



Ref. No. HIRECT/SEC/2020-21/36

20th August, 2020

BSE Limited

Rotunda Building,
Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai
400 001 Maharashtra

National Stock Exchange of India Limited

“Exchange Plaza” 5th Floor, C-1, Block ‘G’
Bandra Kurla Complex,
Bandra (East) Mumbai 400 051

Security Code No. 504036/HIRECT Type of Security: Equity

Sub: Annual Report for the financial year 2019-20 and Notice convening the 62nd Annual General Meeting, Cut-Off date, Book Closure and Dividend payment.

Dear Sir/Madam,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2019-20 along with the Notice convening the 62nd Annual General Meeting scheduled to be held on Tuesday, 15th September, 2020 at 11:30 IST through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The notice convening the 62nd AGM, forming part of Annual Report, being sent to the members by email whose email addresses are registered with the Company/ Depository participant(s). The Annual Report is also uploaded on the website of the Company at www.hirect.com.

The details such as manner of casting vote through e-voting and attending the AGM through VC/OAVM has been set out in the Notice of the AGM.

The Company has fixed Tuesday, 8th September, 2020 as the Cut-off date to record the entitlement of the Members to cast their vote (remote e-voting and voting at the Annual General Meeting) for the business to be transacted at the ensuing 62nd Annual General Meeting of the Company scheduled to be held on Tuesday, 15th September, 2020.

The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 9th September, 2020 to Tuesday, 15th September, 2020, both days inclusive, for annual closing and determining the entitlement of the Members to the Final Dividend for FY 2019-20.





HIND RECTIFIERS LIMITED

If the Final Dividend as recommended by the Board of Directors is approved at the 62nd AGM to be held on Tuesday, 15th September, 2020 payment of such dividend will be paid within a week from the conclusion of the AGM.

(a) to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Tuesday, 8th September, 2020;

(b) to all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Tuesday, 8th September, 2020.

We request you take the above information on record.

Thanking you,

Yours Faithfully,

For **Hind Rectifiers Limited**

A handwritten signature in purple ink that reads 'Meenakshi Anchlia'.

Meenakshi Anchlia
(Company Secretary & Compliance Officer)

Encl: as above

Copy to:

National Securities Depository Ltd.
Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound, Lower Parel,
Mumbai - 13

Central Depository Services (India)
Limited Marathon Futurex, A-Wing,
25th Floor, NM Joshi Marg, Lower
Parel, Mumbai - 13

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**ANNUAL
REPORT**
2019-2020



Hind Rectifiers Limited

62nd Annual Report 2019-2020

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Board of Directors

S. K. Nevatia
Chairman & Managing Director

Akshada Nevatia
Executive Director

Pawan Kumar Golyan

V. K. Bhartia

Binod Kumar Patodia

Pradeep V. Goyal

Parimal Merchant

Vandan Shah

Ashlesha Bodas
(Additional Director)

Suramya Nevatia
(Additional Director)

Key Managerial Personnel

S. K. Nevatia
Chairman & Managing Director

Suramya Nevatia
Chief Executive Officer
(Appointed as Joint Managing Director and
CEO w.e.f.17th 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

