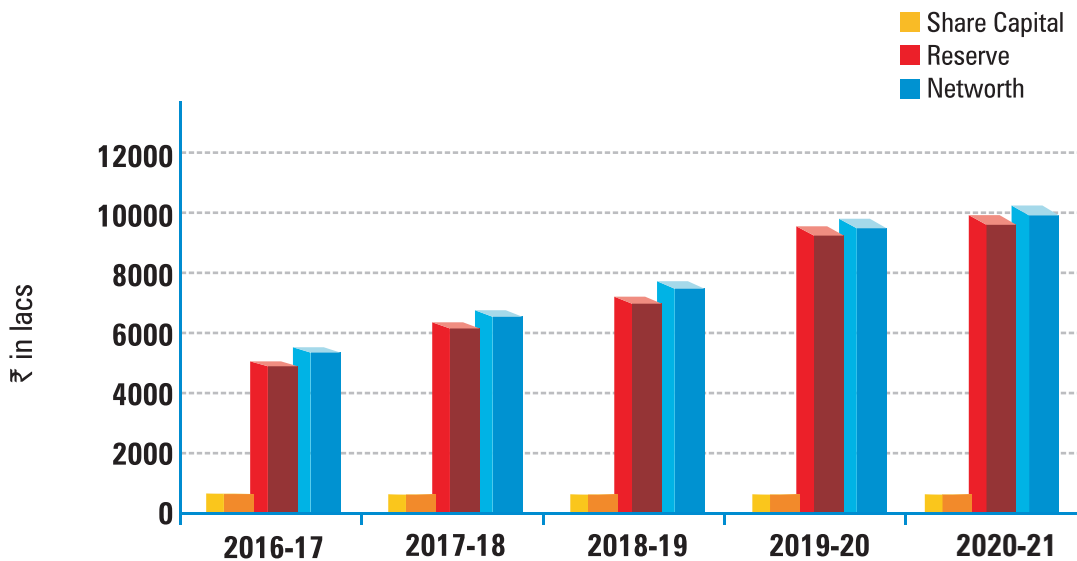
## SALES



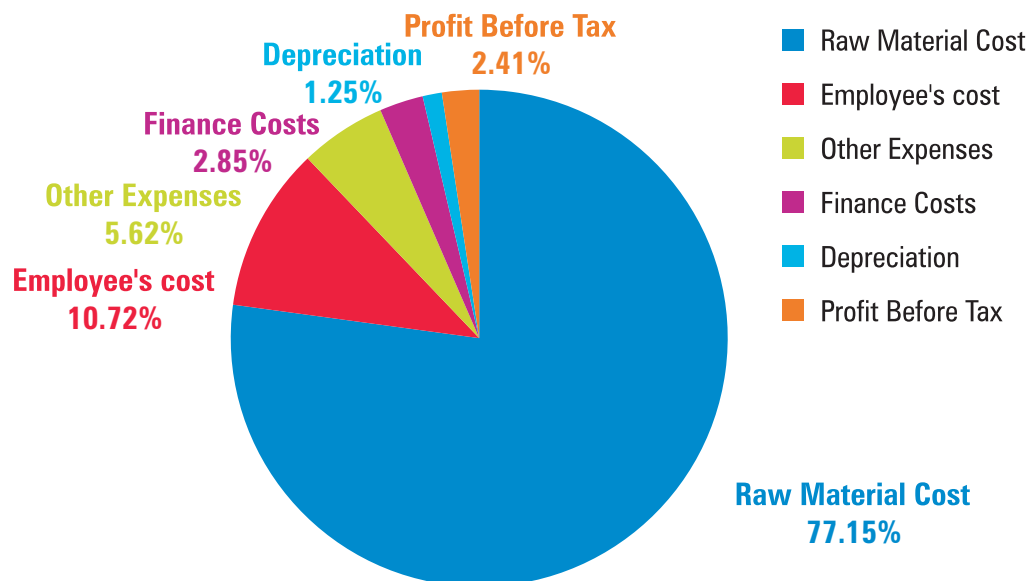
## NET PROFIT AFTER TAX



## NET WORTH



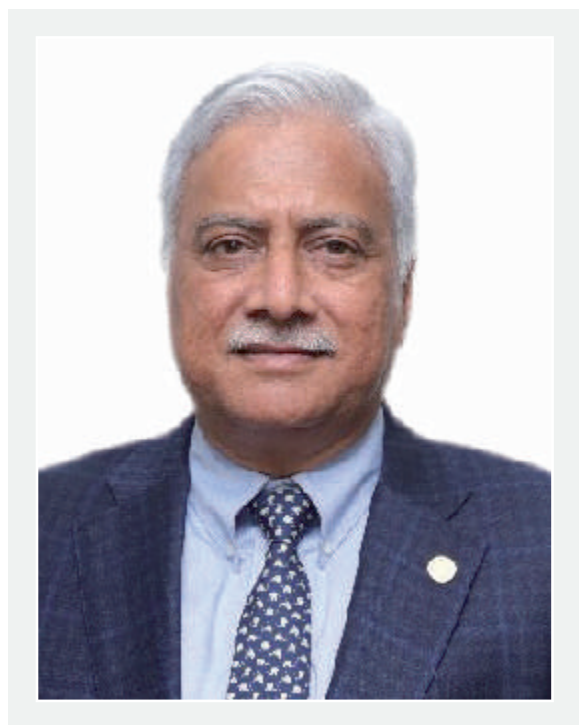
## PERCENTAGE OF RUPEE SPENT DURING 2020 - 2021





## HIGHLIGHTS

			2020-21	2019-20	2018-19	2017-18	2016-17
INCOME :							
1	Net Operational Income	(₹ in lakhs)	30509.71	29962.05	25514.29	12,569.20	11,148.49
2	Profit before Finance Cost, Depreciation & Tax	(₹ in lakhs)	1990.31	3762.96	2591.96	962.23	517.34
3	Finance Cost	(₹ in lakhs)	871.54	731.63	700.24	529.74	516.14
4	Depreciation	(₹ in lakhs)	382.50	407.26	271.86	230.73	199.75
5	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lakhs)	736.27	2624.07	1619.86	201.76	(198.55)
6	Exceptional Items	(₹ in lakhs)	-	-	45.05	-	(779.33)
7	Profit after Tax	(₹ in lakhs)	533.14	1847.91	1179.08	131.45	(712.20)
EQUITY SHARE DATA :							
8	Sales & other Income per equity Share	(₹)	184	181	154	76	74
9	Earnings per equity share	(₹)	3.22	11.16	7.12	0.79	(4.63)
10	Book value of equity share	(₹)	60.23	57.74	47.17	40.02	35.33
11	Networth	(₹ in lakhs)	9977.12	9563.82	7813.53	6628.85	5,320.68
12	Market Price :						
	a) High	(₹)	180.20	269.95	165.00	164.00	114.30
	b) Low	(₹)	108.50	89.00	95.90	75.19	61.00
13	Dividend	(%)	20	40	20	-	-
RATIO :							
14	PBT / Net Operational Income	(%)	2.41	8.76	6.35	1.61	(1.78)
15	Profit after Tax / Networth	(%)	5.34	19.32	15.09	1.98	(13.39)
16	Total Liabilities / Total Assets	Times	0.59	0.61	0.58	0.57	0.53
17	Total Debt / Equity	Times	0.84	0.94	0.81	0.77	0.77
18	Total Outside Liability / Total net worth	Times	1.42	1.54	1.32	1.26	1.08
19	Current Ratio	Times	1.40	1.38	1.49	1.39	1.40
20	PBDIT / Finance Costs	Times	2.28	5.14	3.70	1.82	1.00



## CHAIRMAN'S STATEMENT

Dear Shareholders,

This past year has been one of the most challenging years that we had to endure, both personally and professionally.

We lost our beloved Chairman & Managing Director Shri. S. K. Nevatia in September. He was the founding Managing Director of the Company and a true beacon of discipline and inspiration. We will continue to uphold his values, beliefs and vision and ensure his legacy continues.

Like other companies, we too faced tremendous pressure of the global pandemic and the challenges that came along with it. We have struggled last year but survived and kept ourselves afloat.

One fact that we all know for certain is that your company is known for its capability to endure the tough times and come back even stronger.

This year we aim to repair some of the damages of the previous year and expect to return to our regular EBIDTA levels by the next year.

We are focused on achieving our growth plans this year with an addition of many products to be launched in the market. These products will help us to not only increase our top line but also significantly reduce material cost and import dependence to improve the bottom line.

We are now moving from being a standalone component supplier to a complete solution provider and system integrator.

Our R&D team is relentlessly working to design and develop new products using innovative technologies to ensure we are able to stay ahead of the technology trend and exceed customer's expectation.

Trust you are all keeping well and taking the necessary safety measures.

Take care and stay safe.

**Pradeep Goyal**  
Chairman

## DIRECTORS' REPORT

Dear Members,

Your Directors present the 63rd Annual Report together with the Audited Financial Statements for the year ended March 31, 2021.

(₹ in lakhs)

FINANCIAL RESULTS	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operation	<b>30509.71</b>	29962.05
Other Income	<b>35.74</b>	48.16
Total Revenue	<b>30545.45</b>	30010.21
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	<b>1990.31</b>	3762.96
Less: Finance Cost	<b>871.54</b>	731.63
Profit/Loss before Depreciation and Tax	<b>1118.77</b>	3031.63
Less : Depreciation	<b>382.50</b>	407.26
Profit/(Loss) before Exceptional Item	<b>736.27</b>	2624.07
Profit/(Loss) before Tax	<b>736.27</b>	2624.07
Less : Provision for Taxation - Current	<b>170.17</b>	634.45
Deferred	<b>32.96</b>	141.71
Profit/(Loss) after taxes	<b>533.14</b>	1847.91
Other Comprehensive Income (Net of Tax)	<b>12.67</b>	(17.76)
Total Comprehensive Income for the year	<b>545.81</b>	1830.15

### OPERATIONS

Turnover of the Company during the year 2020-21 was ₹ 30509.71 lakhs as compared to ₹ 29962.05 lakhs in the year 2019-20. Profit before interest, depreciation and tax was ₹ 1990.31 lakhs compared to ₹ 3762.96 lakhs.

Performance during the year was impacted due to sub optimal operations on account of lock down and lots of restriction on movement of person in the early part of the financial year 2020-21. Due to restriction on movement of person, approval of the new products and value engineering got delayed which affected the revenue as well margins. Margins were also affected due to the increased competition, unfavorable product mix and nominal increase in revenue.

The Company has evaluated the impact of this pandemic on its business operations, financial position and based on its review, there is no significant impact on the company's assets, capital and financial resources, liquidity and supply chain or long term demand for its products. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Company will continue to closely monitor any material changes from those estimated as on the date of adoption of these financial results.

The Company continues to focus on the development of new products for Railways and also for other applications. The Company also continues to expand its product range by way of developing the product in house, this will help for further improving the performance.

Demand from Railways continues to be good and the Company has healthy order bookings for the financial year 2021-22.





During the year the Company signed a lease agreement with MIDC Nashik for allotment of land admeasuring 26930 sq. mtrs. at MIDC Sinnar. The Company has received approval from MIDC, Nashik for construction of 12929.14 sq. mtrs. and expects plant to be ready before March 2022.

### **DIVIDEND AND RESERVES**

The Board of Directors of your Company are pleased to recommend a dividend of ₹ 0.40 (subject to deduction of tax) per equity share of the face value of ₹ 2/- each (@ 20 %), payable to those shareholders whose names appear in the Register of Members as on the Book Closures.

The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 66.25 lakhs.

The Board has decided not to transfer any amount to the reserves for the year under review.

### **FINANCE AND ACCOUNTS**

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31st March 2021 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March 2021. Notes to the financial statements adequately cover the Audited Statements and form an integral part of this report.

### **SHARE CAPITAL**

The paid-up Equity Share Capital as on 31st March 2021 was ₹ 3,31,27,446. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity. None of the Directors of the Company hold instruments convertible into equity shares of the Company as on 31st March 2021.

### **EMPLOYEES' STOCK OPTION SCHEMES**

The Company's Employees Stock Option Scheme viz. 'HIRECT Employees Stock Option Plan - 2018' was passed by the members of the Company in the 60th Annual General Meeting on 13th August 2018 for 250000 Options convertible into the equal number of equity shares.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Plan of the Company. The options granted shall vest based upon the performance of the Employee, as may be determined by the Nomination and Remuneration Committee from time to time but shall not be less than 1 (one) year and not more than 4 (four) years from the date of grant of options. Vesting may happen in one or more tranches.

The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the date of meeting of committee on which grant is to be made.

The maximum term of the options granted under the scheme shall be 5 years. The scheme contemplates a new issue of shares by the Company ("Primary Shares"). There is no change in the scheme. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulation, 2014.

Further, the company has not granted any options during the financial year 2020-2021. Accordingly, other disclosures as stipulated under SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, are not applicable.

### **PUBLIC DEPOSITS**

We have not accepted any fixed deposits, including from the public, and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### **BOARD OF DIRECTORS**

Mr. S. K. Nevatia, Chairman & Managing Director of the Company passed away on 14th September 2020. The Board, while condoling the death of Late S. K. Nevatia, records its appreciation of the valuable services rendered by him.

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Mr. B. K. Patodia, Independent and Non-Executive Director resigned w.e.f. 6th November 2020 due to entirely personal reasons. He was the Director of the Company between 2007 and 2020. The Board records its appreciation of the contribution made by Mr. B. K. Patodia during his long association with the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Suramya Nevatia, Managing Director & CEO of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the Annual General Meeting. Brief profile of Mr. Suramya Nevatia has been given in the Notice convening the Annual General Meeting.

The members of the Company at its 62nd Annual General Meeting held on 15th September 2020 have approved the appointment of Mr. Suramya Nevatia as Joint Managing Director & CEO of the Company, w.e.f. 17th August 2020 for a term of three years by way of passing special resolutions. Further, he was re-designated as the Managing Director & CEO w.e.f. 11th November 2020 by the Board on the recommendation of the Nomination and Remuneration Committee.

The members of the Company at its 62nd Annual General Meeting held on 15th September 2020 have approved the appointment of Mrs. Ashlesha Bodas as an Independent Directors of the Company, w.e.f. 26th June 2020 for a term of 5 (five) consecutive years. The appointment was made based on the recommendation of the Nomination and Remuneration Committee.

The Board has appointed Mr. Vandan Shah, Non-Executive Director as an Independent and Non-Executive Director w.e.f. 10th February 2021 for five consecutive years. The appointment was made based on the recommendation of the Nomination and Remuneration Committee. The appointment is subject to the approval of shareholders in the 63rd Annual General Meeting of the Company. The notice of the Annual General Meeting (AGM) sets out the details of their appointments.

None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under the Companies Act, 2013 and SEBI Listing Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. There has been no change in the circumstances affecting their status as Independent Directors of the Company. Further, they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in the Companies Act, 2013 and SEBI Listing Regulations, 2015. All the Independence Directors have complied with the code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

The familiarization program and other related information are detailed in the Corporate Governance Report, which forms part of this Report.

**KEY MANAGERIAL PERSONNEL**

In terms of provisions of section 203 of the Companies Act, 2013, Mr. Suramya Nevatia, Managing Director & CEO, Mr. A. K. Nemani, Chief Financial Officer & Ms. Meenakshi Anchlia, Whole Time Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

**BOARD MEETINGS**

Five meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each director are detailed in the Corporate Governance Report.

The details of the committees along with their composition, number of meetings, attendance at the meetings and other related information are provided in the Corporate Governance Report. The Board has accepted all the recommendations of all the committees.



The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India to conduct the meetings.

### **SIGNIFICANT AND MATERIAL ORDERS**

There were 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(5) of the Companies Act, 2013, the Board of the Directors, to the best of its knowledge and ability, confirms that:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed, and there are no material departures have been made from the same;
- b) they 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 as at 31st March 2021 and of the profit of the Company for that period;
- c) they have taken proper and sufficient care 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) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### **BOARD EVALUATION**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the chairman, the Board, Board committees, and executive or non-executive or independent directors through evaluation, excluding the director being evaluated.

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the chairman, the independent directors, the directors individually as well as the evaluation of the working of committees of the Board.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of criteria such as the Board composition, oversight, and effectiveness, performance, skills, and structure, etc. The performance of the committees was evaluated after seeking inputs from the committee members on the basis of criteria such as the composition of committees, the effectiveness of committee meetings, etc.

Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

The performance of individual directors was evaluated on the parameters such as preparation, participation, conduct, independent judgment and effectiveness.

The Board of Directors expressed their satisfaction with the evaluation process. The above criteria and process are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. As an outcome of the evaluation, it was noted that Board as a whole has a composition that is diverse in experience and perspective, and constructive discussion. The discussion quality is robust, well-intended, and leads to clear direction and decision.

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The Independent Directors met separately on 17th August 2020 and 11th February 2021 to discuss the following:

- (i) review the performance of Non-Independent Directors and the Board as a whole;
- (ii) review the performance of the chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (iii) assess the quality, quantity and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors present at the meeting discussed the above and expressed their satisfaction with the evaluation process and performance.

The related information is also detailed in the Corporate Governance Report, which forms part of this Report.

**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 2020-21, the Company has not given any loans and guarantees under section 186 of Companies Act, 2013. For details of investments, please refer to note no. 6 forming part of financial statements.

**RELATED PARTY TRANSACTIONS**

All contracts/arrangements/transactions entered by the Company during the financial year with Related Parties were on an arm's length basis and in the ordinary course of business. Thus, disclosure in Form AOC-2 in terms of Section 134 and 188 of the Companies Act, 2013 for material related party transactions is annexed as Annexure D and forms an integral part of this report. All related party transactions are mentioned in the notes to the financial statements.

The Board has approved the criteria to grant omnibus approval by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

**VIGIL MECHANISM / WHISTLEBLOWER POLICY**

The Company is committed to adhering to the highest standards of ethical, moral, and legal conduct of business operations. In line with these objectives, the Company has adopted a whistleblower mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The policy is reviewed periodically by the Board and updated as needed.

During the year under review, no complaint was received by the Company. The 'Vigil Mechanism/Whistleblower Policy' is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

**BOARD DIVERSITY**

Board diversity is the breadth of perspective, not the mere of various diverse traits that will benefit the organization. The Company believes that a diverse Board will enhance the quality of the decision made by the Board by utilizing the different thoughts, perspective, skills, qualifications, experience, knowledge, region and industry experience, cultural and geographical background, age, ethnicity, race, and gender, etc. of the Board members necessary for achieving sustainable and balanced development. The Board Diversity Policy adopted by the company sets out its approach to diversity. The Board Diversity Policy is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

**NOMINATION AND REMUNERATION POLICY**

The Company has the appropriate mix of Executive, Non-executive Directors to maintain the independence of the Board. The policy of the Company on the Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the



Companies Act, 2013, is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com). We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### **CORPORATE SOCIAL RESPONSIBILITY**

During the financial year, Mr. Vandan Shah was appointed as members of the Corporate Social Responsibility Committee. As on 31st March 2021, the CSR Committee comprised of Mr. V. K. Bhartia (Chairman), Mrs. Akshada Nevatia and Mr. Vandan Shah. The terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report. The Corporate Social Responsibility Policy is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

The Board has decided to dissolve the Corporate Social Responsibility Committee w.e.f. 11th June 2021, as the amount required to be spent on CSR does not exceed ₹ 50 lakhs and the functions of such committee would be performed by the Board of directors of the company.

The annual report on the CSR activities is appended as Annexure E and forms an integral part of this report.

### **AUDIT COMMITTEE**

The Audit Committee comprises Independent Directors namely Mr. V. K. Bhartia, Mr. Pradeep Goyal and Mr. Parimal Merchant. During the year all the recommendations made by the Audit Committee were accepted by the Board. Other details of the Audit Committee are given in the Corporate Governance Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34 of SEBI Listing Regulations, 2015, the Management Discussion and Analysis is set out in this report.

### **CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY REPORT**

As per SEBI Listing Regulations, 2015, the Corporate Governance Report with the Auditors' Certificate thereon is attached, which forms part of this report.

The Business Responsibility Report describing the initiative taken by the Company from an environmental, social, and governance perspective is attached which forms part of this report.

### **STATUTORY AUDITOR AND BRANCH AUDITORS**

M/s Ravi A. Shah & Associates, Chartered Accountants, Firm Registration No. 125079W (Statutory Auditor) and M/s Ratan Chandak & Co., Chartered Accountants, Firm Registration No. 108696W (Branch Auditor of Nashik Plant) were appointed for a term of five consecutive years, at the Annual General Meeting held on 8th September 2017 and M/s Gada Chheda & Co., Chartered Accountants, Firm Registration No. W100059 (Branch Auditor of Dehradun Plant) was appointed for a term of five consecutive years, at the Annual General Meeting held on 13th August 2018.

During the year, the statutory auditor and branch auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013 and Code of Ethics issued by the Institute of Chartered Accountants of India.

The Auditors' Report does not contain any qualification, reservation, adverse remark, or disclaimer.

During the financial year under review, the Auditors had not reported any matter under section 143 (12) of the Companies Act, 2013 therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

### **COST AUDITOR**

As per the requirement of the 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, the Company has been maintaining cost records and carrying out the audit of the same.

The Board of Directors, on the recommendation of the Audit Committee, has re-appointed M/s N. Ritesh & Associates, Cost Accountants, (Firm Registration Number R100675) as Cost Auditor to audit the cost accounts of the Company for the financial year 2021-22. The Company had received his written consent that the appointment will be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Cost Auditor has confirmed that he is not disqualified to be appointed as the Cost Auditor of the Company for the year ending 31st March 2022.

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The remuneration of the Cost Auditor has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Companies Act, 2013 and rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 63rd Annual General Meeting of the Company.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, has re-appointed M/s GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for the financial year ending 31st March 2022.

The Secretarial Audit Report is annexed as Annexure A (i) and forms an integral part of this report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse mark or disclaimer.

The Annual Secretarial Compliance Report is annexed as Annexure A (ii) and forms an integral part of this report. The Annual Secretarial Compliance Report does not contain any qualifications, reservation or adverse remark, or disclaimer.

During the financial year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

NSE imposed a fine of ₹ 4,30,000 on delay appointment of Independent Woman Director. The Company was unable to appoint a woman independent director due to national lockdown and COVID-19 Pandemic. The Company has complied with the Regulation 17(1) by appointing a woman independent director at its meeting held on June 26, 2020 and has paid the aforesaid fine.

**SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable and mandatory Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**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 the Audit Committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory, and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

**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, human resource, and other risks and put in place an adequate risk management infrastructure capable of addressing these risks. The Audit Committee has oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The risk management framework is reviewed regularly. The development and implementation of a risk management policy have been monitored by the Management regularly.





## CREDIT RATING

The particulars of Credit Rating are detailed in the Corporate Governance Report, which forms part of this report.

## CODE OF CONDUCT

The 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 Limited and National Stock Exchange of India Limited. The Company is regular in payment of Listing Fees.

## 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.

The 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) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure B and forms an integral part of this Annual Report.

The statement containing names of top ten employees in terms of remuneration is drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of the report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company to email id – investors@hirect.com. None of the employees listed in the said Annexure is a relative of any director of the Company except Late S. K. Nevatia, Mr. Saurabh Nevatia, Mrs. Akshada Nevatia and Mr. Suramya Nevatia. Only Late S. K. Nevatia was in receipt of remuneration in excess of eight lakhs and fifty thousand rupees per month.

## 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 the 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 the 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 women feel secure.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed of during the year.

- (a) Number of complaints pending at the beginning of the year – NIL
- (b) Number of complaints received during the year – NIL
- (c) Number of complaints disposed of during the year – NIL
- (d) Number of cases pending at the end of the year – NIL

**Hind Rectifiers Limited**

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**INFORMATION ON MATERIAL CHANGES AND COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. There has been no change in the nature of the business of the Company.

**ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF 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 of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹ 391,899.20. Further, 13081 equity shares on which dividends were unclaimed for seven consecutive years has transferred to the IEPF as per the requirements of the IEPF Rules and details of which are provided on the Company's website viz. [www.hirect.com](http://www.hirect.com).

**PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

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 C and forms an integral part of this Report.

**SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of operations in such a manner so as to ensure the safety of all concerned and compliances with environmental regulations.

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

**ACKNOWLEDGMENT**

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and investors during the year under review.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall performance would not have been possible. Your Directors look forward to the long-term future with confidence.

The Directors regret the loss of life due to the COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the HIRECT family.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 10th June, 2021

**Pradeep Goyal**      **Suramya Nevatia**  
Chairman              Managing Director & CEO

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## ANNEXURE "A (i)" TO THE DIRECTORS' REPORT

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(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 **March 31, 2021**, 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 **HIND RECTIFIERS LIMITED** for the Financial Year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") including The Companies (Amendment) Act, 2020;
- ii. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- v. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015; [Except as specified in our Annual Secretarial Compliance Report]
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period)
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the review period)
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the review period)
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the review period)
  - (h) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the review period)

**Hind Rectifiers Limited**

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vi. We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards 1, 2 & 3 issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company being engaged in developing, designing, manufacturing and marketing of Power Semiconductors, Power Electronic Equipment & Railway Traction Equipment, there are no specific laws applicable to the Company, which require 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 having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

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

We further report that:

1. 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 composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
2. 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 guidelines.
3. Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well 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 decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period, no events/actions occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**For GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
PARTNER

Place : Mumbai  
Date : 10th June, 2021.

FCS: 3706 COP: 2324  
UDIN: F003706C000442562

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE I' and forms an integral part of this report.



## ANNEXURE I

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.
7. We have verified the documents provided by the Company through Virtual Private Network (VPN) for audit purpose due to COVID-19 restrictions in Maharashtra, Mumbai, physical examination of documents is not possible.

For **GMJ & ASSOCIATES**  
Company Secretaries

**[MAHESH SONI]**  
PARTNER

Place : Mumbai  
Date : 10th June, 2021.

FCS: 3706 COP: 2324  
UDIN: F003706C000442562

**ANNEXURE "A (ii)" TO THE DIRECTORS' REPORT****SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

(Pursuant to SEBI circular - CIR/CFD/CMD1/27/2019 dated February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**HIND RECTIFIERS LIMITED**

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

**CIN: L28900MH1958PLC011077**

**Authorized Share Capital: ₹ 10,00,00,000/-**

We GMJ & Associates, Company Secretaries have conducted the Secretarial Compliance Audit of the applicable SEBI Regulations and the circulars/ guidelines issued thereunder for the Financial Year ended March 31, 2021 of **Hind Rectifiers Limited** ("the listed entity"). The audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

We have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2021 ("Review Period") in respect of compliance with the provisions of:

- (i.) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii.) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- (iii.) The following Regulations prescribed under The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the circulars/ guidelines issued thereunder, have been examined:-
  - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the review period)
  - (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the review period)
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the review period)
  - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the review period)
  - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the review period)



Based on our examination and verification of the documents and records produced to us and according to the information and explanations given by the Company, we report that:-

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
1	Regulation 17(1) of The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015	The Company has delayed the appointment of a Woman Independent Director on its Board w.e.f. 1st April, 2020	The Company was unable to appoint a Woman Independent Director on its Board w.e.f. 1st April, 2020 due to the national lockdown in the country as a result of COVID-19 Pandemic. The Company has complied with the Regulation 17(1) by appointing a Women Independent Director at its meeting held on June 26, 2020.  The Company has replied to notices received from National Stock Exchange of India Ltd. and has paid a fine of ₹ 4,30,000/- on April 19, 2021.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ Directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc	Observations/ Remarks of the Practicing Company Secretary, if any
None				

- (d) The Company was not required to take any action with regard to compliance with the observations made in previous reports as the same was not applicable.

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
*Not Applicable				

Note: Due to the prevailing restrictions in Mumbai, Maharashtra due to COVID-19 pandemic, physical examination of documents under SEBI Act and Regulations was not possible; we have therefore relied upon the documents provided by the Company through Virtual Private Network (VPN) for Audit purpose.

For **GMJ & ASSOCIATES**  
Company Secretaries

**[MAHESH SONI]**  
PARTNER

Place : Mumbai  
Date : 10th June, 2021.

FCS: 3706 COP: 2324  
UDIN: F003706C000442595

## ANNEXURE "B" 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 Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

(₹ In lakhs)

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for financial year 2020-21	% increase in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director, CEO, CFO & CS to median remuneration of employees
1	*S. K. Nevatia Chairman & Managing Director (KMP)	65.32	-	13.90
2	Pradeep Goyal Chairman of the Board and Non-executive & Independent Director	3.50	104.08	0.74
3	^ Suramya Nevatia Managing Director & CEO (KMP)	Up to 16.08.2020	22.76	-
		17.08.2020 to 31.03.2021	38.71	-
		Total	61.47	(15.39)
4	Akshada Nevatia Executive Director	46.21	(26.02)	9.83
5	Pawan Golyan Non-executive Director	0.75	130.77	0.16
6	V. K. Bhartia Non-executive and Independent Director	3.00	21.70	0.64
7	# B. K. Patodia Non-executive and Independent Director	0.25	-	0.05
8	Parimal Merchant Non-executive and Independent Director	3.50	133.33	0.74
9	Vandan Shah Non-executive and Independent Director	1.25	117.39	0.27
10	Ashlesha Bodas Non-executive and Independent Director	0.75	-	0.16
11	Anil Kumar Nemani Chief Financial Officer (KMP)	33.49	4.85	7.13
12	Meenakshi Anchlia Company Secretary (KMP)	9.60	0.10	2.04



\* S. K. Nevatia, ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

^ Suramya Nevatia was CEO (KMP) till 16th August 2020. He was appointed as Joint Managing Director & CEO (KMP) of the Company, w.e.f. 17th August 2020. Further, he was re-designated as the Managing Director & CEO (KMP) w.e.f. 11th November 2020 by the Board on the recommendation of Nomination and Remuneration Committee.

# B. K. Patodia resigned w.e.f. 6th November 2020 due to entirely personal reasons.

- (2) The median remuneration of employees (excluding managerial personnel) of the Company during the financial year was ₹ 4.70 lakhs.
- (3) In the financial year, there was a decrease of 6.35% in the median remuneration of employees other than the managerial personnel.
- (4) There were 378 permanent employees (excluding workers) on the rolls of the Company as on 31st March 2021.
- (5) Average percentage decrease in the salaries of employees (excluding managerial personnel) in the last financial year i.e. 2020-21 was 6.35%. Decrease in median remuneration was due to employing of some employees at lower remuneration.
- (6) It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 10th June, 2021

**Pradeep Goyal**      **Suramya Nevatia**  
Chairman              Managing Director & CEO

## ANNEXURE "C" TO THE DIRECTORS' REPORT

Information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 of the Companies Act (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March 2021.

### I CONSERVATION OF ENERGY

Regular audit is being conducted to identify the area of energy wastage.

Power factor has been maintained at optimum level to minimize losses.

### II TECHNOLOGY ABSORPTION, ADOPTION, INNOVATION

#### (i) Efforts in brief made towards technology absorption

- Successfully development of hotel load converter for HOG Locomotives.
- Successful development & type testing of Minimum Voltage Relay (MVR).
- Successful development of inhouse designed control cards and software for handling obsolescence issue in the old products.
- Successful development of Cab HVAC unit for train driver's cabin.
- Development of various type of Switch Board cabinet for LHB EOG/HOG type of coaches.
- Successful upgraded DSP based single control cards for Constant Current Regulator (CCR).

#### (ii) Benefits derived as a result of the above efforts

- Expanding product segment with LINKE-HOFMANN-BUSCH (LHB) coaches to increase revenue in the Railway segment.
- Indigenous RND development platforms for larger LOCO & EMU projects creating base for the future revenue of the organization.
- Value engineering which in turn improves the quality and productivity of the high-tech products.

#### (iii) In case of imported technology

(Imported during the last three years reckoned from the beginning of the financial year)

- The details of technology Imported-
  - a) Power modules design along with IGBT selection, gate driver selection, Cold plate selection etc.
  - b) Liquid cooling system design
  - c) Laminated busbars
  - d) Converter mechanical design
- The year of import - 2019-20
- Whether the technology has been fully absorbed - Yes. Modules are assembled and tested up to full current rating in Hirect power electronics lab.
- If not fully absorbed, areas where absorption has not taken place, and reasons thereof - Control electronics and SW development is pending from collaborator's side.

#### (iv) Expenditure incurred on Research and development

(₹ In lakhs)

Particulars	2020-21	2019-20
Capital	463.79	319.45
Recurring	397.87	210.25
Total	861.66	529.70
Total R&D expenditure as % of net operational income	2.82	1.77





## III Foreign exchange earnings and outgo

(₹ In lakhs)

Particulars	2020-21	2019-20
<b>Foreign exchange earned</b>		
1. Export of goods on FOB Basis, Commission and Service charges	<b>361.61</b>	466.77
<b>Foreign exchange used</b>		
1. Raw materials, stores, and spare parts, capital goods, and other products	<b>3172.83</b>	3525.26
2. Expenditure in foreign currency	<b>162.28</b>	44.43
3. Payment of Software	-	5.68

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 10th June, 2021

**Pradeep Goyal** **Suramya Nevatia**  
Chairman Managing Director & CEO

**ANNEXURE "D" TO THE DIRECTORS' REPORT****FORM NO. AOC - 2**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**1. Details of contracts or arrangements or transactions not at arm's length basis**

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during the financial year 2020-21. The Company has laid down policies and processes/procedures so as to ensure compliance with the subject, section in the Companies Act, 2013 and the corresponding Rules and SEBI Listing Regulations, 2015.

**2. Details of material contracts or arrangement or transactions at arm's length basis****(a) Name(s) of the related party and nature of relationship**

- (i) Mr. Saurabh Nevatia, CEO, Nashik Plant is the relative of \*Late Mr. S. K. Nevatia, Chairman & Managing Director (KMP), ^ Mr. Suramya Nevatia, Managing Director & CEO (KMP), and Mrs. Akshada Nevatia, Executive Director of the Company.
- (ii) ^ Mr. Suramya Nevatia, Managing Director & CEO (KMP) is the relative of Mr. Saurabh Nevatia, CEO, Nashik Plant and \*Late Mr. S. K. Nevatia, Chairman & Managing Director (KMP) and Mrs. Akshada Nevatia, Executive Director of the Company.

**(b) Nature of contracts/arrangements/transactions**

- (i) Mr. Saurabh Nevatia is a regular employee of the Company and remuneration is paid as a senior employee of the Company. The said remuneration has been approved by the members in the 61st Annual General Meeting as a related party transaction.
- (ii) ^ Mr. Suramya Nevatia is a regular employee of the Company and remuneration was paid as a senior employee of the Company. The said remuneration has been approved by the members in the 61st Annual General Meeting as related party transaction.

**(c) Duration of the contracts/arrangements/transactions**

- (i) Mr. Saurabh Nevatia is a regular employee of the Company. He has been working in the Company since 1988.
- (ii) ^ Mr. Suramya Nevatia is a regular employee of the company. He has been working in the Company since 2011.

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- (i) Total remuneration ₹ 90.27 lakhs paid to Mr. Saurabh Nevatia in the financial year 2020-21.
- (ii) Total remuneration ₹ 22.76 lakhs paid to ^ Mr. Suramya Nevatia in the financial year 2020-21.

**(e) Date(s) of approval by the Board:**

The Board has approved the said transactions as on 18th May 2019.

**(g) Amount paid as advances if any: Nil****3. Details of contracts or arrangements or transactions not in the ordinary course of business.**

There were no contracts or arrangements or transactions entered into during the financial year 2020-21, which were not in the ordinary course of business.

Note: \*Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

^ Mr. Suramya Nevatia was appointed as Director of the Company, w.e.f. 17th August 2020. Therefore, details have been given up to 16th August 2020.

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors

**Pradeep Goyal**      **Suramya Nevatia**  
Chairman              Managing Director & CEO

## ANNEXURE “E” TO THE DIRECTORS’ REPORT

### CSR REPORT

#### 1. Brief outline on CSR Policy of the Company

CSR policy is stated herein below:

To attain its CSR objectives in a professional and integrated manner, the Company may, inter alia, undertake the activity(ies) and program(s) identified under Schedule VII of the Companies Act, 2013, from time to time, and the following:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates;
- Work towards main streaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set- up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, construction workers, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and grooming them as future value creators;
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life;
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly;
- Rural development projects;
- At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families;
- Contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled tribes, other backward classes, minorities and women.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. V. K. Bhartia	Chairman	Independent Non-executive	2	2
2.	Late Mr. S. K. Nevatia*	Member	Managing Director	1	Nil
3.	Mrs. Akshada Nevatia	Member	Executive Director	2	1
4.	Mr. Vandan Shah ^	Member	Independent Non-executive	1	1

\*Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

^ Mr. Vandan Shah was appointed as the member of the committee w.e.f. 11th November 2020.

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Note: The Board has decided to dissolve the Corporate Social Responsibility committee w.e.f. 11th June, 2021, as the amount required to be spent on CSR does not exceed ₹ 50 lakhs and the function of the committee would be performed by the Board of Directors of the company.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The composition of the CSR committee - NA

The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <http://hirect.com/pdf/policies/Corporate%20Social%20Responsibility%20Policy.pdf>

The Board, based on the recommendation of the CSR committee, at its meeting held on 10th June 2021, has approved the annual action plan/projects for the financial year 2021-22, the details of which are available on our website, at <http://hirect.com/pdf/policies/annual%20action%20plan.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	NIL	NIL

6. Average net profit of the company as per section 135(5) : ₹ 8.31 Cr.
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 16,61,053  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil  
 (c) Amount required to be set off for the financial year, if any : Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 16,61,053
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
17,11,477	NIL		NIL		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Skill development - enhance employment through providing training to Apprentice under The Apprentices Act, 1962 and *National Apprenticeship Promotion Scheme (NAPS)	Skill training under Schedule VII(ii)	Yes	1. Mumbai, Maharashtra 2. Nashik, Maharashtra 3. Dehradun, Uttarakhand		16,11,477	Yes	NA	
2.	Women empowerment through self employment	Empowering women under Schedule VII(iii)	No	Thiruvalla, Kerala		1,00,000	No	Janhit Foundation CSR Registration number CSR00009610	
Total						17,11,477			

\* Through Yashaswi Academy for Skills, TPA (Third Party Aggregator) empanelled with Ministry of Skill Development & Entrepreneurship.

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- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable: Not applicable
- (f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e): ₹ 17,11,477
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	16,61,053
(ii)	Total amount spent for the Financial Year	17,11,477
(iii)	Excess amount spent for the financial year [(ii)-(i)]	50,424
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	*Nil

\* The Board decided not to carry forward the excess CSR amount in the succeeding Financial year.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

No capital asset was created / acquired for fiscal 2021 through CSR spend.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):

Not applicable

Place : Mumbai  
Date : 10th June, 2021

**Pradeep Goyal**  
Chairman

**Suramya Nevatia**  
Managing Director

**V. K. Bhartia**  
Chairman CSR Committee

## REPORT ON CORPORATE GOVERNANCE

Hind Rectifiers Limited is respected in the industry for its professional style of management and best business practices for 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 that enables the Company to operate in a manner that meets with the ethical, legal, and business expectations and at the same time fulfills its social responsibilities. It also focuses on the need to provide a sustainable competitive return for its investors.

The Board endeavors to achieve this first, by leveraging the resources at its disposal and fostering an environment for the 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. Second, the Board has institutionalized best management practices to bring about an atmosphere of accountability. Systems are in place for strategic planning, risk management, financial plans and budgets, the integrity of internal controls and reporting, communications guideline 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.

The Company has a strong legacy of fair, transparent, and ethical governance practices.

### CORPORATE ETHICS

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

### BOARD OF DIRECTORS

As on March 31, 2021, the Board comprised eight members, consisting of one non-executive and independent Chairman. There are two Executive Directors and the remaining six Directors are Non-executive Directors. Out of the two Executive Directors, one is the Managing Director & CEO (Promoter of the Company) and the other is an Executive Director (woman director and member of the Promoter Group). One Director is Non-independent Non-executive Director. The remaining five Non-executive Directors are Independent Directors including one woman Director.

The Board comprises qualified members who bring in the required skills, competence, and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

Name of the Director	Expertise in the specific functional area
Mr. Pradeep Goyal	Industrialist, Manufacturing domain, Business Management and Administration, significant background in technology, anticipate technological trends
Mr. Suramya Nevatia	Operation and Management, Strategic Development, and Implementation Management, Performance Review and Marketing Management, Planning and Risk Management
Mrs. Akshada Nevatia	Entrepreneur, Finance, Accounts and Banking, General Corporate Management, Corporate Governance, Understanding of the needs and view points of customers, partners, employees, governments, and other stakeholders
Mr. Pawan Kumar Golyan	Industrialist, Financial Services, Sustainable Energy, Marketing and Management, Business and Corporate Planning and Strategy, create new business models
Mr. V. K. Bhartia	Organizational and Business Management, Accounts-Finance, capital allocation, and financial reporting processes, Principal Executive Officer, Manufacturing and Marketing
Mr. Parimal Merchant	Law, Capital Markets, Family Managed Business, Extend and create new business models, Evaluate Corporate Strategy and Culture

## Hind Rectifiers Limited

Name of the Director	Expertise in the specific functional area
Mr. Vandan Shah	Industrialist, Manufacturing domain, Exports, Experience in developing strategies to grow sales and enhance enterprise reputation.
Mrs. Ashlesha Bodas	Strategy Management, Business Development, Statutory and Legal Compliances, Fund raising and Project Management

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 2021 have been made by the Directors. None of the Directors on the Board holds Directorships in more than ten public companies. None of the Independent Directors of the Company serves as Independent Director in more than seven listed companies and where any Independent Director is serving as Whole-Time Director in any listed Company, such Director is not serving as Independent Director in more than three listed companies.

In the wake of the COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the Directors participated in the meetings of the Board, Committees, and Annual General Meeting held after March 2020 through video conferencing / other audio visual means.

The Board has accepted all the recommendations of all the Committees.

The details of composition of the Board, category, the shareholding of directors, number of directorships held by the directors in other companies, memberships/chairmanships of the committees in other companies are given below:-

Name of the Director, DIN and Date of Appointment	Category of Director	List of Directorship held in Other Listed Companies and Category of Directorship as on 31.3.2021	No. of Other Directorships held as on 31.03.2021 excluding Hind Rectifiers Limited		Outside Committee position held as on 31.03.2021		Shareholding in the Company as on 31.03.2021
			Public	Private	Member	Chairman	
Mr. Pradeep Goyal DIN 00008370 (28.03.2008)	Independent Non-executive Director	Pradeep Metals Limited (Chairman and Managing Director) UPL Limited (Non-Executive Independent Director) Uniphos Enterprises Limited (Non-Executive Independent Director)	3	2	4	3	NIL
Mr. Suramya Nevatia DIN 06703910 (17.08.2020)	Non-independent Executive and Promoter Director (Managing Director and CEO)	-	0	1	0	0	2024768
Mrs. Akshada Nevatia DIN 05357438 (15.01.2017)	Non-independent Executive Director and member of Promoter Group	-	0	1	0	0	5850





Name of the Director, DIN and Date of Appointment	Category of Director	List of Directorship held in Other Listed Companies and Category of Directorship as on 31.3.2021	No. of Other Directorships held as on 31.03.2021 excluding Hind Rectifiers Limited		Outside Committee position held as on 31.03.2021		Shareholding in the Company as on 31.03.2021
			Public	Private	Member	Chairman	
Mr. Pawan Kumar Golyan DIN 00356807 (24.03.1998)	Non-independent Non-executive Director	-	0	0	0	0	NIL
Mr. V. K. Bhartia DIN 00019810 (18.04.2007)	Independent Non-executive Director	-	0	1	0	0	NIL
Mr. Parimal Merchant DIN 00201962 (07.02.2013)	Independent Non-executive Director	-	0	3	0	0	NIL
Mr. Vandan Shah DIN 00759570 (15.01.2017)	Independent Non-executive Director	Hercules Hoists Limited (Non-executive Independent Director)	1	4	2	0	50655
Mrs. Ashlesha Bodas DIN 00935512 (26.06.2020)	Independent Non-executive Director	-	0	11	0	0	NIL

Note:

- Directorship in companies registered under the Companies Act, 2013 or any earlier enactments, excluding companies under Section 8 of the Companies Act, 2013
- Only covers membership / chairpersonship of audit committee and stakeholders' relationship committee of public limited companies.
- In the committee details provided, every chairpersonship is also considered as a membership.
- Maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and SEBI Listing Regulations, 2015.
- Details of the following directors have not been given.
  - Late Mr. S. K. Nevatia, Chairman & Managing Director of the Company ceased to be Director of the company w.e.f. 14th September 2020 due to his death.
  - Mr. B. K. Patodia, Independent and Non-Executive Director resigned w.e.f. 6th November 2020 due to entirely personal reasons.

#### INDEPENDENT DIRECTORS

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

## Hind Rectifiers Limited

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. In the opinion of the Board, the Independent Directors fulfill the conditions of independence as specified in the Companies Act, 2013 and SEBI Listing Regulations, 2015 and are independent of the management. Terms and conditions of appointment/re-appointment of Independent Director as provided in the Companies Act, 2013 and the SEBI Listing Regulations, 2015 have been issued and available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

Mr. V. K. Bhartia, Independent Director has already attended the age of seventy-five; therefore, the members have passed the special resolution in the 60th Annual General Meeting.