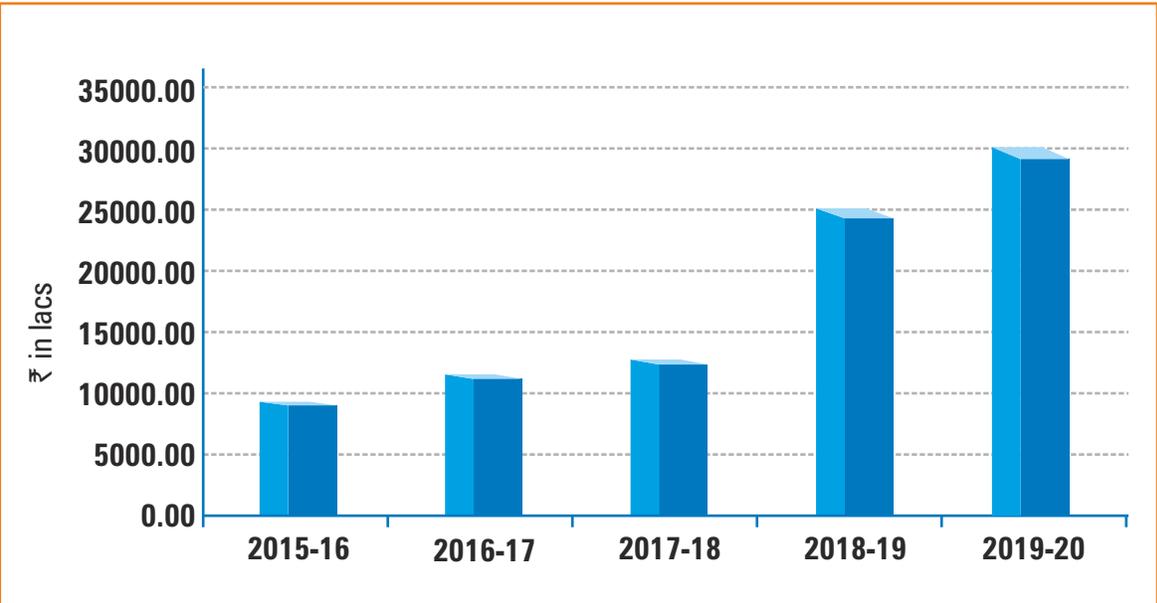
Secretarial Auditors

M/s GMJ & Associates
Company Secretaries

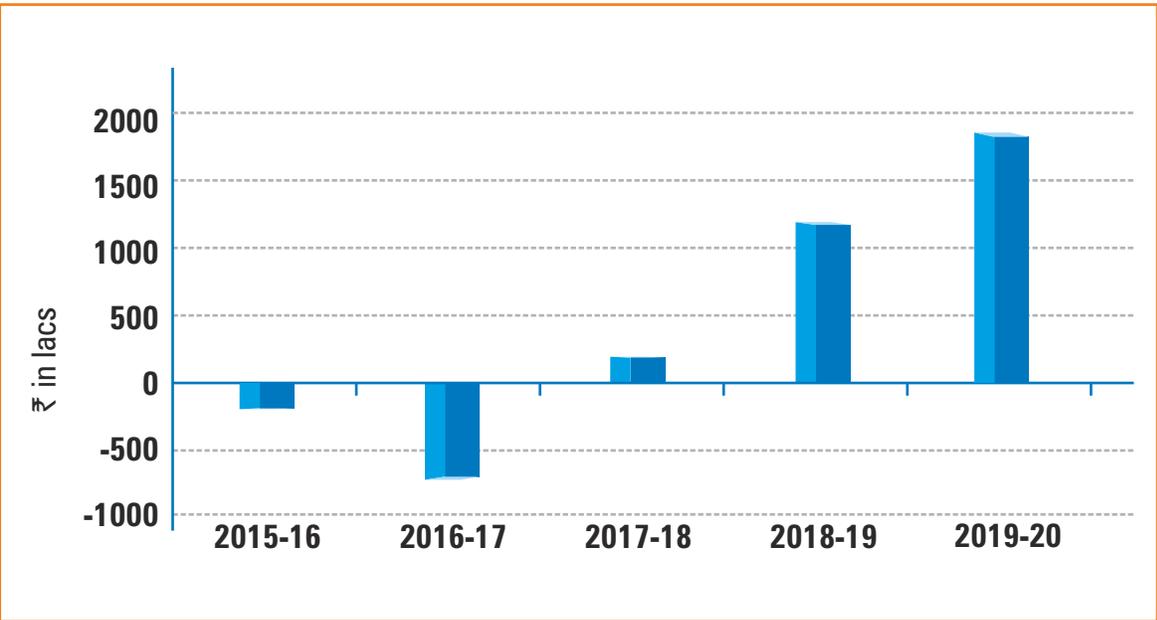
Registrar And Transfer Agent

M/s Adroit Corporate Services Private Limited
19-20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai 400059.