### MEETING OF INDEPENDENT DIRECTORS

During the year under review the Independent Directors of the Company have met twice on 17th August 2020 and 10th February 2021.

Attendance record at the meetings of the Independent Directors during the financial year 2020-21 is given below.

Name of Independent Directors	No. of Meetings held during the tenure of the Director	No. of Meetings attended
Mr. V. K. Bhartia, Chairman	2	2
Mr. Pradeep Goyal	2	2
Mr. Parimal Merchant	2	2
Mr. B. K. Patodia*	1	0
Mr. Vandan Shah ^	1	1
Mrs. Ashlesha Bodas	2	1

\* Mr. B. K. Patodia resigned w.e.f. 6th November 2020 due to entirely personal reasons.

^ Mr. Vandan Shah, Non-Executive Director appointed as an Independent Director w.e.f. 10th February 2021.

The Independent Directors in their meeting, inter alia,

- review the performance of Non-independent Directors and the Board as a whole;
- review the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors;
- assess the quality, quantity, and timeliness of the flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### PERFORMANCE EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board was carried out an annual performance evaluation of its own performance, the chairman, the directors individually, as well as the evaluation of the working of its committees.

The evaluation of independent directors shall be done by the entire Board which was include fulfillment of the independence criteria as specified in the Companies Act, 2013 and SEBI Listing Regulations, 2015 and their independence from the management.

The performance evaluation of the chairman, managing director, executive director and the non-independent director were carried out by the independent directors.

The performance was evaluated through a structured questionnaire, discussion, and evaluation process. The directors have expressed their satisfaction with the evaluation process and highly satisfied with the performances of all the directors, chairman of the company, and board as a whole, committees and flow of information.

## PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communicate inter se Board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, integrity and maintenance of confidentiality, independence of behavior and judgment, etc. which is in compliance with applicable laws, regulations, and guidelines.

## BOARD MEETING

The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the AGM. Additional meetings are held when necessary.

The maximum gap between any two Board meetings was less than one hundred and twenty days except when extended time is allowed by regulators. The dates and timings of the meetings are decided well in advance. Video-conferencing facilities are used to facilitate Directors to participate in the meetings.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. Every Board member can suggest the inclusion of additional items in the agenda. Inputs and feedback of Board members are taken and considered while preparing the agenda and documents for the Board meetings. At these meetings, directors can provide their inputs and suggestions on various strategic and operational matters. At Board meetings, senior management or functional head who can provide additional insights into the items being discussed are invited.

This year, Board and committee meetings were held virtually in line with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

The Board members are expected to rigorously prepare for, attend and participate in Board and applicable committee meetings. Each member is expected to ensure their other current and planned future commitments do not materially interfere with their responsibilities with us.

The Board of Directors met five times during the financial year 2020-21 i.e. on 26.06.2020, 17.08.2020, 15.09.2020, 11.11.2020 and 10.02.2021.

The details of attendance of Directors at Board meetings held during the financial year 2020-21 and at the last AGM held on 15th September 2020 are as follows:

Name of the Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Whether attended last AGM
Late Mr. S. K. Nevatia*	2	Nil	NA
Mr. Pradeep Goyal	5	5	Yes
Mr. Suramya Nevatia ^	4	3	Yes
Mrs. Akshada Nevatia	5	4	Yes
Mr. Pawan Kumar Golyan	5	3	No
Mr. V. K. Bhartia	5	4	Yes
Mr. B. K. Patodia#	3	1	No
Mr. Parimal Merchant	5	5	Yes
Mr. Vandan Shah	5	5	Yes
Mrs. Ashlesha Bodas	5	4	Yes

**Hind Rectifiers Limited**

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\* Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

^ Mr. Suramya Nevatia appointed as Director of the Company, w.e.f. 17th August 2020.

#Mr. B. K. Patodia resigned w.e.f. 6th November 2020 due to entirely personal reasons.

**RELATIONSHIP BETWEEN DIRECTORS**

Mr. Suramya Nevatia and Mrs. Akshada Nevatia are related to each other and no other Director is related to 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 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:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board of Directors;
- The information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and the 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;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like the signing of wage agreement, implementation of Voluntary Retirement Scheme, etc;
- developing a succession plan for the Board;
- Sale of investments, subsidiaries, assets, which is not in the normal course of business;
- Foreign exchange exposures and steps are taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' service, such as non-payment of the 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 issue which involves possible public or product liability claims of a substantial nature; and



- Detailed status on the business risks being faced by the Company and their mitigation plan;

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

The Board periodically reviews the compliance reports of all laws applicable to the Company.

## POST MEETING MECHANISM

The important decisions are 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 and governance.

## FAMILIARIZATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia explains the role, functions, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, and SEBI Listing Regulations, 2015 and relevant Acts, Rules and Regulations. With a view to familiarize him with the Company's operations, the Chairman, Managing Director & CEO, and Executive Director have a personal discussion with the newly appointed Director. They are also informed of the important policies of the Company including the Code of Conduct for Board members and Senior Management Personnel and the Code of Conduct to regulate, monitor, and report trading by designated persons.

At various Board meetings during the year, quarterly information is made on operations that include information on business performance, operations, projects, market share, financial parameters, working capital management, fund flows, regulatory changes, etc.

The above initiatives help the Director to understand the Company, its business, and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company. Details of the familiarization program imparted to the Independent Directors are available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

## CONFLICT OF INTERESTS

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

## INSIDER TRADING CODE

The Company has adopted a 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons' in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code is applicable to Promoters, member of 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 Insider Trading Regulations.

The Company has also formulated the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in compliance with the Insider Trading Regulations. Policy for determination of Legitimate Purpose is a part of the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company has amended the said codes and policy of Vigil Mechanism/Whistleblower in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also formulated 'Policy for Enquiry in case of leak / suspected leak of Unpublished Price Sensitive Information'. The said codes and policies are available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

## Hind Rectifiers Limited

### COMMITTEES OF THE BOARD

For better Corporate Governance, promoting transparency, and enhancing the credibility of the financial disclosures of the Company, the Board has constituted committees which conform to the requirements of the SEBI Listing Regulations, 2015 and 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 for the Audit Committee of the Company are in accordance with provisions of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. The Audit Committee comprises of three Independent Directors. All members of the Audit Committee are financially literate and have related financial management expertise by the virtue of their comparable experience and background. The Managing Director & CEO, Executive Director, CEO Nashik Plant, and Chief Financial Officer of the Company are permanent invitees to the Audit Committee meeting. The Statutory Auditor and Internal Auditor are invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting of the Company was held on 15th September 2020 and was attended by Chairman of the Audit Committee.

The Audit Committee met four times during the year i.e. on 26.06.2020, 17.08.2020, 11.11.2020, and 10.02.2021. The maximum gap between any two meetings was less than one hundred and twenty days except when extended time is allowed by regulators.

The composition of the Audit Committee and the attendance of its members at the aforesaid meetings held during the financial year 2020-21 are given below.

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	4	3
Mr. Pradeep Goyal	Independent Non-executive	4	4
Mr. Parimal Merchant	Independent Non-executive	4	4

#### TERMS OF REFERENCE

The powers, role, and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, 2015, as applicable, besides other terms as referred by the Board of Directors.

The powers include investigating any activity within its terms of reference and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if required and have full access to the information contained in the records of the Company.

The role includes oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient, and credible, recommending the appointment, re-appointment, remuneration, and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors, reviewing with the management quarterly results and annual financial statements before submission to the Board for approval, approval or any subsequent modification of any transactions of the Company with related parties, review and monitor the auditor's independence and performance and effectiveness of the audit process, scrutiny of inter-corporate loans and investments, if any, evaluation of internal financial controls and risk management system and review the functioning of the whistleblower mechanism, reviewing the internal controls to ensure compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and verifying that the system for internal control under the said Regulations are adequate and are operating effectively.



The committee mandatorily reviews information such as internal audit reports, management discussion and analysis of financial condition and result of operations, statement of significantly related party transactions and such other matters as prescribed.

#### NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, 2015, besides other terms as referred by the Board. The role includes formulation of criteria for determining qualifications, positive attributes, and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel, and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on diversity of Board of Directors; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment, removal and noting their cessation; recommendation on extension or continuation of the terms of appointment of the Independent Directors; and recommendation to the Board of all remuneration, in whatever form, payable to senior management.

The committee works with the Board on the leadership succession plan to ensure an orderly succession in appointments to the Board and in senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

The committee oversees key processes through which the Company recruits new members to its Board, and the processes through which the Company recruits, motivates and retains outstanding senior management as well as the Company's overall approach to human resources management.

The committee is working as a compensation committee under SEBI (Share Based Employee Benefits) Regulations, 2014 for HIRECT Employees Stock Option Plan-2018 (ESOP 2018).

The Committee met four times during the year i.e. on 26.06.2020, 17.08.2020, 11.11.2020 and 10.02.2021.

The previous Annual General Meeting of the Company was held on 15th September 2020 and was attended by the chairman of the Nomination and Remuneration committee.

The composition of the committee and the attendance of its members at the aforesaid meeting held during the financial year 2020-21 are given below.

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	4	3
Mr. Pradeep Goyal	Independent Non-executive	4	4
Mr. Parimal Merchant	Independent Non-executive	4	4
Late Mr. S. K. Nevatia*	Managing Director	2	Nil

\* Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

The Company Secretary acts as the Secretary to the Committee.

#### 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 the SEBI Listing Regulations, 2015. This policy is applicable to Directors, Key Managerial 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:



**Hind Rectifiers Limited**

- To guide the Board in relation to appointment and removal of Directors, Key Managerial and Senior Management Personnel;
- To recommend to the Board the remuneration payable to the Directors, Key Managerial and Senior Management Personnel; and
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

This policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites, allowances (fixed component), and commission (variable component). The Board of Directors, on the recommendation of the Nomination and Remuneration Committee decides the commission, if any payable out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director & CEO and Executive Director.

**REMUNERATION OF DIRECTORS**

The appointment and remuneration of Managing Director & CEO and Executive Directors are governed by the recommendation of the Nomination and Remuneration committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration of Managing Director & CEO and Executive Director comprises of salary, perquisites, and allowances, contributions to provident fund, retirement benefit funds, commission, if any, etc. as approved by the shareholders at the General Meetings. Increments are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof under the ceiling of applicable laws and regulations. The Nomination and Remuneration policy is available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

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 ₹ 25,000 for attending each meeting of the Board and Audit committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

The details of remuneration/sitting fees paid to the Directors of the Company during the financial year 2020-21 are as under:

(₹ in lakhs)

Name of the Director	Salary	Benefits	Bonus / Commission / Stock Options	Sitting Fees	Total
Late Mr. S. K. Nevatia*	10.93	54.39	-	-	65.32
Mr. Suramya Nevatia ^	14.97	23.74	-	-	38.71
Mrs. Akshada Nevatia	18.00	28.21	-	-	46.21
Mr. Pradeep Goyal	-	-	-	3.50	3.50
Mr. Pawan Kumar Golyan	-	-	-	0.75	0.75
Mr. V. K. Bhartia	-	-	-	3.00	3.00
Mr. B. K. Patodia#	-	-	-	0.25	0.25
Mr. Parimal Merchant	-	-	-	3.50	3.50
Mr. Vandan Shah	-	-	-	1.25	1.25
Mrs. Ashlesha Bodas	-	-	-	0.75	0.75

\* Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

^ Mr. Suramya Nevatia appointed as a Director of the Company, w.e.f. 17th August 2020.

#Mr. B. K. Patodia resigned w.e.f. 6th November 2020 due to entirely personal reasons.





Mr. Suramya Nevatia and Mrs. Akshada Nevatia are entitled to remuneration comprising of salary, perquisites, commission, and benefits as per the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 and resolutions passed by the shareholders in the respective Annual General Meeting. The Company enters into service contracts with all Executive Directors for a period of three years. The commission is subject to adequate profits being earned.

Notice period is three months and there is no provision for payment of severance fees.

Sitting fee indicated above also includes payment for Board level committee meetings.

In accordance with the SEBI Listing Regulations, 2015 no employee, including Key Managerial Personnel or Director or Promoter of a listed Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the shares of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as members of Company by way of ordinary resolution. No such instances were reported during the reporting period.

A brief profile and other particulars of the Director seeking appointment/re-appointment is given in the notice of the 63rd Annual General Meeting and forms part of the Report.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The constitution and the broad terms of reference of the Stakeholders Relationship Committee of the Company are in accordance with provisions of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. The committee has been constituted to strengthen the investor relations and to inter-alia, resolve the grievances of security holders including complaints related to the transposition/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meeting, issues concerning de-materialization, review of measures taken for effective exercise of voting rights by shareholders, various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company, etc. The committee reviews the annual audit report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI including the mechanism of investor grievance redressal, compliances stipulated by SEBI and other matters concerning the functioning of the RTA.

The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, 2015. The Stakeholders Relationship Committee of the Company comprises of three Independent Directors. Ms. Meenakshi Anchlia is the Company Secretary and Compliance Officer of the Company. Her contact details are given below :-

Address : Hind Rectifiers Limited, Lake Road, Bhandup West, Mumbai - 400078, Maharashtra.

Phone : 022- 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 available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

The previous Annual General Meeting of the Company was held on 15th September 2020 and was attended by the chairman of the Stakeholders Relationship Committee.

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The following table shows the nature of complaints received from the shareholders during the financial year 2020-21.

Nature of complaints	No. of complaints received during the financial year 2020-21	No of complaints resolved during the financial year 2020-21
Non receipt of Dividend Warrant	-	-
Non receipt of Annual Report	-	-
Non receipt of Share Certificate	-	-
Other	-	-

The above table includes complaints received from SEBI SCORES by the Company.

There were no complaints pending as on 31st March, 2021.

The Stakeholders Relationship Committee met two times during the financial year i.e. on 26.06.2020 and 11.11.2020.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the aforesaid meeting held during the financial year 2020-21 are given below.

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	2	1
Mr. Pradeep Goyal	Independent Non-executive	2	2
Mr. Parimal Merchant	Independent Non-executive	2	2

## RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the organization. The Company has for made Risk Management Committee. The Company has a robust risk management framework to identify, monitor, and minimize risks and also identify business opportunities. The roles and responsibilities of the Risk Management Committee are as prescribed under Regulation 21 of SEBI Listing Regulations, 2015.

The Risk Management Committee of the Company comprises three members i.e. Mr. Suramya Nevatia, Managing Director & CEO, Mr. Parimal Merchant, Non-executive and Independent Director and Mr. A. K. Nemani, Chief Financial Officer of the Company. Late Mr. S. K. Nevatia was the Chairman of the Risk Management Committee.

Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death so the risk management committee was reconstituted.

The roles and responsibility of the Risk Management committee are as follows:

- The committee shall meet at least twice in a year;
- To identify and evaluate the impact of risk reported by various departments;
- To review the effectiveness of the corrective measures submitted by the concerned departments;
- To provide guidance to the concerned departments, in case, a better course of action is there to tackle/reduce/mitigate the risk(s);
- 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;
- To inform the management from time to time; and
- Any other functions as may be necessary or required under the SEBI Listing Regulations, 2015.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The constitution and the broad terms of reference for the Corporate Social Responsibility Committee of the Company are in accordance with provisions of the Companies Act, 2013. The composition of the Corporate Social Responsibility Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of CSR spending have been provided in the Annexure E to the Board's Report i.e. Annual Report on CSR Activities.

The Company formulated corporate social responsibility policy, which is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

## TERMS OF REFERENCE

To review the existing corporate social responsibility 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 and to provide guidance on various corporate social responsibility activities to be undertaken by the Company and to monitor the process. The Committee recommends the amount of expenditure to be incurred on the activities mentioned in the corporate social responsibility policy and monitor the said policy.

The Corporate Social Responsibility committee met two times during the year i.e. on 17.08.2020 and 10.02.2021.

The composition of Corporate Social Responsibility Committee and the attendance of its members at the aforesaid meeting held during the financial year 2020-21 are given below.

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	2	2
Late Mr. S. K. Nevatia*	Managing Director	1	Nil
Mrs. Akshada Nevatia	Executive Director	2	1
Mr. Vandan Shah ^	Independent Non-executive	1	1

\*Late Mr. S. K. Nevatia ceased to be Director of the company w.e.f. 14th September 2020 due to his death.

^ Mr. Vandan Shah was appointed as the member of the committee w.e.f. 11th November 2020.

The Board has decided to dissolve the Corporate Social Responsibility Committee w.e.f. 11th June 2021, as the amount required to be spent on CSR does not exceed ₹ 50 lakhs and the functions of such committee would be performed by the Board of directors of the company.

## GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
60th AGM	31.03.2018	13.08.2018	12:00 noon	Odyssey, Mayfair Banquet, 254-C, Dr. Annie Besant Road, Worli, Mumbai 400030 Maharashtra
61st AGM	31.03.2019	08.08.2019	2:00 pm	Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai 400020 Maharashtra
62nd AGM	31.03.2020	15.09.2020	11:30 am (IST)	through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

**Hind Rectifiers Limited**

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

<b>60th AGM</b>			
<b>Sr. No.</b>	<b>Subject matter of the resolutions</b>	<b>Type of resolution</b>	<b>Status of implementation</b>
1.	Approval to continuation of office by Mr. Vijay Kumar Bhartia as an Independent Director of the Company	Special	Implemented
2.	Re-appointment of Mr. Parimal Rameshchandra Merchant as an Independent Director	Special	Implemented
3.	Re-appointment of Mr. Pradeep Vedprakash Goyal as an Independent Director	Special	Implemented
4.	Re-appointment of Mr. Vijay Kumar Bhartia as an Independent Director	Special	Implemented
5.	Re-appointment of Mr. Binod Kumar Patodia as an Independent Director	Special	Implemented
6.	Re-appointment of Mr. Sushil Kumar Rameshwarprasad Nevatia as Chairman and Managing Director and approval of Remuneration	Special	Implemented
7.	Approval to Payable Remuneration to Mrs. Akshada Suramya Nevatia, Executive Director	Special	Implemented
8.	Approval of HIRECT Employees Stock Option Plan-2018	Special	Implemented

<b>61st AGM</b>			
<b>Sr. No.</b>	<b>Subject matter of the resolutions</b>	<b>Type of resolution</b>	<b>Status of implementation</b>
1.	Increase in Borrowing Limits from ₹ 150 crore to ₹ 250 crore	Special	Implemented
2.	Creation of Charges on the Movable and Immovable Properties of the Company, both Present and Future in respect of Borrowings under Section 180(1)(a) of the Companies Act, 2013	Special	Implemented
3.	Re-appointment of Mrs. Akshada Nevatia as an Executive Director and Approval of Remuneration	Special	Implemented
4.	Approval of giving Guarantee(s) and/or providing Comfort Letter for loan under Section 185 of Companies Act, 2013	Special	The Company plans to implement in the future.

<b>62nd AGM</b>			
<b>Sr. No.</b>	<b>Subject matter of the resolutions</b>	<b>Type of resolution</b>	<b>Status of implementation</b>
1.	Appointment of Mr. Suramya Nevatia as the Joint Managing Director & CEO (KMP)	Special	Implemented



## EXTRAORDINARY GENERAL MEETING

No extraordinary general meeting of the members was held during the financial year 2020-21.

## RESOLUTION PASSED THROUGH POSTAL BALLOT

No resolution was passed through the postal ballot during the financial year 2020-21.

## MEANS OF COMMUNICATION

The unaudited quarterly/half-yearly financial results are announced within forty-five days of the close of the quarter except when extended time is allowed by regulators.

The audited annual financial results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations, 2015 except when extended time is allowed by regulators.

The approved financial results are forthwith sent to the Stock Exchanges and are published in Free Press (English newspaper) and Navshakti (local language (Marathi) newspaper) within forty-eight hours of approval thereof.

The financial results are available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

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.

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.

SEBI processes investor complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system, shareholders can lodge a complaint against a company for their grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholders can seek and provide clarifications online through SEBI.

## NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

## GENERAL SHAREHOLDER INFORMATION

AGM: 63rd Annual General Meeting for the financial year 2020-21 is scheduled to be held on Thursday, 12th August 2021.

The Company is conducting meeting through VC/OAVM pursuant to the MCA and SEBI Circulars. For details please refer to the notice of this Annual General Meeting.

As required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Secretarial Standard-2, particulars of Directors seeking appointment at this Annual General Meeting are given in the Annexure to the notice of this Annual General Meeting.

## 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 SEBI Listing Regulations, 2015 except when extended time is allowed by regulators. The details for the forthcoming financial year 2021-22 are as follows.

Financial Year 2021-22	April 1, 2021 to March 31, 2022
Financial reporting for the quarter ended June 30, 2021	On or before 14th August, 2021
Financial reporting for the quarter ended September 30, 2021	On or before 14th November, 2021
Financial reporting for the quarter ended December 31, 2021	On or before 14th February, 2022
Financial reporting for the year ended March 31, 2022	Audited Results on or before 30th May, 2022

**Hind Rectifiers Limited**

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**DIVIDEND PAYMENT DATE**

In case the final dividend as recommended by the Board of Directors is approved at the 63rd Annual General Meeting to be held on Thursday, 12th August 2021 payment of such dividend will be paid within a week from the conclusion of the Annual General Meeting.

The Company has adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of applicable laws.

**DATE OF BOOK CLOSURE**

The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 6th August 2021 to Thursday, 12th August 2021 both days inclusive, for annual closing and determining the entitlement of the members to the final dividend for the financial year 2020-21.

**UNCLAIMED DIVIDEND / SHARES**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125 of the Companies Act, 2013. The details of unclaimed/unpaid dividend are available on the website of the Company viz. [www.hirect.com](http://www.hirect.com).

**MANDATORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF INVESTORS EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA) IN CASE OF UNPAID / UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which the dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like a bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

The Company has sent out individual communication to the concerned members whose shares are liable to be transferred to IEPFA in the financial year 2021-22, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a notice informing the members who have not claimed their dividend for a period of seven years to claim the same from the Company before they are transferred to IEPFA. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

**LISTING ON STOCK EXCHANGES**

The Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid listing fees to the Stock Exchanges for the financial year 2021-22.