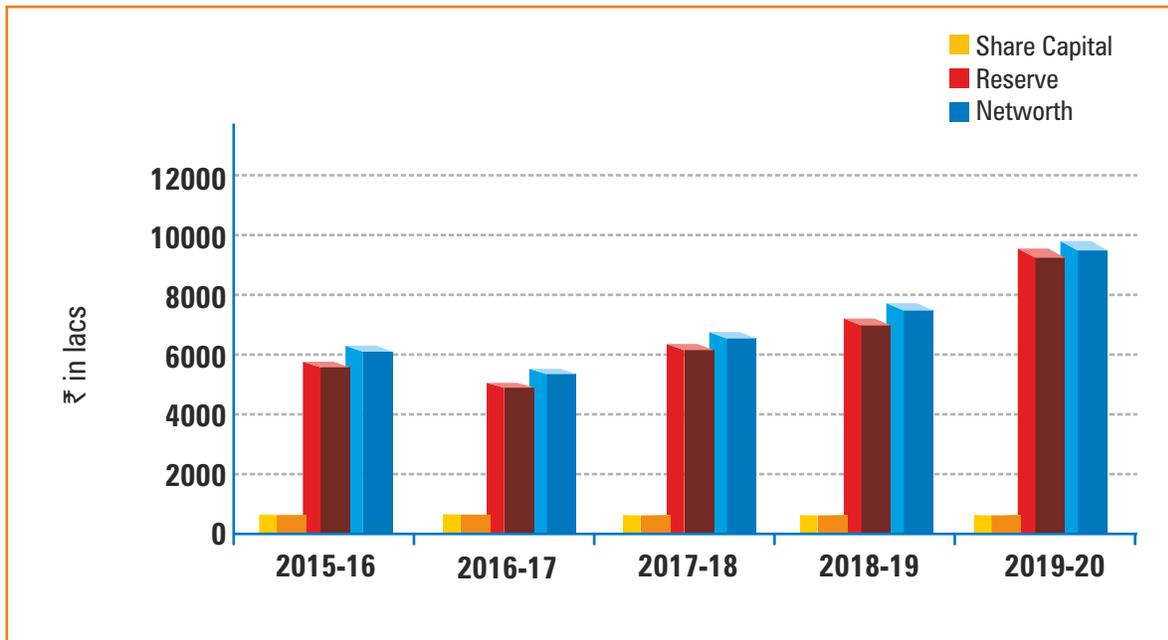
SALES



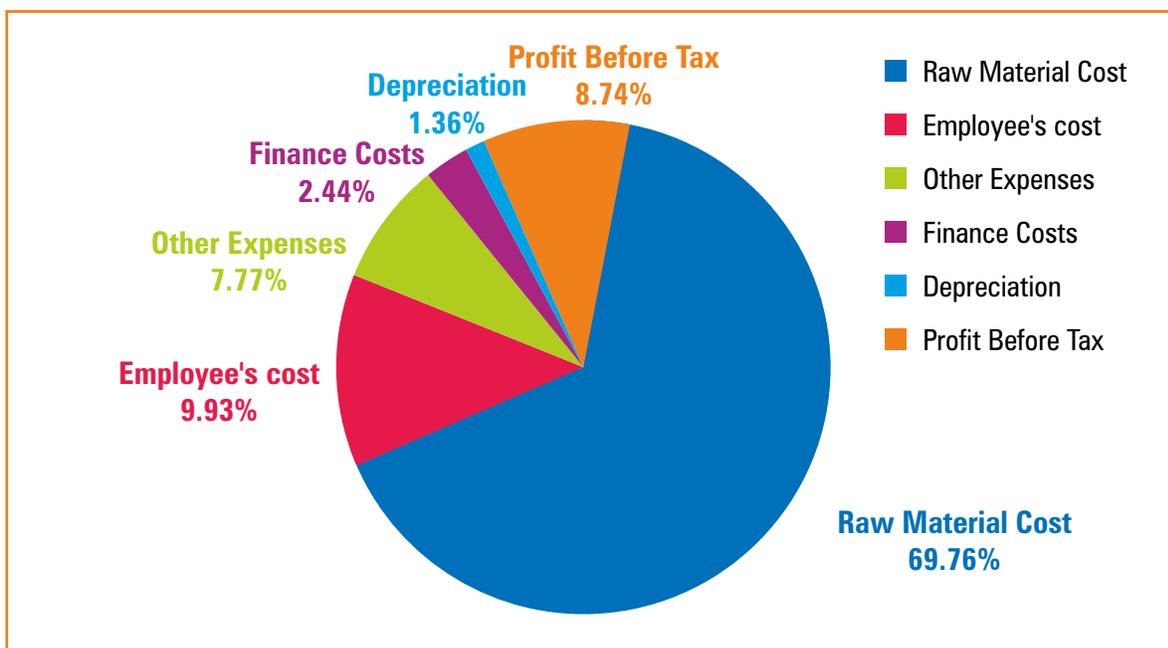
NET PROFIT AFTER TAX



NET WORTH



PERCENTAGE OF RUPEE SPENT DURING 2019 - 2020





HIGHLIGHTS

		2019-20	2018-19	2017-18	2016-17	2015-16	
INCOME :							
1	Net Operational Income	(₹ in lacs)	29962.05	25514.29	12,569.20	11,148.49	9,393.59
2	Profit before Finance Cost, Depreciation & Tax	(₹ in lacs)	3762.96	2591.96	962.23	517.34	266.63
3	Finance Cost	(₹ in lacs)	731.63	700.24	529.74	516.14	327.47
4	Depreciation	(₹ in lacs)	407.26	271.86	230.73	199.75	157.53
5	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lacs)	2624.07	1619.86	201.76	(198.55)	(218.37)
6	Exceptional Items	(₹ in lacs)	-	45.05	-	(779.33)	-
7	Profit after Tax	(₹ in lacs)	1847.91	1179.08	131.45	(712.20)	(150.98)
EQUITY SHARE DATA :							
8	Sales & other Income per equity Share	(₹)	181	154	76	74	63
9	Earnings per equity share	(₹)	11.16	7.12	0.79	(4.63)	(1.00)
10	Book value of equity share	(₹)	57.74	47.17	40.02	35.33	41.07
11	Networth	(₹ in lacs)	9563.82	7813.53	6628.85	5,320.68	6,183.79
12	Market Price :						
	a) High	(₹)	269.95	165.00	164.00	114.30	100.00
	b) Low	(₹)	89.00	95.90	75.19	61.00	52.55
13	Dividend	(%)	40	20	-	-	-
RATIO :							
14	PBT / Net Operational Income	(%)	8.76	6.35	1.61	(1.78)	(2.32)
15	Profit after Tax / Networth	(%)	19.32	15.09	1.98	(13.39)	(2.44)
16	Total Liabilities / Total Assets	Times	0.61	0.58	0.57	0.53	0.50
17	Total Debt / Equity	Times	0.94	0.81	0.77	0.77	0.51
18	Total Outside Liability / Total network	Times	1.54	1.32	1.26	1.08	0.97
19	Current Ratio	Times	1.38	1.49	1.39	1.40	1.69
20	PBDIT / Finance Costs	Times	5.14	3.70	1.82	1.00	0.81



CHAIRMAN'S STATEMENT

Dear Shareholders,

I'm pleased to inform you that your company has achieved a 20% growth in terms of top line during the last financial year.

This gives us immense confidence in our R&D roadmap which includes new products being developed and already developed products being commercialised. With new projects and opportunities coming our way in the Railways we continue to be heavily invested in technology that is both created and manufactured in India.

Like the rest of the world, we too, have been negatively affected by the pandemic, which has resulted in a slow first quarter, however we have survived the quarantine period and we are confident to recover from here onwards.

On behalf of the entire Management Team, I would like to thank you for your continued belief and trust in Hind Rectifiers Ltd.

Best Wishes.

S. K. Nevatia
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors present the 62nd Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

(₹ In lacs)

FINANCIAL RESULTS	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operation	29962.05	25514.29
Other Income	48.16	61.55
Total Revenue	30010.21	25575.84
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	3762.96	2591.96
Less: Finance Cost	731.63	700.24
Profit/Loss before Depreciation and Tax	3031.63	1891.72
Less : Depreciation	407.26	271.86
Profit/(Loss) before Exceptional Item	2624.07	1619.86
Exceptional item	-	45.05
Profit/(Loss) before Tax	2624.07	1664.91
Less : Provision for Taxation - Current	634.45	-
Deferred	141.71	485.83
Profit/(Loss) after taxes	1847.91	1179.08
Other Comprehensive Income (Net of Tax)	(17.76)	5.60
Total Comprehensive Income for the year	1830.15	1184.68

OPERATIONS

Turnover of the Company during the year 2019-20 was ₹ 29962.05 lacs as compared to ₹ 25514.29 lacs in the year 2018-19. Profit before interest, depreciation and tax was ₹ 3762.96 lacs compared to ₹ 2591.96 lacs.

The Company continues to focus on 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.

On account of the spread of COVID 19 virus, the Central / State Government had imposed a Lockdown in the month of March, 2020 leading to shut down of the Company's manufacturing facilities and operations. The Company has resumed its operations in a phased manner as per directives from the Government and at present, Nashik and Dehradun plants are working with full capacity, however, Mumbai plant is working with limited operations. The Company has evaluated impact of this pandemic on its business operations and based on its review of current indicators of future economic conditions, there is no significant impact on its financial results as at 31st March 2020 however the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company believes that the pandemic is not likely to impact the recover ability of the carrying value of its assets. The Company will continue to monitor any material changes to future economic conditions.

Demand from Railways continues to be good and the Company has healthy order bookings for the financial year 2020-21.



Keeping in mind the future growth, the Company has accepted the offer made by MIDC, Nashik for allotment of land admeasuring to 26930 Sq Mtrs on lease at MIDC Sinner and is in the process for signing the final lease agreement.

COVID-19

In the last month of Financial Year 2019-20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. In view of the announcement made by State/Central Government from time to time operations of the Mumbai plant was suspended w.e.f. 19th March, 2020 and operation at Nashik & Dehradun Plants was suspended w.e.f. 23rd March, 2020.

Further, considering the relaxation given by the Government, operations at Nashik Plant was started w.e.f. 27th April, 2020 and of Dehradun plant w.e.f. 6th May, 2020. Initially, both the plants were working with the capacity of 20% to 25%. Dehradun and Nashik Plants were fully operative from the 25th May, 2020 and 9th June, 2020 respectively. The Company is considering various possibilities for utilization of better capacity at Nashik as well Dehradun plants. Operations at Mumbai plant was started with the capacity of 10% with effect from 8th June, 2020.

In view of lockdown declared by Government, many of the employees are working from home only and ensures that required operations are not affected adversely.

Due to the suspension of the operations in all the plants, performance of the first quarter may affect adversely but the Company is of the view that it will be able to recover the same in balance three quarters, if lockdown is not further extended.

Demand for the Company's product is expected to be stable and there is no non fulfillment of any commitment by any of the party which will have a significant impact on the performance of the Company.

DIVIDEND AND RESERVES

The Board of Directors of your Company are pleased to recommend a dividend of ₹ 0.80 (subject to deduction of tax) per equity share of the face value of ₹ 2/- each (@ 40 %), payable to those shareholders whose names appear in the Register of Members as on the Book Closures. Further, ₹ 300.00 lacs have been transferred to the General Reserve.

The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 132.51 lacs.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31st March, 2020 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 judgements 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, 2020. 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, 2020 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, 2020.

EMPLOYEES' STOCK OPTION SCHEMES

The Company's Employees Stock Option Scheme viz. 'HIRECT Employees Stock Option Plan - 2018' was passed in the 60th Annual General Meeting for 250000 equity shares options. 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 Company has not yet approached the Stock Exchanges to obtain the scheme approval. Further, the Company has not made any grant under the scheme during the financial year 2018-19 and 2019-20. There is no change in the scheme. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulation, 2014 and Shareholders resolution passed in the 60th Annual General Meeting. The details under the SEBI (Share Based Employee Benefits) Regulation, 2014 are available on the Company's website at www.hirect.com.

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DEPOSITS

The Company has not accepted any deposits from public or shareholders and as such, no amount on account of principal or interest on deposits from public or shareholder was outstanding as on the date of the balance sheet. Although the Company had passed relevant resolution in 59th Annual General Meeting to invite deposit from shareholders but it has not started yet.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pawan Golyan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have 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. Pawan Golyan has been given in the Notice convening the Annual General Meeting.

The members of the Company at its 60th Annual General Meeting held on 13th August, 2018 have approved the re-appointment of Mr. Sushil Kumar Nevatia as Chairman and Managing Director of the Company, w.e.f. 1st April, 2019 for a term of three years by way of passing special resolutions.

Further, the term of Mrs. Akshada Nevatia as Executive Director was expired on 14th January, 2020. The members of the Company at its 61st Annual General Meeting held on 8th August, 2019 have approved the re-appointment of Mrs. Akshada Nevatia as Executive Directors of the Company w.e.f. 15th January, 2020 for a further period of 3 (three) consecutive years.

The members of the Company at its 60th Annual General Meeting held on 13th August, 2018 have approved the re-appointment of Mr. V. K. Bhartia, Mr. Pradeep Goyal and Mr. B. K. Patodia as Independent Directors of the Company, w.e.f. 14th August, 2019 for a second term of 5 (five) consecutive years.

The Company is falling in top 1000 Companies on the basis of market capitalization list of National Stock Exchange of India Limited as on 31st March, 2020. According to the Regulation 17(1)(a) of Listing Regulations, the Company is required to appoint a Woman Independent Director on the Board. The Board has appointed Mrs. Ashlesha Bodas as Additional Director w.e.f. 26th June, 2020. Further, the Board has appointed her as Independent Director w.e.f. 26th June, 2020 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 ensuing Annual General Meeting of the Company.

The Board has appointed Mr. Suramya Nevatia, Chief Executive Officer (KMP) as Additional Director w.e.f. 17th August, 2020 Further, the Board has appointed him as 'Joint Managing Director and Chief Executive Officer (KMP)' w.e.f. 17th August, 2020 for three 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 ensuing Annual General Meeting of the Company.

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 the Listing Regulations. 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 exist 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 the Listing Regulations. 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. S.K. Nevatia, Chairman and Managing Director, Mr. Suramya Nevatia, Chief Executive Officer, Mr. A.K. Nemani, Chief Financial Officer and Ms. Meenakshi Anchlita, Whole Time Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

BOARD MEETINGS

Four 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, which forms part of this 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, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- 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 at the end of the financial year and of the profit and loss 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;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the chairperson, 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 by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

Hind Rectifiers Limited

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

The performance of individual directors is evaluated on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Board of Directors expressed their satisfaction with the evaluation process. The evaluation process *inter alia* considers attendance of Directors at Board and Committee meetings, acquaintance with business, communicating inter se Board members, effective participation, domain knowledge, compliance with code of conduct, vision, etc. 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.