**Address of Stock Exchanges****BSE Limited**

P. J. Towers, Dalal Street, Mumbai – 400 001 Maharashtra

**National Stock Exchange of India Limited**

Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Maharashtra

**STOCK CODE / SYMBOL**

BSE Limited – 504036

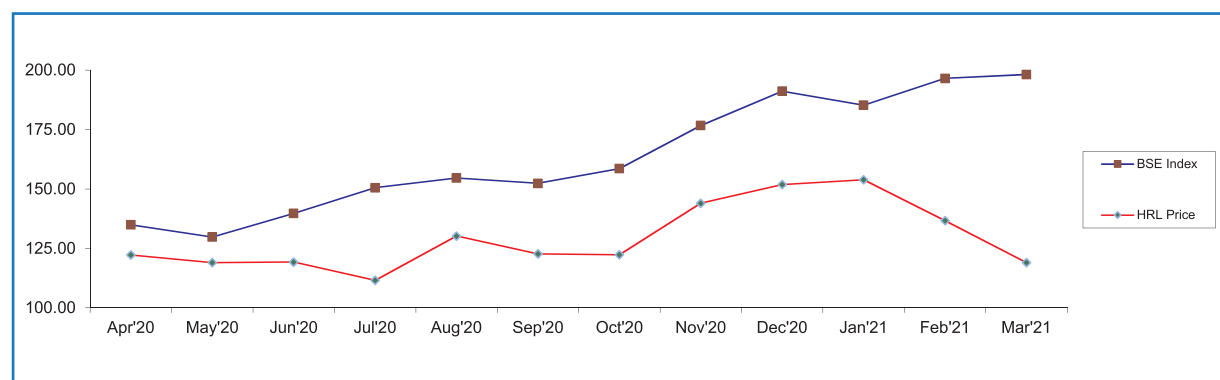
National Stock Exchange of India Limited – HIRECT

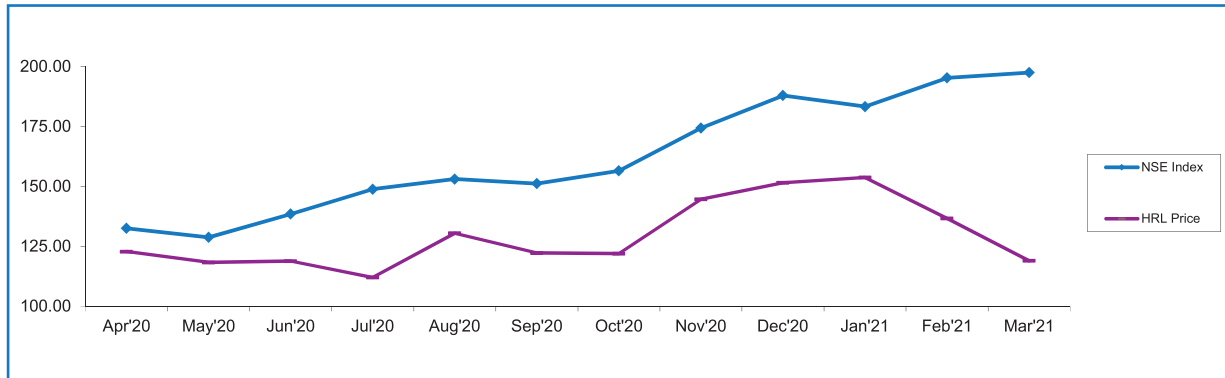
Demat ISIN: INE835D01023

**MARKET PRICE DATA**

The monthly High / Low market price of equity shares of Hind Rectifiers Limited during the financial year 2020-21:

Month	BSE		NSE	
	High	Low	High	Low
April, 2020	145.70	117.65	146.25	116.00
May, 2020	127.80	108.90	132.45	109.40
June, 2020	143.00	116.80	142.00	116.05
July, 2020	132.65	108.50	132.40	108.50
August, 2020	167.55	112.10	166.25	110.10
September, 2020	134.00	115.75	132.50	115.50
October, 2020	142.85	118.00	139.00	117.50
November, 2020	154.00	119.00	153.90	121.05
December, 2020	162.85	125.00	163.50	131.55
January, 2021	180.20	149.50	180.15	149.10
February, 2021	161.00	135.00	163.00	134.75
March, 2021	149.05	117.45	149.60	118.05

**RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX**

**Hind Rectifiers Limited****RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX**

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.

**ADROIT CORPORATE SERVICES PRIVATE LIMITED**

[Unit: Hind Rectifiers Limited]

19-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka,

Andheri (East), Mumbai – 400059 Maharashtra

Tel: +91 22 4227 0400 Fax: +91 22 28503748

Email: info@adroitcorporate.com

Website: www.adroitcorporate.com

**SHARE TRANSFER SYSTEM**

In terms of the SEBI Listing Regulations, effective from 1st April 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to 1st April 2019 and returned due to deficiency in the document. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2021**

Category	No. of shares held	% of Shareholding
Promoters and Associates	6998856	42.25
Mutual Funds and UTI	750	00.00
Banks/Financial Institutions	2250	00.01
Private Bodies Corporate	307736	01.86
NRI/OCBs	2563268	15.48
Others	6690863	40.39
<b>Total</b>	<b>16563723</b>	<b>100.00</b>



**Distribution of Shareholding as on 31st March 2021**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	9387	1042738	6.30
501-1000	691	543343	3.28
1001-2000	459	688298	4.16
2001-3000	170	438820	2.65
3001-4000	63	227153	1.37
4001-5000	43	198335	1.20
5001-10000	96	678342	4.10
10001 and above	84	12746694	76.96
<b>Total</b>	<b>10993</b>	<b>16563723</b>	<b>100</b>

**DEMATERIALIZATION OF SHARES**

13621799 equity shares representing 82.24% of total equity share capital were held in dematerialized form with NSDL and CDSL as on 31st March 2021.

**UPDATING NECESSARY KYC DETAILS OF REGISTERED AND/OR JOINT HOLDERS HOLDING SHARES IN PHYSICAL FORM**

SEBI has vide Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20 April 2018, directed all the listed companies to record the Income Tax PAN and bank account details of all their shareholders holding shares in physical form and advise them to dematerialize their physical securities. Accordingly, the Company had sent letters by speed post/registered post to the shareholders holding shares in physical form at their last known address, advising them to register their Income Tax PAN (including that of joint holders, if any) and the bank account details. This was followed by two reminder letters to those shareholders who have not responded earlier. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest.

**STATUS OF DEMATERIALIZATION OF EQUITY SHARES AS ON 31ST MARCH 2021**

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	5408	11490678	69.37
Central Depository Services (India) Limited	5426	2131121	12.87
Total Dematerialized	10834	13621799	82.24
Shares held in Physical form	159	2941924	17.76
<b>Grand Total</b>	<b>10993</b>	<b>16563723</b>	<b>100.00</b>

**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 the death of all the registered shareholders. Nomination facility in respect of shares held on the electronic form is also available with the Depository Participant (DP) as per the bye-laws and business rules applicable to NSDL and CDSL.

**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.

**Hind Rectifiers Limited****COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK**

The details are disclosed in note no. 59 to the financial statement.

**Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

Not Applicable

**A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

The certificate of Company Secretary in practice is annexed herewith as a part of the report.

**Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year**

Not Applicable

**Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Details relating to fees paid to the Statutory Auditors are given in note no. 41 to the Financial Statement. Consolidated Financial Statement is not applicable to the Company.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The details of the number of complaints filed and disposed of during the year and pending as on 31st March 2021 are given in the Directors' report.

**Plant Locations**

- i. Lake Road, Bhandup West, Mumbai - 400 078 Maharashtra
- ii. Plot No.110/111, M.I.D.C., Satpur, Nashik - 422 007 Maharashtra
- iii. New Khasara No. 64-67 & 74, Village Chharba, Langha Road, Vikas Nagar, Dehradun – 248197 Uttarakhand

**Compliance Officer**

Ms. Meenakshi Anchlia  
Company Secretary and Compliance Officer

**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

**CREDIT RATING**

The Company has obtained the credit rating. Rating rationale issued by CRISIL on 31st May 2021. Details are as under:-

Total Bank Loan Facilities Rated	₹ 120 Crore
Long Term Rating	CRISIL BBB-/ Stable (Outlook revised from 'Positive' and rating reaffirmed)
Short Term Rating	CRISIL A3 (Reaffirmed)



## DISCLOSURES

### COMPLIANCES WITH GOVERNANCE FRAMEWORK

The Company is in compliance with all mandatory requirements under the SEBI Listing Regulations, 2015.

### RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company are in the ordinary course of business and on an arm's length basis. All the related party transactions are approved by the Audit Committee and if required with the permission of the Board and/or shareholders. Transactions with related parties are disclosed in note no. 58 to the Annual Audited Financial Statements. The material related party transaction as per the provisions of SEBI Listing Regulations, 2015 and Section 188 of the Companies Act, 2013 is stated in AOC-2. There were no transactions of material value with related parties which were in potential conflict with the interest of the Company.

The Board has approved a policy for related party transactions. The policy is available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

There were no instances of non-compliance on any matter related to the capital market during the last three years except delay appointment of Independent Woman Director. 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 except fine of ₹ 4,30,000 paid to NSE on delay appointment of Independent Woman Director.

### 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](http://www.hirect.com). The Code of Conduct is applicable to all Directors and senior management executives. The members of the Board and senior management have submitted their affirmation on compliance with the code for the effective period. A declaration by the Managing Director & CEO affirming compliance with the Code of Conduct is appended to this report.

### VIGIL MECHANISM/WHISTLEBLOWER POLICY

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases. The policy is available on the website of the Company viz. [www.hirect.com](http://www.hirect.com). It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee.

The Company has adopted the policy on 'Determination of Materiality for Disclosures' and 'Archival and Preservation of Documents'. The said policies are available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

### SUBSIDIARY COMPANIES

The Company does not have any subsidiary company. Accordingly, policy on material subsidiaries has not been formulated.

### DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013.

### NON-MANDATORY (DISCRETIONARY) REQUIREMENTS UNDER REGULATION 27 OF THE LISTING REGULATIONS

The status of compliance with the non-mandatory requirements of the SEBI Listing Regulations, 2015 is provided below:

#### THE BOARD

There is a separate post of Chairman (Independent and Non-Executive Director) and Managing Director & CEO. The Company may pay or reimburse to the Non-Executive Director such fair and reasonable expenditure, as may have been incurred by him while performing his role.

**Hind Rectifiers Limited**

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**SHAREHOLDERS RIGHTS**

The Company has not adopted the practice of sending out a half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to the Stock Exchanges and available on the website of the Company.

**MODIFIED OPINION(S) IN AUDIT REPORT**

There are no modified opinions in the audit report.

**REPORTING OF INTERNAL AUDITOR**

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed Internal Auditors who report to the Audit Committee. The Internal Auditors are invitees at the Audit Committee meetings of the Company. Internal audit report is placed on a quarterly basis before the Audit Committee. The Internal Auditors may, if necessary, report directly to the Audit Committee.

**CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING**

In order to enable the Company to reduce costs and the duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars and Share Transfer Agents indicating the folio numbers to be consolidated along with the original share certificates to be consolidated.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As required by the Securities and Exchange Board of India, quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconciling the total share capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited 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 AND ANALYSIS**

Management Discussion and Analysis Report is given in a separate section forming part of this report.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a certificate from the Auditor of the Company regarding compliance with the provisions relating to the corporate governance laid down in the SEBI Listing Regulations, 2015 with the Stock Exchanges. The certificate does not contain any adverse remarks. The certificate is annexed to this report.

**CEO/CFO CERTIFICATION**

As required under the SEBI Listing Regulations, 2015, a certificate duly signed by Mr. Suramya Nevatia, Managing Director & CEO and Mr. A. K. Nemani, Chief Financial Officer has been obtained. The certificate is annexed to this report.

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors

**Pradeep Goyal**      **Suramya Nevatia**  
Chairman              Managing Director & CEO



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**DECLARATION**

I, Suramya Nevatia, Managing Director & CEO 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 is available on the Company's website viz. [www.hirect.com](http://www.hirect.com).

All the Board members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the year ended on 31st March 2021.

For and behalf of the Board of Directors

Place : Mumbai

Date : 10th June, 2021

**Suramya Nevatia**

Managing Director & CEO

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## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Hind Rectifiers Limited**

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Ltd. ('the company') for the year ended March 31, 2021 as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock Exchanges').

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### **Auditor's Responsibility**

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

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31st March, 2021.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

In our opinion, and to the best of our information and according to 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 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.

### **Restriction on Use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

UDIN: 21116667AAAAIK2280  
for **RAVI A. SHAH & ASSOCIATES**  
Chartered Accountants  
ICAI Firm Reg. No.: 125079W

Place : Mumbai  
Date : June 10, 2021

**Ravi A. Shah**  
Proprietor  
Membership No. 116667



## CEO AND CFO CERTIFICATION

The Board of Directors  
**Hind Rectifiers Limited**  
Mumbai, Maharashtra

### Re: Compliance Certificate for the Financial Statements for 2020-21

We, Suramya Nevatia, Managing Director & CEO 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 2021 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 is 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 has 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  
Date : 10th June, 2021

**Suramya Nevatia**  
Managing Director & CEO

**A. K. Nemani**  
Chief Financial Officer

**Hind Rectifiers Limited****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
**Hind Rectifiers Limited**  
 Lake Road,  
 Bhandup (West),  
 Mumbai - 400078.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HIND RECTIFIERS LIMITED** having Corporate Identification Number: **L28900MH1958PLC011077** and having registered office at Lake Road, Bhandup (West), Mumbai - 400078 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C, Sub-clause 10(i) of the SEBI (LODR) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Suramya Nevatia	06703910	17/08/2020
2.	Mr. Pawan Kumar Golyan	00356807	24/03/1998
3.	Mr. Vandan Sitaram Shah	00759570	15/01/2017
4.	Ms. Akshada Nevatia	05357438	15/01/2017
5.	Mr. Pradeep Goyal	00008370	28/03/2008
6.	Mr. Vijay Kumar Bhartia	00019810	18/04/2007
7.	Mr. Parimal Merchant	00201962	07/02/2013
8.	Ms. Ashlesha Bodas	00935512	26/06/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
 PARTNER

Place : Mumbai  
 Date : June 10, 2021.

FCS: 3706 COP: 2324  
 UDIN: F003706C000442540



## BUSINESS RESPONSIBILITY REPORT 2020-21

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015]

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L28900MH1958PLC011077
2. Name of the Company: Hind Rectifiers Limited
3. Registered Address: Lake Road, Bhandup West, Mumbai 400078 Maharashtra
4. Website: www.hirect.com
5. E-mail id: investors@hirect.com
6. Financial Year reported: 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise ):

Industrial Group	Description
Power Sector (31)	Electrostatic High Voltage Power supplies for pollution control system for the power sector
Automobile industry, Chemical industry (31)	Large Power supplies for Electrolysis and Electrochemical process equipment of higher Technology.
Rail transportation (31)	IGBT based converters, Transformers, Auxiliary panels, electronics for 3 phase locomotives and LHB coaches.
As per National Industrial Classification – Ministry of Statistics and Programme Implementation.	

8. List three key products/services that the Company manufactures / provides (as in balance sheet)
  - i. High Voltage Power supplies for Pollution control for power plants
  - ii. Large current Rectifiers for electrochemical industries
  - iii. IGBT based converter, Transformers & Aux panels for 3 phase locos & specially designed auxiliary panels for LHB coaches for railway transportation
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5)  
Sweden
  - ii. Number of National Locations:  
Manufacturing Unit  
Mumbai, Dehradun, Nashik  
Branch Offices  
Chennai, Kolkata, New Delhi
10. Markets served by the Company – Local / State / National / International:  
Indian Railways & Industrial sector - National & International

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital: ₹ 33127446
2. Total Turnover: ₹ 305.10 crores
3. Total profit after taxes: ₹ 5.33 crores
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after-tax (%):  
The details of CSR spending have been provided in the Annexure E to the Board's Report i.e. Annual Report on CSR Activities.
5. List of activities in which expenditure in 4 above has been incurred: Skill development and women empowerment

## Hind Rectifiers Limited

### SECTION C: OTHER DETAILS

- Does the company have any subsidiary company / companies?  
No. The Company does not have any subsidiaries.
- Do the subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary Company(s)  
Not applicable
- Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
At present, the suppliers, distributors do not participate in the BR initiatives of the company.

### SECTION D: BR INFORMATION

- Details of Director / Directors responsible for BR  
(a) Details of the Director / Directors responsible for the implementation of the BR policy / policies:

Particular	Details of Directors	
1. DIN Number	06703910	05357438
2. Name of Director	Mr. Suramya Nevatia	Mrs. Akshada Nevatia
3. Designation	Managing Director & CEO	Executive Director

- Details of the BR head:

Particular	Director Details
1. DIN Number (If applicable)	06703910
2. Name of Director	Mr. Suramya Nevatia
3. Designation	Managing Director & CEO
4. Telephone number	022- 25696789
5. Email ID	corporate@hirect.com

- Principle-wise (as per NVGs) BR Policy / policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.



## (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Company's Business Responsibility policies abide by the spirit and content of the Code of Conduct, all applicable laws and standards. The policies are framed to comply with applicable regulatory requirements.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Yes. All the policies are approved by the Board of Directors and signed by Mrs. Akshada Nevatia, Executive Director.								
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	<p>Yes. Mr. Suramya Nevatia, Managing Director &amp; CEO through Business Responsibility Committee and the functional heads of the departments/Plant heads of the Company are empowered to ensure the implementation of the policy.</p> <p>The Committee consists of Mr. Suramya Nevatia, Managing Director &amp; CEO, Mrs. Akshada Nevatia, Executive Director, and Mr. A. K. Nemani, Chief Financial Officer. The committee is authorized to monitor and evaluate the compliance of the policy and submit this report to the Board.</p>								
6	Indicate the link for the policy to be viewed online?	www.hirect.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company. The policies are available on the website of the Company.								
8	Does the Company have an in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		<p>The Whistleblower Mechanism provides employees and vendors a mechanism to report any concerns or grievances pertaining to any potential or actual violation of the Code of Conduct.</p> <p>The customer complaint mechanism is available on the company's website at hirect.com. It records the grievances of customers on product and service quality and other issues.</p> <p>An investor grievance mechanism is in place to respond to investor grievances. The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at investors@hirect.com.</p>								
10	Has the Company carried out an independent audit / evaluation of the working on this policy by an internal or external agency?	All policies are evaluated internally.								

## Hind Rectifiers Limited

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.

(b) If the answer to the question at serial number 1 against any principle is "No", please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles.	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3	The Company does not have financial or manpower resources available for the task.									
4	It is planned to be done within the next 6 months.									
5	It is planned to be done within the next 1 year.									
6	Any other reason (please specify)									

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the information on BR in the Annual Report which is available on the website of the Company.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and Accountability.

The Company believes that a Company without ethics is like a body without a soul. Further, it is firmly believed that for a successful and sustainable business, a strong foundation of ethical corporate citizenship and establishment of good corporate culture is essential.

The Company is committed to operating its business ethically in a manner such that all stakeholders i.e. investors, creditors, distributors, customers, employees, and even competitors, the governments and society at large, dealt within a fair manner. The Company has always believed in adhering to the best governance practices to ensure the protection of interests of all stakeholders of the Company in tandem with the healthy growth of the Company.

The core value of the Company's ethical policy and practices are trustworthiness, respect, responsibility, fairness, and caring. The Company takes a 'zero-tolerance' approach to bribery and corruption and is committed to act professionally, fairly and with integrity in all the business dealings and relationships, wherever it operates.

The Company believes that the ethical behavior of the Company is predicted by the ethical behavior of its owners, directors, managers, and employees towards its stakeholders i.e. investors, creditors, distributors, customers, employees, the governments, and society at large.

The measurement of ethical behavior revolves around

- Fairness to all stakeholders
- Transparency in all business dealings
- Raising the trust and confidence of stakeholders in the way the Company operates
- Understanding and discharging societal responsibility

- v. Long term thinking
- vi. Overcoming greed, insecurity, and lack of confidence
- vii. Following every law of the land even when the law enforcers may not be able to detect the violation

Besides the above, it is also expected from every member of the Board and senior management including the functional heads

- i. To participate in a Company meeting, depending upon their eligibility and / or requirement, and do not involve in related party transactions.
  - ii. Do not take directorship in competitor's Company.
  - iii. Do not enter into an agreement / contract / transaction for himself or on behalf of any relatives that may have a potential conflict with the interest of the Company.
  - iv. Do not enter into an agreement for himself or on behalf of any other person, with any shareholder or any other party / third party with regard to compensation or profit-sharing in connection with dealings in the equity share of the Company.
  - v. Disclose to the Board of directors relating to all financial and commercial transactions entered by the Company with third party / any party, where they have a personal interest that may have a potential conflict with the interest of the Company at large.
1. Does the policy relating to ethics, bribery, and corruption cover only the Company? Yes/ No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others ?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder	Complaints Received during FY 2020-21	Complaints Resolved during FY 2020-21	Complaints Resolved (%)
Investors Complaints	Nil	Nil	Nil
Consumers' Complaints			
Railway	821	818	99.63
Industrial (Non-railway)	268	264	98.51
Total	1089	1082	99.36

Seven complaints were outstanding as on 31st March, 2021. The Company has a mechanism for receiving and dealing with complaints from various stakeholders like investors, customers, employees, and suppliers, etc.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

Locomotive Transformers for 3 Phase goods Locomotive

Auxiliary Converters for 3 Phase Locomotive

High Voltage Power supplies for Mega Power Plants.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks, and / or opportunities.

Rectifiers for Electro chlorination / Saltwater treatment

High voltage Power supplies for ESP pollution control

Comprehensive services contracts for coaches for passenger services.

## Hind Rectifiers Limited

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
  - (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain ?  
During the year Company achieved a reduction of Material of 1.2 to 1.8 percentages. Water is not required for the production of these products. Consumption of energy is not significant.
  - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?  
As above-mentioned products are used for a variety of purposes and by a large number of consumers, it is not feasible to identify a reduction of resource usage by the consumers.
3. Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably.  
For most of the components used by the Company there are alternative suppliers & we always put emphasis to have multiple suppliers. The Company always encourages new suppliers to enter in to the market.
4. Steps were taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors .  
The Company encourages local and small vendors while sourcing for goods and services subject to optimization of cost and quality of their deliveries. The Company try to procure most of its goods and services from places near to the operating plants in order to get timely supplies, and this also help in improving/developing Socio-economic conditions including increasing local employment, besides the cost advantage in the sourcing, unless and until there are reasons for specific supplies relating to imported material/quality. The Company also encourages local vendors to develop manufacturing skills to meet its quality and safety standards and for this, we share our experiences and documents with them.
5. Mechanism to recycle products and waste and the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).  
Product of the Company cannot be recycled & generally no wastage are generated during the production of the above products however to optimize the cost & save the natural resources we reuse the wooden packing material as well as plastic bags received at the time of purchases of raw materials.