The Independent Directors met separately on 8th August, 2019 and 6th February, 2020 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 2019-20, the Company has not given any loans, guarantees, made investments and provided securities as per the provisions of Section 186 of the Companies Act, 2013. The members in its 61st Annual General Meeting have passed the special resolution as per the provisions of Section 185 of the Companies Act, 2013 to give Guarantee to Force Motion Technology LLP up to ₹ 2.00 crore.

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 transaction is annexed as Annexure E and forms an integral part of this report. All related party transactions are mentioned in the Notes to the financial statements.

All Related Party Transactions are placed before the Audit Committee. Omnibus approval has obtained for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee for review and approval on a quarterly basis.

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. The said policy has been amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM /WHISTLEBLOWER POLICY

The Company is committed to adhere 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 behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy was revised and amended in-line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 enabling employees to report instances of leak of or suspected leak of Unpublished Price Sensitive Information (UPS).



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.

BOARD DIVERSITY

Board diversity is the breadth of prospective, not the mere of various diverse traits that will benefit the organization. The Company believes that 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 balance 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.

NOMINATION AND REMUNERATION POLICY

The Company has 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. 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

As per the Companies Act, 2013, all Companies having net worth of ₹ 500 crores or more, or turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crore or more during preceding financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, at least one of whom should be an Independent Director and such Company shall spend at least 2% of the average net profit of the Company's three immediately preceding financial year.

In this connection, we wish to inform you that as on last audited balance sheet dated 31st March, 2019 neither the net worth exceeds ₹ 500 crores nor turnover exceeds ₹ 1000 crores nor net profit exceeding ₹ 5 crores. Hence, provisions of the Companies Act 2013 regarding CSR would not be applicable. Thus, report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required.

The Board had constituted CSR Committee comprises Mr. V.K. Bhartia (Chairman), Mr. S. K. Nevatia and Mrs. Akshada Nevatia (members). The Corporate Social Responsibility Policy is available on the website of the Company viz. www.hirect.com.

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

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY REPORT

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis are attached, which forms part of this report.

The Securities and Exchange Board of India under Regulation 34(2)(f) of Listing Regulations, 2015, requires companies to prepare and present a Business Responsibility Report to its stakeholders in the prescribed format. As on March 31, 2020, Hind Rectifiers Limited is mentioned on the 917th position at NSE and on the 1007th position at BSE on the basis of capitalization.

The Business Responsibility Report is attached, which forms part of this report.

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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 5 (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 5 (five) consecutive years, at the Annual General Meeting held on 13th August, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Auditors.

The requirement for the annual ratification of Auditors appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May, 2018. Accordingly, no resolution is being proposed for ratification of the appointment of statutory auditors at the ensuing Annual General Meeting.

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 Institute of Chartered Accountants of India.

The observations of the auditors contained in their Report are self explanatory and therefore, do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

COST AUDITOR

As per the requirement of 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 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 2020-21. 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 remuneration of Cost Auditor has been approved by the Board of Directors on 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 62nd 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 had received their written consent that the appointment will be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Secretarial Audit Report is annexed as Annexure B (i) and forms an integral part of this report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark or disclaimer.

In addition to Secretarial Audit Report, the SEBI has introduced Annual Secretarial Compliance Report for listed Companies. The said report is issued by the M/s GMJ & Associates, a firm of Company Secretaries in Practice. The Annual Secretarial Compliance Report is annexed as Annexure B (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.

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 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 financial year 2019-20.

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 development and implementation of risk management policy has 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 C and forms an integral part of this Annual Report.

The statement containing names of top ten employees in terms of remuneration 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 Mr. S.K. Nevatia, Mr. Saurabh Nevatia, Mrs. Akshada Nevatia and Mr. Suramya Nevatia. Only Mr. S. K. Nevatia was in receipt of remuneration in excess of one crore and two lacs rupees.

Hind Rectifiers Limited

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 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 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 woman 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 off during the year - NIL
- (d) Number of cases pending at the end of the year - NIL

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 date of this report. There has been no change in the nature of business of the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is annexed as Annexure A which forms an integral part of this Report and is also available on the Company's website viz. 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 ₹ 3,66,432. Further, 17048 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.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

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 D 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 conduct of operations in such a manner so as to ensure safety of all concerned and compliances of environmental regulations.

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

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For and on behalf of the Board of Directors

Place : Mumbai

Date : 17th August, 2020

S. K. Nevatia

Chairman and Managing Director

**ANNEXURE "A" TO THE DIRECTORS' REPORT****FORM MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

- i) CIN L28900MH1958PLC011077
- ii) Registration Date 25.04.1958
- iii) Name of the Company HIND RECTIFIERS LIMITED
- iv) Category/Sub-Category of the Company Company limited by shares/ Indian Non-Government Company
- v) Address of the Registered office and contact details
Lake Road, Bhandup (West), Mumbai-400078 Maharashtra
Tel: +91 22 25696789
Fax: +91 22 25964114
Email: investors@hirect.com
Website: www.hirect.com
- vi) Whether Listed Company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
Adroit Corporate Services Private Limited
19-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (East), Mumbai 400059 Maharashtra
Tel: +91 22 42270400
Fax: +91 22 28503748
Email: info@adroitcorporate.com
Website: www.adroitcorporate.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main product / service	NIC Code of the product / service	% to total turnover of the Company
1	Manufacture of other electrical equipment	2790	43.26
2	Manufacture of electrical motors, generators, transformers, and electricity distribution and control apparatus	2710	46.55

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
NA					

IV SHARE HOLDING PATTERN (Equity Share capital breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A) *Promoter and Promoter Group										
A1 Indian										
(a)	Individuals /HUF	6990624	0	6990624	42.20	6990624	0	6990624	42.20	0.00
(b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total A1	6990624	0	6990624	42.20	6990624	0	6990624	42.20	0.00
A2 Foreign										
(a)	Individuals (NRI/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	00.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	00.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	00.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	00.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	00.00
	Sub Total A2	0	0	0	0.00	0	0	0	0.00	00.00
	Total shareholding of Promoter and Promoter Group (A)=A1 + A2	6990624	0	6990624	42.20	6990624	0	6990624	42.20	0.00
(B) Public Shareholding										
B1 Institutions										
(a)	Mutual Funds/UTI	0	750	750	0.00	0	750	750	0.00	0.00
(b)	Banks/Financial Institutions	750	1500	2250	0.01	52656	1500	54156	0.33	0.31
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00



Hind Rectifiers Limited

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March, 2020)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(h)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B1	750	2250	3000	0.02	52656	2250	54906	0.33	0.31
	B2 Non-Institutions									
(a)	Bodies Corporate									
i	Indian	405306	0	405306	2.45	375151	10000	385151	2.33	(0.12)
ii	Overseas	0	2400000	2400000	14.49	0	2400000	2400000	14.49	0.00
(b)	Individuals									
i	Individuals-Hold nominal share capital upto ₹ 1 lakh	3700856	354749	4055605	24.48	4024523	302294	4326817	26.12	1.64
ii	Individuals-Hold nominal share capital in excess of ₹ 1 lakh	2020249	300000	2320249	14.01	1679930	300000	1979930	11.95	(2.05)
(c)	Any Other (specify)									
i	Non Resident Indians (Individuals)	130299	1500	131799	0.80	149271	1500	150771	0.91	0.11
ii	Clearing Member	13397	0	13397	0.08	19770	0	19770	0.12	0.04
iii	Investor Education and Protection Fund	167068	0	167068	1.01	184116	0	184116	1.11	0.10
iv	Director(s)	1980	0	1980	0.01	50655	0	50655	0.31	0.29
v	Director(s) Relatives	74695	0	74695	0.45	17820	0	17820	0.11	(0.34)
vi	Trusts	0	0	0	0.00	3163	0	3163	0.02	0.02
	Sub-Total B2	6513850	3056249	9570099	57.78	6504399	3013794	9518193	57.46	(0.31)
	Total Public Shareholding (B)= B1 +B2	6514600	3058499	9573099	57.80	6557055	3016044	9573099	57.80	0.00
	Total(A) + (B)	13505224	3058499	16563723	100.00	13547679	3016044	16563723	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	13505224	3058499	16563723	100.00	13547679	3016044	16563723	100.00	0.00

*Mr. Suramya Saurabh Nevatia, Promoter informed that he bought 232 and 8000 Equity shares on 27.03.2020 and 30.03.2020 respectively. These 8232 equity shares of Mr. Suramya Saurabh Nevatia were not reflected in the promoter's category of shareholding pattern dated 31st March, 2020.

(ii) Shareholding of Promoters (Including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
1	Sushil Kumar Nevatia HUF	0	0	0.00	0	0	0.00	0.00
2	Bharti Nevatia	271100	1.64	0.00	271100	1.64	0.00	0.00
3	*Suramya Saurabh Nevatia	2016536	12.17	0.00	2016536	12.17	0.00	0.00
4	Surabhi Golyan	250000	1.51	0.00	250000	1.51	0.00	0.00
5	Saurabh Nevatia HUF	11500	0.07	0.00	11500	0.07	0.00	0.00
6	Suryansh Saurabh Nevatia	472000	2.85	0.00	472000	2.85	0.00	0.00
7	Shriya Nevatia	355200	2.14	0.00	355200	2.14	0.00	0.00
8	Saurabh Nevatia	3449938	20.83	0.00	3449938	20.83	0.00	0.00
9	Sushil Kumar Nevatia	158500	0.96	0.00	158500	0.96	0.00	0.00
10	Akshada Nevatia	5850	0.04	0.00	5850	0.04	0.00	0.00
11	**Adiv Nevatia	-	-	-	0	0.00	0.00	0.00
	Total	6990624	42.20	0.00	6990624	42.20	0.00	0.00

*Mr. Suramya Saurabh Nevatia, Promoter informed that he bought 232 and 8000 Equity shares on 27.03.2020 and 30.03.2020 respectively. These 8232 equity shares of Mr. Suramya Saurabh Nevatia were not reflected in the promoter's category of shareholding pattern dated 31st March, 2020.

**Master Adiv Nevatia born on 5.01.2020 and declared as promoter Group entity as per applicable regulations.

(iii) Change in promoters' (Including Promoter Group) shareholding (please specify, if there is no change)

Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	Sushil Kumar Nevatia	01/04/2019	158500	0.96	158500	0.96
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2020	158500	0.96	158500	0.96
2	At the beginning of the year	Saurabh Nevatia	01/04/2019	3449938	20.83	3449938	20.83
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2020	3449938	20.83	3449938	20.83
3	At the beginning of the year	Saurabh Nevatia HUF	01/04/2019	11500	0.07	11500	0.07
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2020	11500	0.07	11500	0.07



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Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	At the beginning of the year	Sushil Kumar	01/04/2019	0	0.00	0	0.00
	Date wise increase/ decrease in Promoter Shareholding during the year	Nevatia HUF		Nil movement during the year.			
	At the end of the year		31/03/2020	0	0.00	0	0.00
5	At the beginning of the year	Bharti Nevatia	01/04/2019	271100	1.64	271100	1.64
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2020	271100	1.64	271100	1.64
6	At the beginning of the year	Suryansh	01/04/2019	472000	2.85	472000	2.85
	Date wise increase/ decrease in Promoter Shareholding during the year	Saurabh Nevatia		Nil movement during the year.			
	At the end of the year		31/03/2020	472000	2.85	472000	2.85
7	At the beginning of the year	Shriya Nevatia	01/04/2019	355200	2.14	355200	2.14
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2020	355200	2.14	355200	2.14
8	At the beginning of the year	*Suramya	01/04/2019	2016536	12.17	2016536	12.17
	Date wise increase/ decrease in Promoter Shareholding during the year	Saurabh Nevatia		Nil movement during the year.			
	At the end of the year		31/03/2020	2016536	12.17	2016536	12.17
9	At the beginning of the year	Surabhi Golyan	01/04/2019	250000	1.51	250000	1.51
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2020	250000	1.51	250000	1.51
10	At the beginning of the year	Akshada	01/04/2019	5850	0.04	5850	0.04
	Date wise increase/ decrease in Promoter Shareholding during the year	Suramya Nevatia		Nil movement during the year.			
	At the end of the year		31/03/2020	5850	0.04	5850	0.04
11	At the beginning of the year	**Adiv Nevatia	01/04/2019	-	-	-	-
	Date wise increase/ decrease in Promoter Shareholding during the year			Not Applicable			
	At the end of the year		31/03/2020	0	0.00	0	0.00