### Principle 3: Businesses should promote the well-being of all employees.

The Company is an employee-centric organization that aims to attract and retain talent by ensuring the well-being of all of its employees.

1. Please indicate the total number of employees : 711
2. Please indicate the total number of employees hired on temporary/contractual/casual basis : 248
3. Please indicate the number of permanent women employees : 52
4. Please indicate the number of permanent employees with disabilities : 1
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association : 13.27%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on the end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?

Particulars	Safety Training	Skill up-gradation training
Permanent Employees	39.54	32.09
Permanent Women Employees	48.08	40.38
Casual / Temporary / Contractual Employees:	59.68	31.05
Employees with Disabilities	-	-

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

The Company believes that effective stakeholder engagement requires stakeholder identification, prioritization and regular & transparent communication. The Company has identified suppliers, customers, employees, local community, and investors as its key stakeholders and uses multiple channels of communication for periodic engagement with these stakeholders.

1. Has the Company mapped its internal and external stakeholders?

Yes. The key stakeholders and their mode of engagements are shown below:

Stakeholders	Mode of Engagement
Government and Regulatory Authorities	Industry bodies/ forums, direct interactions
Employee	Meetings, Circulars, Employee engagement activities, and training.
Customers	Marketing team customer visits and online meetings / seminars for sales promotion by Company executives.
Investors and Stakeholders	Annual General Meeting, Annual Report and Website
Suppliers	Site visits and personal / telephonic interactions
Trade Unions	Union Meetings, wage settlement agreement, Cultural engagement activities, Notices and Circulars

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The disadvantaged and vulnerable stakeholders include differently-abled employees, women, and rural communities in and around the Company's plants.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalized stakeholders?

The Company provides equal opportunities to differently-abled, marginalized, and people from the economically weaker backgrounds. All employees are offered equal opportunities for career growth.

**Principle 5: Businesses should respect and promote human rights.**

The Company respects and promotes human rights for all individuals. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by business activities before or if they occur through human rights due diligence and mitigation processes.

The Company recognizes its impact on the communities in which it operates. The Company is committed to engaging with stakeholders in those communities to ensure that we are listening to, learning from, and taking into account their views as we conduct our business. Where appropriate, we are committed to engaging in dialogue with stakeholders on human rights issues related to our business. We believe that local issues are most appropriately addressed at the local level. We are also committed to creating economic opportunity and fostering goodwill in the communities in which we operate through locally relevant initiatives.



## Hind Rectifiers Limited

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/Suppliers/Contractors/NGOs/Others?

The Company's Human Rights Policy is applicable to all employees in the Company working in any business division of the Company. The Company motivates its business partners such as suppliers, contractors, NGOs, and others to follow the policy related to Human Rights in true spirit.

The Company discourages dealing with any business partners who are not serious in the protection of Human Rights and have non-compliance at their end. At the Company employability of Child labour or forced labour is strictly prohibited.

2. How many stakeholder complaints with respect to Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the financial year 2020-21, the Company did not receive any complaints with regard to human rights.

### **Principle 6: Business should respect, protect, and make efforts to restore the environment.**

1. Coverage of the policy related to Principle 6 and its extension to the group / joint ventures / suppliers / contractors / NGO's/others

The Company constantly strives and focuses its efforts on the cause of the environment, by not only making efficient use of available resources but also by augmenting natural resources. Its activities are aligned to respond to the challenges emerging out of climate changes, in the form of energy conservation and expansion of greenery.

Further, normal practices are followed to protect Environment, Health, and Safety to cover all its employees and stakeholders across all manufacturing units.

The Company has been committed to ensuring high standards of Environment and Safety practices. It is a matter of great satisfaction that these initiatives are taken by the Company have been appreciated by various stakeholders.

The Company has achieved "Zero Accident" during the reporting period at all the plants except one minor reportable accident in Nashik plant which shows a Safety Culture in the Company.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage.

No.

3. Identification and assessment of potential environmental risk

The Company is not generating any hazardous waste which causes potential risk for the environment.

4. Company's initiatives towards clean development mechanism

Protecting the natural environment is an important aspect. The Company does this by continually seeking opportunities to make its processes more resource-efficient and minimizing the release of wastes in the environment. All manufacturing plants are certified for ISO 9001:2015. The Company has adhered to the applicable standards and limits for emissions and waste prescribed by the respective SPCB / CPCB and did not receive any show-cause notice for the year 2020-21.

5. The Company's initiatives on-clean technology, energy efficiency and renewable energy, among others

Use of improved test methods to enable power savings e.g. use of Resistive inductive load etc. during heat run process.

In the process of development of back to back test set up for reduction in input power requirement.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. The emissions/waste generated by the Company for Financial Year 2020-21 are within permissible limits given by CPCB / SPCB.





7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year

The Company has not received any show cause/legal notices from CPCB/SPCB during the financial year under review.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.**

The Company understands that it operates in various diversified sectors which requires consistent, balance, and transparent interactions with various regulatory authorities and social organizations. The Company believes that the engagement with the relevant authorities is guided by the values of commitment, integrity, transparency, and the need to balance interest of diverse stakeholders.

The Company limited engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of Confederation of Indian Industry (CII), Indian Electrical and Electronics Manufacturers Association (IEEMA), Indo German Chamber of Commerce, Electronics and Computer Software Export Promotion Council and Electronic Industries Association of India .

2. Have you advocated / lobbied through above associations for the advancement or improvement of the public good?

The Company participates in various discussion/initiatives taken by associations and chambers on the issues pertaining to Governance and Administration, Economic Reforms and sustainable business principles.

**Principle 8: Businesses should support inclusive growth and equitable development.**

In order to achieve inclusive growth and equitable development, the Company believes that economic growth, social inclusion, and environmental protection must be harmonized. The Company will through its CSR projects for the local communities in the strategic theme areas identified on the basis of need assessment.

1. Does the Company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

In line with the provisions of the Companies Act, 2013 and based on the recommendation of the CSR Committee, the Board of Directors has adopted a CSR Policy. The CSR policy, inter alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework. The areas of the Company's CSR activities are:- Skills development and women empowerment

2. Modes through which programs / projects undertaken (through in house team / own foundation / external NGO / government structures / any other organization)

Through in house team and external NGO

3. Impact assessments for initiatives

Currently, no impact assessment of our initiatives has been undertaken.

4. Company's direct contribution to community development projects

Details of the projects undertaken are mentioned in the Annual Report on CSR Activities in the Boards' Report.

5. Steps undertaken to ensure that community development initiatives are successfully adopted by the community

The Company ensures its presence is established right from the commencement of the initiatives.

**Hind Rectifiers Limited**

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**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

The Company believes that for a successful business, a consistent effort is essential to engage with and provide value to their customers and consumers in a responsible manner. The Company is committed to engage with and provide value to its customers and consumers in a responsible manner.

1. Percentage of customer complaints/consumer cases are pending as on the end of the financial year

Customers can register their complaints at <http://hirect.com/complaint-registration.php>.

For 2020-21: 1089 customer complaints were received by the Company. 99.36 % complaints were successfully resolved up to as on 31st March 2021.

No case was filed by the customers.

2. Product information and product labeling

All the Company's products carry the information required under the applicable law. Usually, rating plate approval is taken during document approval stage and the same is fixed on every job with respective detail.

3. Case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as at the end of the financial year.

Nil

4. Did your Company carry out any customer survey / customer satisfaction trends?

Yes, we carry out customer surveys and obtain performance reports to identify the needs of customers and use this information for the product development and improve customer services.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 10th June, 2021

**Pradeep Goyal**     **Suramya Nevatia**  
Chairman             Managing Director & CEO

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## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The company caters to the Indian Railways and Industrial Sector maintaining a strong legacy and brand image in the respective industries. The primary customer largely continues to be Indian Railways; however, Company is putting increased focus on Industrial market by expanding the operations in Sweden for exports.

In view of pandemic, demand from Railways for products related to Coaches was restricted but demand for Locomotive products was good. Considering the plan of Indian railways and our product profile, we expect upward business trend in coming years.

Industrial business likely to be increased considering the growth anticipated in various international and domestic projects in power sectors with good enquiry base from many domestic clients and also good enquiry from cement, steel, paper & metal industries.

There is a good mix of SMEs, Large Companies & multinationals players in the market.

### OPPORTUNITIES AND THREATS

The company has a strong brand and leadership position in the market for the equipments of 3Ph locomotives and LHB coaches along with the pollution control & environmental protection equipment with updated technology.

Newer opportunities are emerging with new developments in Railway segment and with enormous resources of in-house R&D and growing infrastructure with the new manufacturing facility, Company can take lead considering the brand name and leadership position in the market, however diminishing market share due to increased number of competitors and fall in price is a threat for existing Railway products.

Industrial segment has opened up with new green field projects and expansion of existing Power, Cement, Steel, Paper & Metal Industries provide good opportunity to explore for the current year, however the present Pandemic COVID 19 remains to be a threat for business through the year.

### OUTLOOK

The government has aggressively targeted increased Electric Locomotive production and electrification of routes and modernization of Railways facilities. All existing production units of Indian Railways have been asked to manufacture electric locos instead of diesel due to increased demands of Railways. The coach production from various production units are also expected to increase during the current year to compensate the production loss of the last year due to COVID 19.

### RISK AND CONCERNS

Regular products required by Railways are seeing increased competition in the market with falling selling prices in reverse auction due to the recent policies of railways during the current year is a big concern. This is seriously affecting our plans and have to work on new developments to compensate the revenue losses.

Industrial segment is affected during COVID 19. The increased competition and narrow margins have led to increase in working capital, lesser inflow of funds for larger projects and very conservative financial support from bankers due to which delay in completion of development activities to expand the business are a concern for this financial year.

### SEGMENT WISE/ PRODUCT WISE PERFORMANCE

Company operates in a single segment i.e. engineering goods.

Company has broadened product mix for Indian Railways targeting all the segments of 3 Phase Locos, and Coaches and have been listed for approvals to establish more business opportunities. New product developments by in-house R & D is a planned strategy for improving the Railway segment.

Our specialized products for specific applications in Automobile industry, Pollution control, Ballast water treatment and Electro chemical industries are well stabilized in the industrial segment. Our capability of making custom built (d) design is an added advantage for our brand.

**Hind Rectifiers Limited**
**INTERNAL CONTROL SYSTEMS & 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.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The company's financial performance has been adversely affected due to increased competition, lower sales than planned due to Pandemic has ultimately affected margin though sales remained at the previous year's level. Profit for the year was adversely affected due to lower margin & increase of fixed cost on previous year's level.

Considering the plan of Indian Railway & improved inquiry from industrial sector Company expects an improved performance for the current year.

**DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Company has made all efforts to attract and retain competent talent, while focusing on training.

The company recognizes that Human Resources are extremely important and critical and long term investment. The company's top management honours 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.

**PERFORMANCE REVIEW**

During the financial year ended 31st March 2021, Revenue from Operations was ₹ 305.09 crores as against ₹ 299.62 crores in the financial year ended 31st March 2020. The Profit after Tax for the financial year ended 31st March 2020 is ₹ 533.14 lakhs as against ₹ 1847.91 lakhs in the financial year ended 31st March 2020.

**KEY FINANCIAL RATIOS**

Particulars	Financial Year 2020-21	Financial Year 2019-20	Change (%)
Debtors Turnover Ratio (No of days) - Based on Gross Sales	89	83	(7.23)
Inventory Turnover Ratio (No of days) - Based on Cost of Materials consumed including consumable and packing	105	119	11.76
Interest Coverage Ratio	2.28	5.14	(55.64)
Current Ratio	1.40	1.38	1.45
Debt Equity Ratio	0.84	0.94	10.64
Operating Profit Margin (%)	5.27	11.20	(52.95)
Net Profit Margin (%)	2.41	8.76	(72.49)
Return on Net Worth (based on average net worth) (%)	7.54	30.20	(75.03)

No. of days of the debtors turnover has increased from 83 days to 89 days due to slow down in collection, however the same is within acceptable range of control.

The level of inventory has decreased from 119 days to 105 days due to better monitoring of inventory and improved productivity.

Interest coverage ratio has decreased by 55.64% due to reduction in the profits during the year and increase in the interest cost.



Due to the increased competition, unfavourable product mix and nominal increase in revenue, operating profit margin is decreased from 11.20% to 5.27 %; Net Profit margin is decreased from 8.76 % to 2.41 % and Return on Net Worth is decreased from 30.20% to 7.54%, a decrease of 75.03%.

In spite of reduction in the margin, company was able to improve the current and debt equity ratio.

Place : Mumbai

Date : 10th June, 2021

For and on behalf of the Board of Directors

**Pradeep Goyal**

Chairman

**Suramya Nevatia**

Managing Director & CEO

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HIND RECTIFIERS LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

1. We have audited the accompanying standalone financial statements of Hind Rectifiers Limited ("the Company"), which comprise the standalone Balance Sheet as at 31st March, 2021, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone statement of Cash Flows for the year then ended, and the notes to the standalone financial statements, including 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.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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, 2021, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

3. We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that the relevant to our audit of the standalone financial statements under the provisions of the Act and the rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

##### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined no such key audit matters to be communicated in our audit report.

##### Other Matters

5. We did not audit the financial statements/information of Nashik and Dehradun branches included in the financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 3662.12 lakhs for Nashik and ₹ 959.61 lakhs for Dehradun as at 31st March, 2021 and total revenues of ₹ 9668.90 lakhs of Nashik and ₹ 9081.21 lakhs for Dehradun for the year ended on that date, as considered in the financial statements. The financial statements/information of these 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 these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

##### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our Auditor's Report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit or loss including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

**Hind Rectifiers Limited**

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significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. Further to our comments in Annexure A, 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 purpose 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.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity 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.;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as at 31<sup>st</sup> March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31<sup>st</sup> March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;
  - g. 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 (as amended), 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 the financial statements;
- ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts; if any;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021;

for **RAVI A. SHAH & ASSOCIATES**

Chartered Accountants

ICAI Firm Reg. No.: .125079W

**Ravi A. Shah**

Proprietor

Membership No. 116667

UDIN: 20116667AAAAFM5982

Place : Mumbai

Date : June 10, 2021

## Hind Rectifiers Limited

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HIND RECTIFIERS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) There is a regular program of physical verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its property, plants & equipment. No material discrepancies have been noticed in respect of property, plant and equipment physically verified during the year.
- (c) The title deeds of all the immovable properties included in property, plant & equipment are held in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31st March, 2021 and no material discrepancies were noticed on such verification.
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, Paragraph 3 (iii) of Order, 2016 is not applicable.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in lakhs)	Amount paid/ adjusted (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax and Local Sales Tax	Central Sales Tax and Local Sales Tax	39.54	15.32	2008-2009 & 2015-16	Departmental Authority.

- viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any outstanding loans or borrowings from government during the year.



- ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **RAVI A. SHAH & ASSOCIATES**

Chartered Accountants

ICAI Firm Reg. No.: .125079W

**Ravi A. Shah**

Proprietor

Membership No. 116667

UDIN: 20116667AAAAFM5982

Place : Mumbai

Date : June 10, 2021

**Hind Rectifiers Limited****ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HIND RECTIFIERS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the financial statements of Hind Rectifiers Limited ("the Company") as at and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 the Company's 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 Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR 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 IFCoFR 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**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021 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 issued by the ICAI.

for **RAVI A. SHAH & ASSOCIATES**

Chartered Accountants

ICAI Firm Reg. No.: .125079W

**Ravi A. Shah**

Proprietor

Membership No. 116667

UDIN: 20116667AAAAFM5982

Place : Mumbai

Date : June 10, 2021

**Hind Rectifiers Limited****BALANCE SHEET AS ON 31ST MARCH 2021**

(₹ In lakhs)

Sr. No.	Particulars	Note No.	As at 31st Mar 2021	As at 31st Mar 2020
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
a.	Property, Plant and Equipment	2	3,561.60	2,839.00
b.	Capital Work in Progress	3	869.36	912.34
c.	Intangible Assets	4	499.54	464.76
d.	Intangible Assets under Development	5	1,115.76	885.17
e.	Financial Assets			
i.	Investments	6	10.25	610.00
ii.	Loans	7	5.35	3.55
iii.	Others	8	102.44	228.08
f.	Deferred tax Assets (net)	9	387.58	468.95
g.	Other Non Current Assets	10	81.37	141.59
			6,633.25	6,553.44
<b>2</b>	<b>Current Assets</b>			
a.	Inventories	11	6,853.97	6,926.99
b.	Financial Assets			
i.	Trade Receivables	12	8,774.37	8,104.47
ii.	Cash and Cash equivalents	13	12.27	148.92
iii.	Other Bank Balances	14	150.16	154.09
iv.	Loans	15	0.65	1.49
v.	Other Financial Assets	16	814.17	1,253.69
c.	Current Tax Assets (Net)	17	34.38	5.23
d.	Other current Assets	18	768.73	1,046.73
			17,408.70	17,641.61
<b>3</b>	<b>Assets held for Sale</b>	19	57.84	57.84
	<b>TOTAL ASSETS</b>		<b>24,099.79</b>	<b>24,252.89</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
a.	Equity Share Capital	20	331.27	331.27
b.	Other Equity	21	9,645.85	9,232.55
			9,977.12	9,563.82
<b>2</b>	<b>Liabilities</b>			
	<b>Non Current Liabilities</b>			
a.	Financial Liabilities			
i.	Borrowings	22	1,125.18	1,509.44
ii.	Other Financial Liabilities	23	18.25	18.25
b.	Provisions	24	532.00	418.64
			1,675.43	1,946.33
	<b>Current Liabilities</b>			
a.	Financial Liabilities			
i.	Borrowings	25	6,579.52	6,938.12
ii.	Trade Payables			
a.	total outstanding dues of micro and small enterprises	26	173.27	212.78
b.	total outstanding dues of creditors other than micro and small enterprises	26	4,015.86	3,733.94
iii.	Other Financial Liabilities	27	1,242.94	1,264.48
b.	Other Current Liabilities	28	239.68	278.37
c.	Provisions	29	195.97	284.18
d.	Current Tax Liabilities		-	30.87
			12,447.24	12,742.74
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,099.79</b>	<b>24,252.89</b>
	<b>Corporate Information &amp; Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements

As per our report attached  
For **RAVI A. SHAH & ASSOCIATES**  
Chartered Accountants,  
ICAI Firm Registration No. 125079W

**RAVI A. SHAH**

Proprietor  
Membership No. 116667

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors

**SURAMYA NEVATIA**  
**V. K. BHARTIA**  
**A. K. NEMANI**  
**MEENAKSHI ANCHLIA**

Managing Director & CEO  
Director  
Chief Financial Officer  
Company Secretary

Place : Mumbai  
Date : 10th June, 2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ In lakhs)

Sr. No.	Particulars	Note No.	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
<b>1</b>	<b>Income</b>			
a	Revenue from operations	30	<b>30,509.71</b>	29,962.05
b	Other income	31	<b>35.74</b>	48.16
	<b>Total income</b>		<b>30,545.45</b>	30,010.21
<b>2</b>	<b>Expenses</b>			
a	Cost of materials consumed	32	<b>22,897.48</b>	22,175.21
b	Purchases of stock-in-trade		-	-
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	<b>668.67</b>	(1240.68)
d.	Employee benefit expense	34	<b>3,274.07</b>	2,980.15
e.	Finance costs	35	<b>871.54</b>	731.63
f.	Depreciation and amortisation expense	36	<b>382.50</b>	407.26
g.	Other Expenses	37	<b>1,714.92</b>	2,332.57
	<b>Total expenses</b>		<b>29,809.18</b>	27,386.14
<b>3</b>	<b>Profit / (Loss) before exceptional items and tax</b>		<b>736.27</b>	2624.07
<b>4</b>	<b>Exceptional items</b>		-	-
<b>5</b>	<b>Profit / (Loss) before tax</b>		<b>736.27</b>	2624.07
<b>6</b>	<b>Tax expense</b>			
a	Current tax		<b>170.17</b>	634.45
b	Deferred tax	38	<b>32.96</b>	141.71
<b>7</b>	<b>Net Profit / (Loss) after tax</b>		<b>533.14</b>	1847.91
<b>8</b>	<b>Other comprehensive income / (loss)</b>			
a.	Items that will not be reclassified to profit and loss			
(i)	Actuarial Gains / (Loss) on post-employment defined benefit plan		<b>17.56</b>	(25.05)
(ii)	Tax on above		<b>(4.89)</b>	7.29
<b>9</b>	<b>Total Comprehensive income for period</b>		<b>545.81</b>	1830.15
<b>10</b>	<b>Earnings per equity share</b>			
	Basic & Diluted		<b>3.22</b>	11.16

The accompanying notes are an integral part of the financial statements

As per our report attached  
For **RAVI A. SHAH & ASSOCIATES**  
Chartered Accountants,  
ICAI Firm Registration No. 125079W

**RAVI A. SHAH**

Proprietor  
Membership No. 116667

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors  
**SURAMYA NEVATIA** Managing Director & CEO  
**V. K. BHARTIA** Director  
**A. K. NEMANI** Chief Financial Officer  
**MEENAKSHI ANCHLIA** Company Secretary

Place : Mumbai  
Date : 10th June, 2021

**Hind Rectifiers Limited****STATEMENT OF CHANGES IN EQUITY**

(₹ In lakhs)

Particulars	Equity Share Capital (Refer Note 20)	Other Equity Reserves & Surplus			Total Other Equity (Refer Note 21)	Total Equity
		Securities Premium	General Reserve	Retained Earnings		
	(A)				(B)	
As at 31 March 2019	331.27	1,152.01	6,243.65	86.60	7,482.26	7,813.53
Profit / (Loss) for the year	-	-	-	1,847.91	1,847.91	1,847.91
Other Comprehensive Income / (Loss)	-	-	-	(17.76)	(17.76)	(17.76)
Total Comprehensive Income for the Year	-	-	-	1,830.15	1,830.15	1,830.15
Dividend	-	-	-	(66.25)	(66.25)	(66.25)
Dividend Tax	-	-	-	(13.61)	(13.61)	(13.61)
Transferred from Retained earnings to General Reserve	-	-	300.00	(300.00)	-	-
As at 31 March 2020	331.27	1,152.01	6,543.65	1,536.89	9,232.55	9,563.82
Profit / (Loss) for the year	-	-	-	533.14	533.14	533.14
Other Comprehensive Income / (Loss)	-	-	-	12.67	12.67	12.67
Total Comprehensive Income for the Year	-	-	-	545.81	545.81	545.81
Dividend	-	-	-	(132.51)	(132.51)	(132.51)
As at 31 March 2021	331.27	1,152.01	6,543.65	1,950.19	9,645.85	9,977.12

The accompanying notes are an integral part of the financial statements.