*Mr. Suramya Saurabh Nevatia, Promoter informed that he bought 232 and 8000 Equity shares on 27.03.2020 and 30.03.2020 respectively. These 8232 equity shares of Mr. Suramya Saurabh Nevatia were not reflected in the promoter's category of shareholding pattern dated 31st March, 2020.

**Master Adiv Nevatia born on 5.01.2020 and declared as promoter Group entity as per applicable regulations.

(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Name of the Shareholder	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	BTR Industries Limited	01/04/2019	2400000	14.49	2400000	14.49
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2020	2400000	14.49	2400000	14.49
2	At the beginning of the year	Rahul Kumar Bajaj	01/04/2019	392700	2.37	392700	2.37
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2020	392700	2.37	392700	2.37
3	At the beginning of the year	Niraj Bajaj (Trustee)	01/04/2019	300000	1.81	300000	1.81
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2020	300000	1.81	300000	1.81
4	At the beginning of the year	Veena K Jagwani	01/04/2019	281717	1.70	281717	1.70
	Date wise increase/ decrease in Shareholding during the year		18/10/2019	(5000)	(0.03)	276717	1.67
			01/11/2019	100	0.00	276817	1.67
			08/11/2019	(13137)	(0.08)	263680	1.59
			15/11/2019	(8000)	(0.05)	255680	1.54
			22/11/2019	(7204)	(0.04)	248476	1.50
			13/12/2019	5532	0.03	254008	1.53
			20/12/2019	(1263)	(0.01)	252745	1.53
			03/01/2020	(4269)	(0.03)	248476	1.50
			10/01/2020	(8276)	(0.05)	240200	1.45
			14/02/2020	2000	0.01	242200	1.46
	27/03/2020		1000	0.01	243200	1.47	
At the end of the year	31/03/2020	243200	1.47	243200	1.47		
5	At the beginning of the year	Shri Niraj Bajaj	01/04/2019	179553	1.08	179553	1.08
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2020	179553	1.08	179553	1.08
6	At the beginning of the year	Madhur Bajaj	01/04/2019	179553	1.08	179553	1.08
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2020	179553	1.08	179553	1.08



Hind Rectifiers Limited

Sr. No.	For Each of the Top 10 Shareholders	Name of the Shareholder	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	At the beginning of the year	Kiran Bajaj	01/04/2019	168300	1.02	168300	1.02
	Date wise increase/ decrease in Shareholding during the year		07/02/2020	(168300)	(1.02)	0	0.00
			27/03/2020	157437	0.95	157437	0.95
	At the end of the year		31/03/2020	157437	0.95	157437	0.95
8	At the beginning of the year	Contemporary Industries Limited	01/04/2019	164140	0.99	164140	0.99
	Date wise increase/ decrease in Shareholding during the year		05/04/2019	(2566)	(0.02)	161574	0.98
			12/04/2019	(2500)	(0.02)	159074	0.96
			26/04/2019	(2000)	(0.01)	157074	0.95
			07/02/2020	(2113)	(0.01)	154961	0.94
			21/02/2020	1000	0.01	155961	0.94
	At the end of the year		31/03/2020	155961	0.94	155961	0.94
9	At the beginning of the year	Bhavna Govindbhai Desai	01/04/2019	132500	0.80	132500	0.80
	Date wise increase/ decrease in Shareholding during the year		30/09/2019	(906)	(0.01)	131594	0.79
			04/10/2019	(18660)	(0.11)	112934	0.68
			11/10/2019	(4564)	(0.03)	108370	0.65
			25/10/2019	(1378)	(0.01)	106992	0.65
			01/11/2019	(5498)	(0.03)	101494	0.61
			08/11/2019	(11494)	(0.07)	90000	0.54
			15/11/2019	(27100)	(0.16)	62900	0.38
	At the end of the year		31/03/2020	62900	0.38	62900	0.38
10	At the beginning of the year	Nitin Saxena	01/04/2019	0	0.00	0	0.00
	Date wise increase/ decrease in Shareholding during the year		17/01/2020	15998	0.10	15998	0.10
			24/01/2020	9002	0.05	25000	0.15
			31/01/2020	6000	0.04	31000	0.19
			07/02/2020	5099	0.03	36099	0.22
			14/02/2020	5365	0.03	41464	0.25
			21/02/2020	14725	0.09	56189	0.34
			28/02/2020	10150	0.06	66339	0.40
			06/03/2020	12661	0.08	79000	0.48
	At the end of the year		31/03/2020	80537	0.49	80537	0.49
11	At the beginning of the year	Shekhar Bajaj	01/04/2019	112200	0.68	112200	0.68
	Date wise increase/ decrease in Shareholding during the year		24/01/2020	(110000)	(0.66)	2200	0.01
	At the end of the year		31/03/2020	2200	0.01	2200	0.01