As per our report attached  
For **RAVI A. SHAH & ASSOCIATES**  
Chartered Accountants,  
ICAI Firm Registration No. 125079W

**RAVI A. SHAH**

Proprietor  
Membership No. 116667

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors  
**SURAMYA NEVATIA** Managing Director & CEO  
**V. K. BHARTIA** Director  
**A. K. NEMANI** Chief Financial Officer  
**MEENAKSHI ANCHLIA** Company Secretary

Place : Mumbai  
Date : 10th June, 2021





## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ In lakhs)

	Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit / (Loss) Before Exceptional Item	736.27	2,624.07
	Add: Exceptional Items	-	-
	Net Profit / (Loss) After Exceptional Item	736.27	2,624.07
	<b>Adjusted for</b>		
	Depreciation & Amortization Expense	382.50	407.26
	Investment Income	(19.39)	(26.27)
	Interest Charged	871.54	731.63
	Operating Profit before Working Capital Changes	1,970.92	3,736.69
	<b>Changes in</b>		
	Trade & Other Receivables	229.73	(2,787.92)
	Inventories	73.01	(1,512.12)
	Trade & Other Payables	225.11	1,411.76
		527.85	(2,888.28)
	Cash Generated from Operations	2,498.77	848.41
	Direct Taxes Paid	(186.67)	(404.74)
	Net Cash from Operating Activities	2,312.10	443.67
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Intangible Assets under development	(1,328.48)	(1,506.91)
	Proceeds from disposal of Property, Plant and Equipment	0.77	3.29
	Proceeds of Non Current Investments	600.00	-
	Purchases of Non Current Investments	-	(600.00)
	Dividend paid	(132.51)	(79.86)
	Interest Received	22.17	20.64
	Dividend Received	-	1.25
	Net Cash used in Investing Activities	(838.05)	(2,161.59)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings	(742.86)	2,582.42
	Interest Paid	(871.77)	(731.63)
	Net Cash used in Financing Activities	(1,614.63)	1,850.79
	Net Changes in Cash & Cash Equivalents (A + B + C)	(140.58)	132.87
	Cash & Cash Equivalents - Opening Balance	303.01	170.14
	Cash & Cash Equivalents - Closing Balance	162.43	303.01

**Hind Rectifiers Limited****CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES IN ACCORDANCE WITH IND AS 7** (₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
<b>Opening balances</b>		
Non Current borrowing (Refer Note 22)	<b>1,509.44</b>	1,674.20
Current Borrowings (Refer Note 25)	<b>6,938.12</b>	4,190.94
	<b>8,447.56</b>	5,865.14
<b>Movements</b>		
Non Current borrowing	<b>(384.26)</b>	(164.76)
Current Borrowings	<b>(358.60)</b>	2,747.18
	<b>(742.86)</b>	2,582.42
<b>Closing balances</b>		
Non Current borrowing (Refer Note 22)	<b>1,125.18</b>	1,509.44
Current Borrowings (Refer Note 25)	<b>6,579.52</b>	6,938.12
	<b>7,704.70</b>	8,447.56

As per our report attached  
For **RAVI A. SHAH & ASSOCIATES**  
Chartered Accountants,  
ICAI Firm Registration No. 125079W

**RAVI A. SHAH**

Proprietor  
Membership No. 116667

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors  
**SURAMYA NEVATIA** Managing Director & CEO  
**V. K. BHARTIA** Director  
**A. K. NEMANI** Chief Financial Officer  
**MEENAKSHI ANCHLIA** Company Secretary

Place : Mumbai  
Date : 10th June, 2021



## 1 - OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH 2021

### 1.1 Corporate Information

Hind Rectifiers Limited ('Hirect' or 'the Company') is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located in Bhandup, Mumbai. The Company is principally engaged in developing, designing, manufacturing and marketing Power Semiconductor, Power Electronic Equipments and Railway Transportation Equipments

### 1.2 Significant Accounting Policies

#### a) Basis of Preparation of Financial Statements

##### i) Compliance with IND-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) Assets held for sale - measured at lower of carrying amount or fair value less cost to sell.
- 2) Defined benefit plans - plan assets measured at fair value.

##### iii) Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR ,00,000), except when otherwise indicated.

#### b) Significant accounting judgements, estimates and assumptions

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### c) Current/ non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle.
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**Hind Rectifiers Limited**

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All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**d) Revenue recognition**

The Company derives revenues primarily from sale of manufactured goods & rendering of services.

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018.

The Company's obligation to repair and replace faulty products under standard warranty terms is recognised as a provision.

Refer Note 56 of the Financial Statements.

**Sale of Products**

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the terms of the respective contracts. In determining the transaction price for sale of product, the Company considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Amounts disclosed in the revenue excludes GST.

**Sale of services**

Services rendered include Servicing, AMC and Erectioning and Commissioning services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.

**Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

**Export Incentives**

Export incentives receivable under various schemes are accounted on accrual basis.

**e) Taxes****Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible

temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date.

#### **f) Property, Plant and Equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use)

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

#### **g) Intangible assets**

Intangible assets with finite useful lives that are acquired separately or developed in-house are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

**Hind Rectifiers Limited**

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The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets representing cost of software capitalised is amortised over its useful life which is estimated to be a period of five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss under other expenses / other income.

**h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

**i) 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 lower of cost or net realisable value. Tools and Instruments are valued at book value.

**j) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

When the possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made.

**k) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

**l) Employee Benefits****i) Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

**ii) Post Employment / Retirement Benefits****Defined Contribution plan**

- Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to Profit & Loss Account in the year when the contributions to the funds are due.
- Superannuation Fund is a defined contribution scheme and contribution to the scheme are charged to the Profit & Loss Account 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.

**Defined Benefit plan**

- The present value of the obligation under defined benefit retirement (gratuity) plan, is determined based on an actuarial valuation by an independent actuary at the end of each year. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.
- 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 Managing Director and CEO and Executive Director, Gratuity liability, is provided in accordance with the terms of appointment.
  - b) In case of Nashik and Dehradun Division it is provided on the basis of actuarial valuation.
  - c) Employees working in Sweden office are not covered under this scheme as they are covered by the social security tax scheme as per Sweden laws.

Remeasurement of net defined benefit liability, which comprises actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any excluding interest), are recognized immediately in other comprehensive income.

**iii) Other Long Term Employee Benefits**

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.

Actuarial gains / losses are recognised immediately to the Statement of Profit and Loss account.

**iv) Termination 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 and Loss account in the year on actual basis.

**m) Research and Development**

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

Expenses incurred till the research phase are charged in the statement of profit and loss whereas the expenses for the development phase are capitalised as Intangible assets on completion of certain conditions.

**n) Foreign currencies**

- i) Transaction 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.

**Hind Rectifiers Limited**

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- iii) Transactions completed during the year are adjusted at the prevailing rates.
- iv) The financial statements are presented in Indian Rupee (INR), which is company's functional currency.

**o) 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.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**p) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal company classified as held for sale continue to be recognised.

**q) Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**r) Provision for Warranty**

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. In certain contracts, the Company provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

Provisions for warranty-related costs are recognised annually.



## Note 2 - PROPERTY, PLANT AND EQUIPMENT

(₹ In lakhs)

Details Of Assets	Land		Road	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Computers	Total
	Freehold	Leashold							
<b>Gross Carrying Amount</b>									
<b>Deemed Cost As At 1st April, 2019</b>	124.31	21.01	44.40	1,087.52	1,647.29	288.46	230.34	118.18	3,561.51
Additions	-	-	-	142.80	652.30	25.23	35.98	42.26	898.57
Disposals	-	-	-	-	18.99	-	42.32	-	61.31
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
<b>Balance As At 31st March, 2020</b>	124.31	21.01	44.40	1,230.32	2,280.60	313.69	224.00	160.44	4,398.77
Additions	-	375.45	-	7.15	563.88	7.28	-	17.24	971.00
Disposals	-	-	-	-	-	11.53	2.22	-	13.75
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
<b>Balance As At 31st March, 2021</b>	124.31	396.46	44.40	1,237.47	2,844.48	309.44	221.78	177.68	5,356.02
<b>Accumulated Depreciation</b>									
<b>Balance As At 31st March, 2019</b>	-	8.91	42.17	247.40	662.27	240.16	127.93	82.60	1,411.44
Additions	-	0.22	-	28.50	123.63	12.12	19.95	20.76	205.18
Disposals	-	-	-	-	16.65	-	40.20	-	56.85
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
<b>Balance As At 31st March, 2020</b>	-	9.13	42.17	275.90	769.25	252.28	107.68	103.36	1,559.77
Additions	-	2.98	-	32.74	153.55	9.82	20.60	27.19	246.88
Disposals	-	-	-	-	-	10.12	2.11	-	12.23
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
<b>Balance As At 31st March, 2021</b>	-	12.11	42.17	308.64	922.80	251.98	126.17	130.55	1,794.42
<b>Net Carrying Amount</b>									
<b>Bal. As At 1st April, 2019</b>	124.31	12.10	2.23	840.12	985.02	48.30	102.41	35.58	2,150.07
<b>Bal. As At 1st April, 2020</b>	124.31	11.88	2.23	954.42	1,511.35	61.41	116.32	57.08	2,839.00
<b>Bal. As At 1st April, 2021</b>	124.31	384.35	2.23	928.83	1,921.68	57.46	95.61	47.13	3,561.60

## Note :

1. Borrowing costs of ₹ 34.28 lakhs have been capitalised for the year ended 31st March 2021 (Previous Year ₹ 12.58 lakhs)
2. The details of property, plant and equipment which have been kept as security are disclosed in Note No. 22 and 25 of the Financial Statements.

## Hind Rectifiers Limited

## Note 3 - CAPITAL WORK IN PROGRESS

(₹ In lakhs)

Details Of Assets	TOTAL
<b>Gross Carrying Amount</b>	
Deemed Cost As At 1st April, 2019	627.50
Additions	850.02
Transferred From Intangible Assets Under Development	-
Disposal / capitalised During The Year	565.18
Reclassification As Held For Sale	-
<b>Balance As At 31st March, 2020</b>	<b>912.34</b>
Additions	381.96
Transferred From Intangible Assets Under Development	16.59
Disposals / Capitalised	441.53
Reclassification As Held For Sale	-
<b>Balance As At 31st March, 2021</b>	<b>869.36</b>
<b>Net Carrying Amount</b>	
Balance As At 1st April, 2019	627.50
Balance As At 1st April, 2020	912.34
Balance As At 1st April, 2021	869.36

## Note:

- Borrowing Costs Capitalised To Capital Work In Progress Is As Follows:

(₹ In lakhs)

As on 31st March 2021	70.90
As on 31st March 2020	89.13

During the year ended 31st March, 2021, ₹ 34.28 lakhs of borrowing costs are transferred from Capital Work in Progress to Property, Plant & Equipment.

- The details of property, plant and equipment which have been kept as security are disclosed in Note No. 22 and 25 of the financial statements.

## Note 4 - INTANGIBLE ASSETS

(₹ In lakhs)

Details Of Assets	Technical Knowhow	Computer Software	Product Development	Total
<b>Gross Carrying Amount</b>				
<b>Deemed Cost As At 1st April, 2019</b>	<b>579.94</b>	<b>136.54</b>	<b>394.14</b>	<b>1,110.62</b>
Additions	16.82	69.26	110.35	196.43
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
<b>Balance As At 31st March, 2020</b>	<b>596.76</b>	<b>205.80</b>	<b>504.49</b>	<b>1,307.05</b>
Additions	55.00	8.20	107.20	170.40
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
<b>Balance As At 31st March, 2021</b>	<b>651.76</b>	<b>214.00</b>	<b>611.69</b>	<b>1,477.45</b>
<b>Accumulated Depreciation</b>				
<b>Balance As At 31st March, 2019</b>	<b>444.81</b>	<b>72.77</b>	<b>122.63</b>	<b>640.22</b>
Additions	53.85	22.74	125.49	202.08
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
<b>Balance As At 31st March, 2020</b>	<b>498.66</b>	<b>95.51</b>	<b>248.12</b>	<b>842.30</b>
Additions	39.53	28.53	67.56	135.62
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
<b>Balance As At 31st March, 2021</b>	<b>538.19</b>	<b>124.04</b>	<b>315.68</b>	<b>977.92</b>
<b>Net Carrying Amount</b>				
<b>Balance As At 1st April, 2019</b>	<b>135.12</b>	<b>63.77</b>	<b>271.51</b>	<b>470.41</b>
<b>Balance As At 1st April, 2020</b>	<b>98.10</b>	<b>110.29</b>	<b>256.37</b>	<b>464.76</b>
<b>Balance As At 1st April, 2021</b>	<b>113.57</b>	<b>89.96</b>	<b>296.01</b>	<b>499.54</b>

**Hind Rectifiers Limited**
**Note 5 - INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ In lakhs)

Details Of Assets	Technical Knowhow	Computer Software	Product Development	Total
<b>Gross Carrying Amount</b>				
<b>Deemed Cost As At 1st April, 2019</b>	<b>193.34</b>	<b>2.70</b>	<b>560.89</b>	<b>756.93</b>
Additions	30.00	-	388.89	418.89
Capitalised During The Year	43.82	2.70	244.13	290.65
Reclassification As Held For Sale	-	-	-	-
<b>Balance As At 31st March, 2020</b>	<b>179.52</b>	<b>-</b>	<b>705.65</b>	<b>885.17</b>
Additions	9.15	-	404.80	413.95
Disposals / Capitalised	55.00	-	128.36	183.36
Reclassification As Held For Sale	-	-	-	-
<b>Balance As At 31st March, 2021</b>	<b>133.67</b>	<b>-</b>	<b>982.09</b>	<b>1,115.76</b>
<b>Net Carrying Amount</b>				
<b>Balance As At 1st April, 2019</b>	<b>193.34</b>	<b>2.70</b>	<b>560.89</b>	<b>756.93</b>
<b>Balance As At 1st April, 2020</b>	<b>179.52</b>	<b>-</b>	<b>705.65</b>	<b>885.17</b>
<b>Balance As At 1st April, 2021</b>	<b>133.67</b>	<b>-</b>	<b>982.09</b>	<b>1,115.76</b>

**Note 6 - NON-CURRENT INVESTMENTS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Investments carried at Fair value</b>		
Fully paid equity shares (unquoted)*		
Apna Sahakari Bank Ltd.	<b>5.00</b>	5.00
TJSB Sahakari Bank Ltd.	<b>5.00</b>	5.00
Saraswat Co operative Bank Ltd.	<b>0.25</b>	-
Fixed deposits with TJSB Sahakari Bank Ltd.	-	600.00
<b>TOTAL</b>	<b>10.25</b>	610.00

**Note :** \*Since the Investments consists of Shares taken for loan, the fair value of investments is equal to the cost of the investments.

**Note 7 - LOANS - NON CURRENT**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Assets valued at Amortised Cost</b>		
<b>Unsecured, Considered Good</b>		
Rental Security Deposit	<b>4.72</b>	1.98
Staff Loans	<b>0.63</b>	1.57
<b>TOTAL</b>	<b>5.35</b>	3.55

**Note :** No Loan is due from directors or other officers of the Company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner and a director or member.

**Note 8 - OTHER NON CURRENT FINANCIAL ASSETS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Assets valued at Amortised Cost</b>		
<b>Unsecured, Considered Good</b>		
Security Deposits Given to Government & Other Bodies	57.14	38.56
Retention Money	17.56	156.36
Fixed Deposits with Banks (EMD)	2.02	-
Earnest Money Deposits	25.72	33.16
<b>TOTAL</b>	<b>102.44</b>	<b>228.08</b>

**Note 9 - DEFERRED TAX ASSET (NET)**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Deferred Tax Assets</b>		
Disallowance under the Income Tax Act, 1961	273.25	272.59
<b>Deferred Tax Liability</b>		
Related to Property, Plant & Equipment and Intangible Assets	271.46	224.31
<b>MAT Credit Entitlement</b>	<b>385.79</b>	<b>420.67</b>
<b>TOTAL</b>	<b>387.58</b>	<b>468.95</b>

**Note 10 - OTHER NON-CURRENT ASSETS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Capital Advances	150.34	199.21
Less: Provision for doubtful advances	(68.97)	(57.62)
<b>TOTAL</b>	<b>81.37</b>	<b>141.59</b>

## Hind Rectifiers Limited

### Note 11 - INVENTORIES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Raw Materials and components (Including Packing material)	4,032.71	3,426.90
Work-in-progress	2,430.42	2,343.66
Finished goods	267.27	1,057.67
Stores and Spares	38.03	19.69
Loose Tools and Instruments	79.38	72.91
Scrap	6.16	6.16
<b>TOTAL</b>	<b>6,853.97</b>	<b>6,926.99</b>

**Note:**

- Refer Note 1 on Financial Statements for Accounting Policy of Inventory Valuation.
- Refer Note 22 & 25 of Financial Statements for Inventories on hypothecation as security.
- Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories amounted to ₹ 112.80 lakhs as at 31st March, 2021 (as at 31st March, 2020 ₹ 81.66 lakhs). These write-downs were recognised as an expense and included in 'changes in inventories of finished goods, stock-in-trade and work-in-progress' and 'Cost of materials consumed' in the Statement of Profit and Loss.

### Note 12 - TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Trade Receivables considered good - Secured	6.30	3.69
Trade Receivables considered good - Unsecured	8,768.07	8,100.78
Trade Receivables which have significant increase in Credit Risk	543.13	445.21
Trade Receivables - Credit Impaired	-	-
Less : Allowance for Expected Credit Loss	(543.13)	(445.21)
<b>TOTAL</b>	<b>8,774.37</b>	<b>8,104.47</b>

**Note:**

No Trade Receivable is due from directors or other officers of the Company either severally or jointly with any other person. Nor any Trade Receivable are due from firms or private companies respectively in which any director is a partner and a director or member.

Trade Receivables are non interest bearing and are generally on terms of 30 to 120 days of credit period, except retention money which is due after certain period/ event.

### Note 13 - CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
a. Balances with banks		
In Current Account	11.81	144.23
b. Cash on hand	0.46	4.69
<b>TOTAL</b>	<b>12.27</b>	<b>148.92</b>

## Note 14 - OTHER BANK BALANCES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
a. Balances with banks		
In Unclaimed Dividend Account	26.46	5.11
In Margin Account	121.40	144.04
b. Fixed Deposits (Earnest Money Deposits)	2.30	4.94
<b>TOTAL</b>	<b>150.16</b>	<b>154.09</b>

## Note 15 - OTHER CURRENT LOANS

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Assets valued at Amortised Cost</b>		
<b>Unsecured, Considered Good</b>		
Staff Loans	0.65	1.49
<b>TOTAL</b>	<b>0.65</b>	<b>1.49</b>

**Note:**

No Loan is due from directors or other officers of the Company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner and a director or member.

## Note 16 - OTHER CURRENT FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Assets carried at Amortised Cost</b>		
Earnest Money Deposits	320.19	848.84
Retention Money	507.84	431.91
Interest Income accrued but not due	7.40	10.18
Less: Provision for Doubtful Amounts	(21.26)	(37.24)
<b>TOTAL</b>	<b>814.17</b>	<b>1,253.69</b>

## Note 17 - CURRENT TAX ASSET (NET)

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Taxes Paid in Advance/ deducted at Source (Net of Provision for Tax )	34.38	5.23
<b>TOTAL</b>	<b>34.38</b>	<b>5.23</b>

**Hind Rectifiers Limited****Note 18 - OTHER CURRENT ASSETS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Balance with GST, Excise, Customs and Port Trust etc.	132.78	249.49
Advance to Suppliers	288.09	444.44
Advance to Staff	0.94	6.34
Advance to Others	72.16	84.88
Unbilled Service Revenue	383.83	368.37
Less : Provision for Doubtful Amounts	(109.07)	(106.79)
<b>TOTAL</b>	<b>768.73</b>	<b>1,046.73</b>

**Note 19 - ASSETS HELD FOR SALE**

(₹ In lakhs)

Particulars	Office Building Kolkata	Total
<b>Balance as at 31st March, 2019</b>	<b>57.84</b>	<b>57.84</b>
Add: Transferred from Property, Plant & Equipment	-	-
Less: Sold during the year	-	-
<b>Balance as at 31st March, 2020</b>	<b>57.84</b>	<b>57.84</b>
Add: Transferred from Property, Plant & Equipment	-	-
Less: Sold during the year	-	-
<b>Balance as at 31st March, 2021</b>	<b>57.84</b>	<b>57.84</b>

**Note:**

The sale of Office Building of Kolkata could not be carried out in the financial year ended 31st March 2021. Also, depreciation has not been charged since it is asset held for sale.

**Note 20 - EQUITY SHARE CAPITAL**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Authorised Capital</b>		
5,00,00,000 Equity Shares of ₹ 2/- each	1,000.00	1,000.00
<b>Issued Capital</b>		
1,65,63,723 Equity Shares of ₹ 2/- each	331.27	331.27
<b>TOTAL</b>	<b>331.27</b>	<b>331.27</b>
<b>Subscribed and Paid up Capital</b>		
1,65,63,723 Equity Shares of ₹ 2/- each	331.27	331.27
<b>TOTAL</b>	<b>331.27</b>	<b>331.27</b>



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

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No of shares	% held	No of shares	% held
Shri. Suramya Nevatia	20,24,768	12.22	20,16,536	12.17
Shri. Saurabh Nevatia	36,08,438	21.79	34,49,938	20.83
BTR Industries Limited	24,00,000	14.49	24,00,000	14.49

**b. Reconciliation of number of shares**

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No of shares	₹ In lakhs	No of shares	₹ In lakhs
Equity Shares at the beginning of the year	1,65,63,723	331.27	1,65,63,723	331.27
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	1,65,63,723	331.27	1,65,63,723	331.27

**Note:**

1. The Company has only one class of equity share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.
2. The Company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding 31st March, 2021.

**Hind Rectifiers Limited****Note 21 - OTHER EQUITY**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>General Reserve</b>		
Opening Balance	6,543.65	6,243.65
Add: Transferred from Retained earnings	-	300.00
Closing Balance	6,543.65	6,543.65
<b>Note :</b> General Reserve is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>Securities Premium</b>		
Closing Balance	1,152.01	1,152.01
<b>Note :</b> Securities Premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>Retained Earnings</b>		
Opening balance	1,536.89	86.60
Add: Profit for the period	545.81	1,830.15
Less: Transferred to General Reserve	-	(300.00)
Less: Dividend	(132.51)	(66.25)
Less: Dividend Tax	-	(13.61)
Closing Balance	1,950.19	1,536.89
<b>Note :</b> Retained Earnings represents the statement of Profit and Loss of the company. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>TOTAL</b>	<b>9,645.85</b>	<b>9,232.55</b>

<b>Proposed Dividend on equity Shares</b>		
Final cash dividend for the year ended 31st March, 2021 is ₹ 0.40 per equity share (31st March 2020 ₹ 0.80 per equity share)	66.25	132.51
	<b>66.25</b>	<b>132.51</b>

**Note:** Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March 2021.

## Note 22 - NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Liabilities valued at amortised cost</b>		
<b>SECURED</b>		
<b>Term Loans</b>		
<b>From Banks</b>		
i. <b>Mortgage Loan from Apna Sahakari Bank Ltd</b> (Sanctioned and Disbursed amount of ₹ 500 lakhs. Repayable in 60 monthly instalments started from July, 2017.)	80.06	160.16
ii. <b>Mortgage Loan from Apna Sahakari Bank Ltd</b> (Sanctioned and Disbursed amount of ₹ 250 lakhs. Repayable in 72 monthly instalments started from August, 2017.)	87.65	120.54
iii. <b>Mortgage Loan from Apna Sahakari Bank Ltd</b> (Sanctioned and Disbursed amount of ₹ 400 lakhs. Repayable in 60 monthly instalments started from August, 2018.)	159.89	218.51
iv. <b>Term Loan from Apna Sahakari Bank Ltd</b> (Sanctioned and Disbursed amount of ₹ 450 lakhs. Repayable in 72 monthly instalments started from Jun, 2017.)	59.43	131.73
v. <b>Term Loan from Apna Sahakari Bank Ltd</b> (Sanctioned and Disbursed amount of ₹ 250 lakhs. Repayable in 72 monthly instalments started from Feb, 2018.)	91.86	126.82
vi. <b>Term Loan from Apna Sahakari Bank Ltd</b> (Sanctioned and Disbursed amount of ₹ 475 lakhs. Repayable in 60 monthly instalments started from Feb, 2019.)	217.58	285.50
vii. <b>Term Loan from ICICI Bank Ltd</b> (Sanctioned Amount is ₹ 500 Lakhs and Disbursed Amount is ₹ 361.36 lakhs till 31st March, 2021. Repayable in 60 monthly instalments starting from Nov, 2018.)	219.01	265.02
viii. <b>Term Loan from TJSB Sahakari Bank Ltd</b> (Sanctioned amount is ₹ 350 Lakhs and Disbursed Amount is ₹ 282.45 Lakhs upto 31st March 2021. Repayable in 60 monthly instalments and moratorium of 6 months starting from Feb, 2019.)	196.70	166.47
ix. <b>Vehicle Loan from Yes Bank Ltd</b> (Loan of ₹ 7.87 Lakhs. Repayable in 37 monthly instalments starting from Dec, 2018.)	-	2.12
x. <b>Vehicle Loan from Yes Bank Ltd</b> (Loan of ₹ 39 Lakhs. Repayable in 37 monthly instalments starting from Dec, 2018.)	-	10.46
xi. <b>Vehicle Loan from TJSB Sahakari Bank Ltd</b> (Loan of ₹ 9.85 Lakhs. Repayable in 36 monthly instalments starting from Dec, 2018.)	0.39	2.92
xii. <b>Vehicle Loan from TJSB Sahakari Bank Ltd</b> (Loan of ₹ 34.16 Lakhs. Repayable in 36 monthly instalments starting from Sep, 2019.)	12.26	16.98
xiii. <b>Vehicle Loan from TJSB Sahakari Bank Ltd</b> (Loan of ₹ 8.71 Lakhs. Repayable in 36 monthly instalments starting from Dec, 2018.)	0.35	2.21
<b>UNSECURED</b>	-	-
<b>TOTAL</b>	<b>1,125.18</b>	<b>1,509.44</b>

## Hind Rectifiers Limited

### Notes:

- a. Details of Security:
- Loans covered in (i), (ii) and (iii) above  
Secured by way of mortgage of land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
  - Loans covered in (iv), (v) and (vi) above  
Secured by way of hypothecation of Plant and Machinery, Equipments, Computers, Furniture and Fixtures installed at Nashik factory and Mortgage of Land & Building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
  - Loans covered in (vii) and (viii) above  
Secured by way of first pari passu charge on all the moveable properties including plant and machinery, machinery spares, tools and accessories and other movables situated at Bhandup, Mumbai and also hypothecation of stocks and book debts of the company and mortgage of the land and building situated at Bhandup, Mumbai.
  - Loan Covered in (ix) above  
Secured by hypothecation of Motor Car No. TN-01-BF-6316.
  - Loan Covered in (x) above  
Secured by hypothecation of Motor Car No. MH-03-DA-4070.
  - Loan Covered in (xi) above  
Secured by hypothecation of Motor Car No. MH-03-DA-5903.
  - Loan Covered in (xii) above  
Secured by hypothecation of Motor Car No. MH-03-DG-4070.
  - Loan Covered in (xiii) above  
Secured by hypothecation of Motor Car No. UK-07-DK-3152.
- b. In view of the Covid 19 Regulatory Package announced by the Reserve Bank of India, the Company had opted for 'Extension of Repayment' scheme and accordingly, the principal repayment will be extended by five months for Loans covered in (i) to (viii) and Loans covered in (xi) to (xiii).

### Note 23 - OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Liabilities valued at amortised cost</b>		
Dealership Deposit	18.25	18.25
<b>TOTAL</b>	<b>18.25</b>	<b>18.25</b>

### Note 24 - NON CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (Refer Note 51)	152.34	200.09
Provision for Leave encashment	58.20	55.53
<b>Provision for Warranty (Refer Note 56)</b>	<b>321.46</b>	<b>163.02</b>
<b>TOTAL</b>	<b>532.00</b>	<b>418.64</b>

## Note 25 - CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Liabilities valued at amortised cost</b>		
<b>SECURED</b>		
<b>Loan from Consortium Banks</b>		
i) Cash Credit	6,307.34	6,938.12
ii) Overdraft (for EMD)	272.18	-
<b>TOTAL</b>	<b>6,579.52</b>	<b>6,938.12</b>

**Note:**

- Cash credit 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, Standard Chartered Bank and TJSB Sahakari Bank Ltd.
- Overdraft 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 and also tender deposits/ earnest money deposits paid by the company in ranking pari- passu favour of Standard Chartered Bank and TJSB Sahakari Bank Ltd.

## Note 26 - TRADE PAYABLES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Total outstanding dues of micro enterprises and small enterprises	173.27	212.78
Total outstanding dues of creditors other than micro and small enterprises	4,015.86	3,733.94
<b>TOTAL</b>	<b>4,189.13</b>	<b>3,946.72</b>

**Note:** Also refer Note 46 of Financial Statements

## Note 27 - OTHER CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Financial Liabilities valued at amortised cost</b>		
Current maturities of long term debt*	670.96	529.73
Interest Accrued But not Due	11.13	11.36
Unclaimed Dividend	26.10	5.11
Sundry Creditors for Capital Goods	55.68	33.35
Provision for Bonus	35.32	35.80
Other payables	443.75	649.13
<b>TOTAL</b>	<b>1,242.94</b>	<b>1,264.48</b>

**Note:** \* Current maturities of long term debt includes the amounts repayable within a period of one year in respect of Non Current Borrowings from (i) to (xiii) in Note 22 of the Financial Statements.

**Hind Rectifiers Limited****Note 28 - OTHER CURRENT LIABILITIES**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Advances</b>		
Advance from Customers	118.43	203.52
<b>Others</b>		
Statutory Liabilities	121.25	74.85
<b>TOTAL</b>	<b>239.68</b>	<b>278.37</b>

**Note 29 - CURRENT PROVISIONS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity (Refer Note 51)	37.63	30.73
Provision for Leave encashment	17.28	8.92
<b>Provision for Warranty (Refer Note 56)</b>	<b>141.06</b>	<b>244.53</b>
<b>TOTAL</b>	<b>195.97</b>	<b>284.18</b>

**Note 30 - REVENUE FROM OPERATIONS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Sale of Products	28,969.48	27,537.82
Sale of Services	1,527.34	2,403.49
<u>Other Operating Income</u>		
Export Incentives	12.89	20.74
<b>TOTAL</b>	<b>30,509.71</b>	<b>29,962.05</b>

**Note 31 - OTHER INCOME**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Interest Income	19.39	25.02
Dividend Income	-	1.25
<u>Other Non Operating Income</u>		
Credit Balance Written Back	16.13	20.50
Miscellaneous Income	-	0.21
Profit on sale of assets	0.22	1.18
<b>TOTAL</b>	<b>35.74</b>	<b>48.16</b>

**Note 32 - COST OF MATERIALS CONSUMED**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Opening Stock of Raw Materials	3,425.10	3,036.64
Add: Purchases of Raw Materials	22,429.13	21,523.79
Add: Conversion and Processing Charges	1,083.23	1,052.04
Less: Transferred to/from CWIP & others from Opening stock of Raw Materials	(14.48)	(12.16)
Total	26,922.98	25,600.31
Less: Closing Stock of Raw Materials	4,025.50	3,425.10
<b>TOTAL</b>	<b>22,897.48</b>	<b>22,175.21</b>

**Note 33 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE** (₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Opening Inventory		
Finished Goods	1,057.67	536.16
Work-In-Progress	2,343.66	1,781.42
Stock-In-Trade	-	-
	3,401.33	2,317.58
Closing Inventory		
Finished Goods	267.27	1,057.67
Work-In-Progress	2,430.42	2,343.66
Stock-In-Trade	-	-
	2,697.69	3,401.33
Add / (Less) Trfd to CWIP	(34.97)	(156.93)
<b>TOTAL</b>	<b>668.67</b>	<b>(1,240.68)</b>

**Hind Rectifiers Limited****Note 34 - EMPLOYEE BENEFITS EXPENSE**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Salaries, Wages, Bonus, Gratuity etc.	<b>3,003.94</b>	2,728.41
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	<b>115.78</b>	118.50
Staff Welfare Expenses	<b>154.35</b>	133.24
<b>TOTAL</b>	<b>3,274.07</b>	2,980.15

**Note 35 - FINANCE COSTS**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Interest</b>		
Interest on Bank Borrowings	<b>684.74</b>	548.72
Other Interest	<b>3.07</b>	6.60
Interest on Term Loan	<b>183.73</b>	176.31
<b>TOTAL</b>	<b>871.54</b>	731.63

**Note 36 - DEPRECIATION AND AMORTIZATION EXPENSE**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Depreciation on Property, Plant & Equipment	246.88	205.18
Amortization on Intangible assets	135.62	202.08
<b>TOTAL</b>	<b>382.50</b>	407.26





## Note 37 - OTHER EXPENSES

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Consumable Stores, Tools and Instruments	60.71	38.88
Electricity, Water and Fuel Charges	188.26	192.04
Packing	161.16	197.80
Repairs		
To Machinery	31.90	13.54
To Building	21.58	40.66
To Other Assets	26.49	12.95
Rent	28.67	17.65
Rates and Taxes	20.38	18.61
Insurance	15.02	10.33
Travelling, Conveyance and Vehicle Expenses	187.75	286.35
Directors' Travelling, Conveyance and Sitting Fees	13.00	7.96
Printing and Stationery	11.96	19.30
Postage, Telegram and Telex	34.46	36.42
Advertisement and Publicity	9.45	14.66
Bad Debts	63.33	2.07
Liquidated Damages	121.92	92.75
Provision for doubtful debts	97.92	148.80
Commission	7.76	79.28
Legal and Professional Charges	155.58	157.84
Payment to Auditors	3.50	3.76
Transit Insurance and Freight	51.37	123.61
Bank Charges	46.66	83.62
Warranty Expenses	192.69	299.63
Miscellaneous Expenses	111.72	418.20
Exchange Fluctuation	51.68	15.86
<b>TOTAL</b>	<b>1,714.92</b>	<b>2,332.57</b>

## Hind Rectifiers Limited

### Note 38 - TAX EXPENSES

#### Income Tax Expenses Recognized in the Statement of Profit & Loss

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Current Tax</b>		
Current Tax on taxable Income for the year	133.17	499.80
MAT Credit (taken)/ utilised	44.33	141.01
Earlier year tax	(7.33)	(6.36)
<b>Total Current Tax Expense</b>	<b>170.17</b>	<b>634.45</b>
<b>Deferred Tax</b>		
Deferred Tax Charge / (Credit)	32.96	141.71
<b>Total Deferred Tax expense / (benefit)</b>	<b>32.96</b>	<b>141.71</b>
<b>Total tax expense recognised in Statement of Profit and Loss</b>	<b>203.13</b>	<b>776.16</b>

#### Income Tax Expenses Recognized in Other Comprehensive Income

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Tax on Other Comprehensive Income / Loss</b>	<b>4.89</b>	<b>(7.29)</b>
<b>TOTAL</b>	<b>4.89</b>	<b>(7.29)</b>

A reconciliation of the Income Tax expenses to the amount computed by applying the statutory income tax rate to the profit before Income taxes is summarized below:

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Enacted Income tax rate in India applicable to the Company</b>	<b>27.82%</b>	<b>29.12%</b>
Profit before tax	736.27	2,624.07
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	204.83	764.13
<b>Tax effects of the amounts which are not deductible / (taxable) in calculating taxable income</b>		
<b>Add / Less:-</b>		
• Tax rate change on deferred tax asset	1.77	-
• Tax impact on expense which not-deductible (penalty type, donation, capital expenditure)	3.62	18.23
• Income tax of earlier years	(7.33)	(6.36)
• Others	0.24	0.16
<b>TOTAL</b>	<b>203.13</b>	<b>776.16</b>

**The movement in deferred tax assets and liabilities during the year ended  
31st March, 2021 and 31st March, 2020:**

(₹ In lakhs)

Particulars	Deferred Tax Asset / (Liabilities) as on 31st March, 2019	Payment	Transfer from Current tax assets	Credit / (charge) in Statement of Profit & Loss	Deferred Tax Asset / (Liabilities) as on 31st March, 2020	Payment	Transfer from Current tax assets	Credit / (charge) in Statement of Profit & Loss	Deferred Tax Asset / (Liabilities) as on 31st March, 2021
Depreciation	(172.66)	-	-	(51.65)	(224.31)	-	-	(47.15)	(271.46)
Disallowance under Income Tax Act with respect to Employee Benefits	79.94	-	-	17.43	97.37	-	-	(13.21)	84.16
Provision	120.36	-	-	51.23	171.59	-	-	15.76	187.35
Impairment of Assets	-	-	-	-	-	-	-	-	-
Right Issue Expenses	5.45	-	-	(1.82)	3.63	-	-	(1.89)	1.74
Loss of Earlier years	149.61	-	-	(149.61)	-	-	-	-	-
MAT Credit Entitlement	502.46	14.14	45.08	(141.01)	420.67	-	9.45	(44.33)	385.79
<b>TOTAL</b>	<b>685.16</b>	<b>14.14</b>	<b>45.08</b>	<b>(275.43)</b>	<b>468.95</b>	<b>-</b>	<b>9.45</b>	<b>(90.82)</b>	<b>387.58</b>

**NOTE 39**

In view of the MAT Credit available, the Company has not exercised the non revisable option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019.

**NOTE 40**

The Company's operations were impacted in the early part of the current financial year due to shutdown of its plants following the lockdown imposed by the Government of India during the first wave of COVID 19 Pandemic. The Company's plants have since resumed operations, taking all due care for the health and safety of its employees and adopting work from home policy wherever possible.

The Company has evaluated the impact of this pandemic on its business operations, financial position and based on its review, there is no significant impact on the company's assets, capital and financial resources, liquidity and supply chain for the year ended 31st March, 2021. Demand for its product was marginally affected during the year ended 31st March 2021 however it was temporary.

The impact assessment of COVID 19 is a continuous process, given the uncertainties associated with its nature and duration. The financial implications are contingent on the various business parameters which may emerge from time to time and the Company will continue to closely monitor any material changes from those estimated as on the date of adoption of these financial results.

## Hind Rectifiers Limited

### Note 41 - PAYMENT TO AUDITORS (Excluding GST)

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
As Auditor	3.50	2.65
For Tax Audit	-	-
For Certification	-	0.20
For out of Pocket expenses	-	0.91
<b>TOTAL</b>	<b>3.50</b>	<b>3.76</b>

### Note 42 - EARNINGS PER SHARE

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
Profit after taxation as per Statement of Profit & Loss	533.14	1847.91
Weighted Average Number of Equity Shares Outstanding	1,65,63,723	1,65,63,723
Basic and Diluted Earnings per Share (₹)	3.22	11.16

### Note 43

The Company has spent ₹ 16.61 lakhs during the financial year (Previous year ₹ Nil) as per the Provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

- Gross amount required to be spent during the year ₹ 16.61 lakhs (Previous year ₹ Nil)
- There is no amount yet to be paid in cash for the said CSR activity.

### Note 44 - INTANGIBLE ASSETS UNDER DEVELOPMENT

During the year, the Company has incurred an expenditure of ₹ 404.80 lakhs on the development of various Products / Machinery and completed the development process of the Products/ Machinery of ₹ 123.78 lakhs (including ₹ 99.80 lakhs incurred up to 31st March 2020) and the balance of ₹ 982.09 lakhs (including ₹ 601.27 lakhs incurred up to 31st March, 2020) related to the products still under development is clubbed under Intangible Assets under Development. ₹ 2.08 lakhs related to project which has been discarded has been charged in the Statement of Profit and Loss under Other Expenses & ₹ 2.50 lakhs is transferred to other Assets.

### Note 45 - RESEARCH AND DEVELOPMENT

The recurring expenditure of ₹ 397.87 lakhs (Previous year ₹ 210.25 lakhs) and Capital Expenditure of ₹ 463.79 lakhs (Previous Year ₹ 319.45 lakhs) spent in Research and Development during the year have been debited to respective account.

**Note 46 - TRADE PAYABLES**

The details of amounts due to Micro and Small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the company are as under:

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
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	-	-

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

**Note 47 - CONTINGENT LIABILITIES**

Contingent Liabilities in respect of the following:

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>i. Claims against the company not acknowledged as debt</b>		
Claims of Sales Tax disputed by Company*	24.22	24.22
Claims of Income Tax disputed by Company	-	-
Claims of Excise disputed by the Company	-	-
<b>ii. Guarantees excluding financial guarantees</b>		
Guarantee given by the banks to the third parties on behalf of the company	1,656.90	1,638.61
<b>iii. Other money for which the company is contingently liable</b>		
Letters of credit opened by the bankers of the Company in favour of the third parties	0.21	-
Letter of Credit / Hundi discounted with bank	59.40	12.96
Claims not acknowledged by the company	82.78	-

\*excludes the amount paid ₹ 15.32 lakhs (Previous year ₹ 5 lakhs).

**Note 48 - COMMITMENTS**

**Estimated amount of contracts remaining to be executed on capital account and not provided for**

Estimated amounts of contract remaining to be executed and not provided on account of Technical Knowhow ₹ 43.19 lakhs (Previous year ₹ 41.54 lakhs) and on account of Capital Purchase ₹ 263.08 lakhs (Previous year ₹ 323.46 lakhs)

## Hind Rectifiers Limited

### Note 49 - OTHER COMPREHENSIVE INCOME

Amounts recognised in Other Comprehensive Income i.e. Items that will not be reclassified to profit and loss in subsequent year includes Actuarial Gains / (Loss) on post-employment defined benefit plan (net of deferred tax)

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
Actuarial Gains / (Loss) on post-employment defined benefit plan	17.56	(25.05)
Tax on above	(4.89)	7.29
Net Other Comprehensive Income / (Loss)	12.67	(17.76)

### Note 50 - FAIR VALUE HIERARCHY

Fair value hierarchy is not applicable to the company except in the case of Shares of Apna Sahakari bank Ltd, TJSB Sahakari bank Ltd and Saraswat Co-operative Bank Ltd. included in Non current investments which is covered in level 2 investments. The fair value of the same is considered at cost of ₹ 10.25 lakhs since the same are taken for loan.

### Note 51 - DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS"

#### (a) Defined Contribution Plans:

The Company's contribution to Provident Fund, Superannuation Fund & Pension Fund that has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense is as under:

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
Employer's Contribution to Provident Fund	47.31	46.62
Employer's Contribution to Superannuation Fund	11.59	12.37
Employer's Contribution to Pension Fund	46.19	43.22

#### (b) Defined Benefit Plans:

##### Gratuity

The company has a defined benefit gratuity plan (funded and non funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	31st Mar 2021	31st Mar 2020
Employee Attrition Rate	1% - 2%	1% - 2%
Discount rate(s)	6.55%	6.55%
Expected rate(s) of salary increase	4.00%	4.00%



(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
<b>I. Change in the obligation during the year</b>		
1. Present value of defined benefit obligation at the beginning of the year		
Funded	329.87	293.76
Non Funded	136.16	116.66
	466.03	410.42
2. Expenses Recognised in Profit and Loss Account		
<u>Current Service Cost</u>		
Funded	27.64	25.34
Non Funded	18.21	9.05
	45.85	34.39
<u>Interest Cost</u>		
Funded	19.40	19.77
Non Funded	4.59	4.02
	23.99	23.79
<u>Past Service Cost</u>		
Funded	-	(6.97)
Non Funded	0.78	-
	0.78	(6.97)
3. Recognised in Other Comprehensive Income		
<u>Actuarial (Gain) / Loss</u>		
Funded	(13.45)	17.74
Non Funded	(4.19)	6.70
	(17.64)	24.44
4. Benefits paid		
Funded	61.58	19.77
Non Funded	69.90	0.27
	131.48	20.04
5. Present value of defined benefit obligation at the end of the year.		
Funded	301.88	329.87
Non Funded	85.65	136.16
	387.53	466.03
<b>II. Change in fair value of assets during the year</b>		
1. Fair value of plan assets at the beginning of the year	235.19	224.95
2. Adjustments to Opening Fair Value of Plan asset	-	-
3. Expenses Recognised in Profit and Loss Account		
Expected return on plan assets	15.13	16.77
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses		
Actual Return on plan assets in excess of the expected return	(0.08)	(0.61)
5. Contributions by employer (including benefit payments recoverable)	8.90	13.85
6. Benefits paid	(61.58)	(19.77)
7. Fair value of plan assets at the end of the year	197.56	235.19



## Hind Rectifiers Limited

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
<b>III. (a) Expense recognised in the Statement of Profit and Loss for the year</b>		
<u>Current Service Cost</u>		
Funded	27.64	25.34
Non Funded	18.21	9.05
	45.85	34.39
<u>Past Service Cost</u>		
Funded	-	(6.97)
Non Funded	0.78	-
	0.78	(6.97)
<u>Interest Cost</u>		
Funded	19.40	19.77
Non Funded	4.59	4.02
	23.99	23.79
<u>Expected Return on plan assets</u>		
Funded	(15.13)	(16.77)
Non Funded	-	-
	(15.13)	(16.77)
<u>Components of defined benefit costs recognized in profit or loss</u>		
Funded	31.91	21.37
Non Funded	23.58	13.07
	55.49	34.44
<b>(b) Included in other Comprehensive Income</b>		
Actuarial (Gain) / Loss recognized for the period	(17.64)	24.44
Return on Plan Assets excluding net interest	0.08	0.61
Actuarial (Gain) / Loss recognized in OCI	(17.56)	25.05
<b>IV. Net Asset / (Liability) recognised in the Balance Sheet</b>		
1. Fair value of plan assets as at 31 March 2021		
Funded	197.56	235.19
Non Funded	-	-
	197.56	235.19
2. Present value of defined benefit obligation as at 31 March 2021		
Funded	301.88	329.87
Non Funded	85.65	136.16
	387.53	466.03
3. Amount recognised in Balance Sheet		
Funded	104.32	94.68
Non Funded	85.65	136.16
	189.97	230.84



**Expected cashflows based on past service liability:**

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
Within 1 year	68.35	79.51
1-2 year	21.34	45.62
2-3 year	40.78	21.22
3-4 year	40.60	36.39
4-5 year	14.79	43.44
Above 5 years	167.60	151.11

**Sensitivity Analysis**

(₹ In lakhs)

Particulars	Year ended 31st Mar 2021	Year ended 31st Mar 2020
<b>i. Discount rate Sensitivity</b>		
Increase by 0.5%	361.50	388.08
Decrease by 0.5%	390.65	416.65
<b>ii. Salary growth rate Sensitivity</b>		
Increase by 0.5%	383.36	409.81
Decrease by 0.5%	368.34	394.95
<b>iii. Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	376.23	402.58
W.R. x 90%	421.14	417.02

**Note 52 - SEGMENT INFORMATION**

The Company operates in a single segment as per Indian Accounting Standard (Ind AS) 108. Hence, segment wise reporting is not applicable.

**Note 53 - DIVIDEND**

The Board of Directors have recommended a dividend of ₹ 0.40 Per equity share of ₹ 2/- each (Previous year ₹ 0.80 Per equity share of ₹ 2/- each). The same is subject to the approval of members of the company in the AGM to be held on 12th August, 2021.

**Note 54 - STOCK OPTIONS**

Stock option scheme was approved by the members in their meeting held on 13th August, 2018. However during the year ended 31st March 2021, no stock options has been granted by the company.

**Note 55 - MISCELLANEOUS EXPENSES**

Miscellaneous expenses under Other Expenses includes the Provision for Advance to Suppliers & others of ₹ 13.64 lakhs (Previous Year ₹ 65.58 lakhs) and CWIP written off of ₹ 2.08 lakhs (Previous year ₹ 133.78 lakhs).

## Hind Rectifiers Limited

### Note 56 - PROVISION FOR WARRANTY

A provision is recognised for expected warranty claims and after sales services on products sold, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred during the warranty period i.e. 1 to 5 years (depending on the product) from the date of sale of the product. The provision for warranty cost is revised annually.

### Note 57

All the financial assets and financial liabilities are valued at amortised cost. However, considering the materiality of the transactions, the cost/ book value of certain assets such as rental security deposit, staff loan is considered as the amortised cost.

The company has assessed the implication of Ind AS 116: Leases and it does not result in any material changes in the carrying value of assets and liabilities since the leases are either short term or for low value assets.

### Note 58 - RELATED PARTY DISCLOSURES AS PER IND AS 24 & SEBI LODR

#### I. List of related parties

#### A) Enterprise over which Members of the Board of Directors / KMP has significant influence

Force Motion Technology LLP

#### B) Members of the Board of Directors / Key Management Personnel (KMP)

##### 1. Chairman and Managing Director

a) Mr. S K Nevatia (expired on 14th September 2020)

##### 2. Executive Director

a) Mrs. Akshada Nevatia

##### 3. Managing Director and Chief Executive Officer

a) Mr. Suramya Nevatia

##### 4. Non Executive Director

##### i. Independent Non Executive Director

- a) Mr. Vijay Kumar Bhartia
- b) Mr. Pradeep Goyal
- c) Mr. Parimal Merchant
- d) Mr. Binod Kumar Patodia
- e) Mrs. Ashlesha Bodas
- f) Mr. Vandan Shah (w.e.f. 10th February, 2021)

##### ii. Non Independent Non Executive Director

- a) Mr. Pawan Golyan
- b) Mr. Vandan Shah (upto 9th February, 2021)

##### 5. Chief Financial Officer

a) Mr. Anil Kumar Nemani

##### 6. Company Secretary

a) Ms. Meenakshi Anchlia

#### C) Relative of Member of Board of Directors / KMP

- a) Mr. Saurabh Nevatia
- b) Mrs. Bharti Nevatia
- c) Mr. Suryansh Nevatia (appointed as management trainee w.e.f. 1st July 2020 & appointed as "Manager SCM" w.e.f. 1st March 2021)

**Note :** Mr. S. K. Nevatia, Mrs. Akshada Nevatia, Mr. Suramya Nevatia, Mr. Saurabh Nevatia, Mrs. Bharti Nevatia and Mr. Suryansh Nevatia are related to each other.



## II. Disclosure in respect of material transactions with related parties during the year ended 31st March, 2021 (₹ In lakhs)

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
<b>1</b>	<b>Loan Received / Deposits received</b>				
	Deposits refunded by Mr. Suramya Nevatia	-	- (1.50)	-	- (1.50)
<b>2</b>	<b>Loan Repaid / Deposits Given</b>				
	Nil	-	-	-	-
<b>3</b>	<b>Income</b>				
	Sale	<b>9.83</b>	-	-	<b>9.83</b>
	Force Motion Technology	(2.30)	-	-	(2.30)
<b>4</b>	<b>Expenditure</b>				
<b>i.</b>	<b>Remuneration</b>				
	Mr. S. K. Nevatia	-	<b>65.32</b> (157.57)	-	<b>65.32</b> (157.57)
	Mrs. Akshada Nevatia	-	<b>46.21</b> (62.46)	-	<b>46.21</b> (62.46)
	Mr. Suramya Nevatia	-	<b>61.47</b> (73.65)	-	<b>61.47</b> (73.65)
	Mr. Saurabh Nevatia	-	-	<b>90.27</b> (90.27)	<b>90.27</b> (90.27)
	Mrs. Bharti Nevatia	-	-	<b>11.87</b> (8.68)	<b>11.87</b> (8.68)
	Mr. Suryansh Nevatia	-	-	<b>1.46</b>	<b>1.46</b>
	Mr. Anil Kumar Nemani	-	<b>33.49</b> (31.94)	-	<b>33.49</b> (31.94)
	Ms. Meenakshi Anchlia	-	<b>9.60</b> (9.59)	-	<b>9.60</b> (9.59)
<b>ii.</b>	<b>Directors Sitting Fees</b>				
	Mr. Binod Kumar Patodia	-	<b>0.25</b> (0.88)	-	<b>0.25</b> (0.88)
	Mr. Parimal Merchant	-	<b>3.50</b> (1.50)	-	<b>3.50</b> (1.50)
	Mr. Pawan Kumar Golyan	-	<b>0.75</b> (0.33)	-	<b>0.75</b> (0.33)
	Mr. Pradeep Goyal	-	<b>3.50</b> (1.72)	-	<b>3.50</b> (1.72)
	Mr. Vandan Shah	-	<b>1.25</b> (0.58)	-	<b>1.25</b> (0.58)
	Mr. Vijay Kumar Bhartia	-	<b>3.00</b> (2.47)	-	<b>3.00</b> (2.47)
	Mrs. Ashlesha Bodas	-	<b>0.75</b>	-	<b>0.75</b>

**Hind Rectifiers Limited**

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
iii.	<b>Rent</b>				
	Mr. Suramya Nevatia	-	-	-	-
		-	(1.95)	-	(1.95)
	Mr. Saurabh Nevatia	-	-	4.20	4.20
		-	-	(4.20)	(4.20)
iv.	<b>Purchase</b>				
	Force Motion Technology	376.05	-	-	376.05
		(431.45)	-	-	(431.45)

**Note :** Figures in brackets represents previous years figures

**III. Balances Receivable / Payable with Related Parties**

(₹ In lakhs)

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
1	<b>Trade Payables</b>				
	Force Motion Technology	42.31	-	-	42.31
		(87.46)	-	-	(87.46)
2	<b>Trade Receivables</b>				
	Force Motion Technology	-	-	-	-
		-	-	-	-
3	<b>Other Current Financial Liabilities</b>				
	<b>Salary and Other Accrued Expenses</b>				
	Salary Payable to Mr. S. K. Nevatia	-	-	-	-
		-	(11.03)	-	(11.03)
	Salary Payable to Mrs. Akshada Nevatia	-	2.79	-	2.79
		-	(17.97)	-	(17.97)
	Salary Payable to Mr. Suramya Nevatia	-	3.47	-	3.47
		-	(16.46)	-	(16.46)
	Salary Payable to Mr. Saurabh Nevatia	-	-	4.51	4.51
		-	-	(4.37)	(4.37)
	Salary Payable to Mrs. Bharti Nevatia	-	-	0.82	0.82
		-	-	(0.81)	(0.81)
	Salary Payable to Mr. Suryansh Nevatia	-	-	0.58	0.58
		-	-	-	-
	Salary Payable to Mr. Anil Nemani	-	1.95	-	1.95
		-	(3.87)	-	(3.87)
	Salary Payable to Ms. Meenakshi Anchlia	-	0.76	-	0.76
		-	(0.74)	-	(0.74)

**Note:** The remuneration to the related parties does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. However the gratuity expenses of Mr. Suramya Nevatia and Mrs. Akshada Nevatia are included in the figure of their respective remuneration since their gratuity is provided separately.

Figures in brackets represents previous years figures

**Note 59 - FINANCIAL RISK MANAGEMENT FRAMEWORK**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**A. Credit Risk**

Credit risk is the risk that counter party will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk mainly from trade receivables and other financial assets.

**Trade receivables**

Customer credit is managed by concerned business manager subject to the Company's established policy procedures and control related to customer credit risk management.

Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as medium, as its customers are located in several jurisdictions and industries and operate in largely independent markets and their credit worthiness are monitored at periodical intervals.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Particulars	Less Than 180 Days	More Than 180 Days
<b>As at 31 March 2021</b>		
Expected loss rate	-	<b>38.58%</b>
Gross carrying amount of doubtful Trade Receivables	-	<b>1,407.77</b>
Loss allowance provision during the year *	-	<b>97.92</b>
<b>As at 31 March 2020</b>		
Expected loss rate	-	32.56%
Gross carrying amount of doubtful Trade Receivables	-	1,367.47
Loss allowance provision during the year	-	148.80

\* The percentage of expected loss rate is the average of the rate arrived after dividing the total Loss allowance provision by the Gross carrying amount of doubtful debtors. This is done because the Company has taken different rates varying from 10% to 100% depending on the period of the trade receivables.

\* Loss allowance provision during the year of ₹ 97.92 lakhs is after subtracting the balance in provision account as on 31st March 2020 and is provided at the expected loss rate on the gross carrying amount of debtors.

**Hind Rectifiers Limited****Reconciliation of loss allowance provision for Trade Receivables**

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Balance as at beginning of the year	445.21	296.41
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	97.92	148.80
Amounts written back during the year	-	-
Balance at end of the year	543.13	445.21

**B. MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits and other financial assets.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

**(i) Currency Risk**

The Company operates internationally and portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. The Currency Risk can be majorly divided into two main categories -

1. Risk of change in Profits due to change in currency rate of Outstanding Trade Payables and Receivables (net of advances)
2. Risk of increased outflows due to change in currency rate of Other Payables.

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax and cash flows is due to changes in the fair value of Outstanding Trade Payables and Receivables (net of advances) and the effect not on profit but on cash flow is due to Other Payables. The Company's exposure to foreign currency changes for all other currencies is not material.

**1. The impact on the Company's profit before tax due to changes in the fair value of Outstanding Trade Payables and Receivables (net of advances)**

	Currency	Change in rate	Effect on profit before tax (₹ In lakhs)
31-Mar-21	USD	+5%	1.87
	USD	-5%	(1.87)
	EURO	+5%	(3.29)
	EURO	-5%	3.29
	CHF	+5%	(12.14)
	CHF	-5%	12.14
31-Mar-20	USD	+5%	(2.34)
	USD	-5%	2.34
	EURO	+5%	(2.53)
	EURO	-5%	2.53
	CHF	+5%	(6.07)
	CHF	-5%	6.07

**2. The impact on the Company's cash flow due to changes in the fair value of Other Payables**

	Currency	Change in rate	Effect on cash flow (₹ In lakhs)
31-Mar-21	USD	+5%	-
	USD	-5%	-
	EURO	+5%	-
	EURO	-5%	-
	CHF	+5%	-
	CHF	-5%	-
31-Mar-20	USD	+5%	-
	USD	-5%	-
	EURO	+5%	-
	EURO	-5%	-
	CHF	+5%	-
	CHF	-5%	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**(ii) Commodity Price Risk**

- a. The Company is subjected to Commodity Price risk due to the fluctuations in the price of copper. This is procured from domestic suppliers. However, domestic price of the copper is affected based on the price at the London Metal Exchange (LME) and exchange rates. In case copper prices undergo upward / downward revision due to LME or exchange rate, the price difference are adequately covered by the price variation clause of the order.
- b. Exposure of the company to commodity and commodity risks faced by it throughout the year.
  1. Total exposure of the company to commodities in ₹ 2413.01 Lakhs
  2. Exposure of the company to various commodities:

Commodity Name	Exposure towards the particular commodity (₹ In lakhs)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		TOTAL
			OTC	Exchange	OTC	Exchange	
1. Copper	2,373.74	421.69 MT	N/A		N/A		N/A
2. Aluminium	39.27	15.80 MT					
<b>TOTAL</b>	<b>2,413.01</b>	<b>437.49 MT</b>					

3. In majority of orders, company do have price variation clause (PVC) issued by Indian Electrical and Electronics Manufacturers' Association (IEEMA) which covers all component of cost including commodities and accordingly company do not have any major risk due to fluctuation in commodities price.

**(iii) Interest rate risk**

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has taken loans from banks which are linked to MCLR rate of the bank, which are variable.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on



## Hind Rectifiers Limited

floating rate borrowings, as follows:

Particulars	Currency	Increase / Decrease in basis Points	Effect on profit before tax (₹ In lakhs)
31-Mar-21	INR	+ 50	(31.98)
	INR	-50	31.98
31-Mar-20	INR	+ 50	(25.70)
	INR	-50	25.70

### (iv) Equity Price Risk

The Company is not exposed to equity price risks arising from equity investments since the Company does not have any equity investments.

## C. LIQUIDITY RISK

### (i) Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management.

### (ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ In lakhs)

As at 31 March 2021	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
<b>Non Derivative financial instruments</b>						
Long term borrowings	-	-	987.84	137.34	-	1,125.18
Short term borrowings						
Cash Credit Facilities	-	6,579.52	-	-	-	6,579.52
Trade payables						
Trade payables - Micro and small enterprises	-	173.27	-	-	-	173.27
Trade payables - other than micro and small Ent	-	4,015.86	-	-	-	4,015.86
Other financial liabilities						
Deposits from dealers and agents	-	-	-	-	18.25	18.25
Current maturities of long-term debt	-	670.96	-	-	-	670.96
Interest accrued on borrowings	-	11.13	-	-	-	11.13
Provision for Processing Fees	-	-	-	-	-	-
Unclaimed / Unpaid dividends	-	26.10	-	-	-	26.10
Creditors for Capital Supplies / Services	-	55.68	-	-	-	55.68
Provision for Bonus	-	35.32	-	-	-	35.32
Salary & Other Accrued Expenses	-	442.41	-	-	-	442.41
Other Payables	-	1.34	-	-	-	1.34
<b>Total</b>	-	12,011.59	987.84	137.34	18.25	13,155.02



(₹ In lakhs)

As at 31 March 2020	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
<b>Non Derivative financial instruments</b>						
Long term borrowings	-	-	1,127.02	382.42	-	1,509.44
Short term borrowings						
Cash Credit Facilities	-	6,938.12	-	-	-	6,938.12
Trade payables						
Trade payables - Micro and small enterprises	-	212.78	-	-	-	212.78
Trade payables - other than micro and small Ent	-	3,733.93	-	-	-	3,733.93
Other financial liabilities						
Deposits from dealers and agents	-	-	-	-	18.25	18.25
Current maturities of long-term debt	-	529.73	-	-	-	529.73
Interest accrued on borrowings	-	11.36	-	-	-	11.36
Provision for Processing Fees	-	8.89	-	-	-	8.89
Unclaimed / Unpaid dividends	-	5.11	-	-	-	5.11
Creditors for Capital Supplies / Services	-	33.35	-	-	-	33.35
Provision for Bonus	-	35.80	-	-	-	35.80
Salary & Other Accrued Expenses	-	626.31	-	-	-	626.31
Other Payables	-	13.94	-	-	-	13.94
<b>Total</b>	<b>-</b>	<b>12,149.32</b>	<b>1,127.02</b>	<b>382.42</b>	<b>18.25</b>	<b>13,677.01</b>

**(iii) Financing arrangements**

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

(₹ In lakhs)

Particulars	31 March 2021	31 March 2020
Cash Credit Facilities	1,460.48	351.88
<b>Total</b>	<b>1,460.48</b>	<b>351.88</b>

**(iv) Maturities of financial assets**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.



## Hind Rectifiers Limited

(₹ In lakhs)

As at 31 March 2021	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
<b>Non Derivative financial instruments</b>						
Investments	-	-	-	-	10.25	<b>10.25</b>
Trade Receivables	-	8,774.37	-	-	-	<b>8,774.37</b>
Cash and Cash Equivalents	-	12.27	-	-	-	<b>12.27</b>
Other Bank Balances	-	150.16	-	-	-	<b>150.16</b>
Loans	-	0.65	5.35	-	-	<b>6.00</b>
Other financial Assets						
Security Deposits	-	-	20.30	-	36.84	<b>57.14</b>
Retention Money	-	507.84	17.56	-	-	<b>525.40</b>
Fixed Deposits with Banks (EMD)	-	-	2.02	-	-	<b>2.02</b>
Earnest Money Deposits	-	320.19	25.72	-	-	<b>345.91</b>
Interest Income accrued	-	7.40	-	-	-	<b>7.40</b>
Provision for doubtful amounts	-	(21.26)	-	-	-	<b>(21.26)</b>
Total	-	9,751.62	70.95	-	47.09	<b>9,869.66</b>

(₹ In lakhs)

As at 31 March 2020	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
<b>Non Derivative financial instruments</b>						
Investments	-	-	-	-	610.00	<b>610.00</b>
Trade Receivables	-	8,104.47	-	-	-	<b>8,104.47</b>
Cash and Cash Equivalents	-	148.92	-	-	-	<b>148.92</b>
Other Bank Balances	-	154.09	-	-	-	<b>154.09</b>
Loans	-	1.49	3.55	-	-	<b>5.04</b>
Other financial Assets						
Security Deposits	-	-	38.56	-	-	<b>38.56</b>
Retention Money	-	431.91	156.36	-	-	<b>588.27</b>
Earnest Money Deposits	-	848.84	33.16	-	-	<b>882.00</b>
Interest Income accrued	-	10.18	-	-	-	<b>10.18</b>
Provision for doubtful amounts	-	(37.24)	-	-	-	<b>(37.24)</b>
Total	-	9,662.66	231.63	-	610.00	<b>10,504.29</b>

**Note 60 - CAPITAL MANAGEMENT**

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The company monitors the amount of Capital in proportion to risk and manage the capital structure in light of changes in economic conditions and risk characteristics of underlying assets. The company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. The Company takes and will take appropriate steps in order to maintain, or if necessary adjust its capital structure.

The Company's adjusted net debt to equity ratio at 31st March 2021 and 31st March 2020 is as follows:

(₹ In lakhs)

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Total Liabilities	14,122.67	14,689.07
Less: cash and cash equivalents	12.27	148.92
<b>Adjusted net debt</b>	<b>14,110.40</b>	<b>14,540.15</b>
Total equity	9,977.12	9,563.82
<b>Adjusted net debt to adjusted equity ratio</b>	<b>1.41</b>	<b>1.52</b>

**Note 61**

Previous year's figures are regrouped and rearranged wherever necessary.

**Note 62**

The Financial Statements were authorised for issue by the directors on 10th June 2021.

The accompanying notes are an integral part of the financial statements

As per our report attached  
For **RAVI A. SHAH & ASSOCIATES**  
Chartered Accountants,  
ICAI Firm Registration No. 125079W

**RAVI A. SHAH**

Proprietor  
Membership No. 116667

Place : Mumbai  
Date : 10th June, 2021

For and on behalf of the Board of Directors  
**SURAMYA NEVATIA** Managing Director & CEO  
**V. K. BHARTIA** Director  
**A. K. NEMANI** Chief Financial Officer  
**MEENAKSHI ANCHLIA** Company Secretary

Place : Mumbai  
Date : 10th June, 2021



## NOTES



BUREAU  
VERITAS

Bureau Veritas Certification



# C E R T I F I C A T E

awarded to

**HIND RECTIFIERS LTD**  
**LAKE ROAD ,BHANDUP (West)**  
**400078, MUMBAI**  
**India**

## BUREAU VERITAS CERTIFICATION

confirms, as an IRIS Certification® approved certification body, that the Management System of the above organization has been assessed and found to be in accordance with the

### **IRIS Certification® Conformity assessment:2020** **and based on** **ISO/TS 22163:2017**

for the activities of Design and Development and Maintenance and Manufacturing for the scopes of certification: 04 (Power system, drive unit), 05 (Auxiliary systems), 06 (Braking system), 07 (Interiors)

Traction Converters, Auxiliary Converters, Traction Transformers, Traction Rectifiers, Traction Inverters, 3 Phase Drive Propulsion System, Computer Controlled Pneumatic Brake System, Fire Detection Unit, Regulated Battery Charger and other Auxiliary Systems.

Certificate valid from: 01/05/2020

Certificate valid until: 05/02/2023\*

Current date: 27/10/2020

Certificate-Register-No: IND-IR - 000 1379

\* Providing that the subsequent surveillance audits are successful before the validity date of the previous audit.

Certification body address: Le Triangle de l'Arche 8, cours du Triangle - CS 90096, 92937 Paris la Defense Cedex, France

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## BRANCH OFFICES

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# Hind Rectifiers Limited