(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of Directors and Key Managerial Personnel	No. of Shares held At the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	S. K. Nevatia, Chairman and Managing Director (KMP)				
	At the beginning of the year	158500	0.96	158500	0.96
	Purchase				
	Sale				
	At the end of the year	158500	0.96	158500	0.96
2	*Suramya Nevatia, Chief Executive Officer (KMP)				
	At the beginning of the year	2016536	12.17	2016536	12.17
	Purchase				
	Sale				
	At the end of the year	2016536	12.17	2016536	12.17
3	Vandan Shah, Non-Executive Director				
	At the beginning of the year	1980	0.01	1980	0.01
	**Purchase	48675	0.29	50655	0.31
	Sale				
	At the end of the year	50655	0.31	50655	0.31
4	Akshada Nevatia, Executive Director				
	At the beginning of the year	5850	0.04	5850	0.04
	Purchase				
	Sale				
	At the end of the year	5850	0.04	5850	0.04

*Mr. Suramya Saurabh Nevatia, Promoter informed that he bought 232 and 8000 Equity shares on 27.03.2020 and 30.03.2020 respectively. These 8232 equity shares of Mr. Suramya Saurabh Nevatia were not reflected in the promoter's category of shareholding pattern dated 31st March, 2020.

**Off market transaction by way of gift

Note: 1) The Shareholding of other Directors is Nil.

2) Mr. A. K. Nemani, Chief Financial Officer and Ms. Meenakshi Anchlia, Company Secretary do not hold any share in the Company.



Hind Rectifiers Limited

INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment (₹ In lacs)

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	6388.50	-	-	6388.50
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	1.62	-	-	1.62
	Total (i+ii+iii)	6390.12	-	-	6390.12
2	Changes in indebtedness during the financial year				
	Addition	3066.53	-	-	3066.53
	Reduction	(452.12)	-	-	(452.12)
	Net Change	2614.41	-	-	2614.41
3	Indebtedness at the end of the financial year				
	i) Principal Amount	8993.17	-	-	8993.17
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	11.36	-	-	11.36
	Total (i+ii+iii)	9004.53	-	-	9004.53

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director /Whole Time Director/ Manager

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		Mr. S. K.Nevatia Chairman and Managing Director	Mrs. Akshada Nevatia Executive Director	Total Amount
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	145.50	43.89	189.39
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.98	0.40	1.38
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	6.90	15.76	22.66
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	Others – Provident Fund and Superannuation	2.88	2.16	5.04
	Total	156.26	62.21	218.47
	Ceiling as per Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			315.15



B. Remuneration to other Directors

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	V. K. Bhartia	Binod Kumar Patodia	Pradeep Goyal	Parimal Merchant	
	Fees for attending Board / Committee meetings	2.47	0.88	1.72	1.50	6.57
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2.47	0.88	1.72	1.50	6.57
2	Other Non-Executive Directors	Pawan Kumar Golyan	Vandan Shah			
	Fees for attending Board/ Committee meetings	0.33	0.58			0.91
	Commission	-	-			-
	Others, please specify	-	-			-
	Total (2)	0.33	0.58			0.91
	Total Managerial Remuneration (1+2)					7.48

C Remuneration to Key Managerial Personnel other than MD / Manager / WTD / Directors

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Suramya Nevatia Chief Executive Officer	Meenakshi Anchia Company Secretary	A.K. Nemani Chief Financial Officer	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	57.20	9.45	29.13	95.78
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	-	0.32	0.72
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profits	13.17	-	-	13.17
	- others, specify	-	-	-	-
5	Others – Provident Fund and Superannuation	2.88	0.14	2.49	5.51
	TOTAL	73.65	9.59	31.94	115.18

**Hind Rectifiers Limited****VII PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020**S. K. Nevatia**
Chairman and Managing Director



ANNEXURE "B (i)" TO THE DIRECTORS' REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(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, 2020, 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, 2020 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") including The Companies (Amendment) Act, 2019, The Companies (Amendment) Ordinance, 2019 and the rules made thereunder;
- 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) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit]
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit]
 - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit]
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the period of audit]

**Hind Rectifiers Limited**

- vi. We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards I and II issued by The Institute of Company Secretaries of India.
 - The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India 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 during the conduct of the audit, in our opinion, adequate systems exist in the Company to monitor and ensure compliance with general laws.

We 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:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- 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.
- 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, the following specific events have occurred in the Company:

- The Company has filed a Compounding Application before The Reserve Bank of India dated March 15, 2019 for inadvertent delay in filing of Form FCGPR with reference to Equity Shares Issued to Non-Resident Individuals during the financial year 2017-18. Thereafter, the Company has withdrawn the Compounding Application. The Reserve Bank of India at the personal hearing held on May 24, 2019 directed the Company to pay Late Submission Fees (LSF) of ₹ 1,261/- and the same was paid on May 27, 2019.
- The Company has filed the Compounding Application before The Reserve Bank of India dated October 7, 2019 for inadvertent delay in filing of Form FCGPR with reference to Equity Shares Issued to Non-Resident Individuals during the financial year 2008-09. Thereafter, the Company has withdrawn the Compounding Application. The Reserve Bank of India at the personal hearing held on January 06, 2020 directed the Company to pay Late Submission Fees (LSF) of ₹ 10,625/- and the same was paid on January 10, 2020.

**For, GMJ & ASSOCIATES
Company Secretaries**

[MAHESH SONI]

PARTNER

FCS: 3706 COP: 2324

UDIN: F003706B000387837

Place : Mumbai
Date : 26th June, 2020

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. Due to the outbreak of COVID -19 pandemic and the current lockdown, physical examination of documents under Companies Act, 2013, SEBI Act and Other Laws is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For, **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]

PARTNER

FCS: 3706 COP: 2324

UDIN: F003706B000387837

Place : Mumbai
Date : 26th June, 2020

ANNEXURE "B (ii)" TO THE DIRECTORS' REPORT

SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(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, 2020 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 March 31, 2020 ("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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The provisions of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
 - f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the review period)
 - g) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the review period)
 - h) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the review period)
 - i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the review period)
 - j) 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
None			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far 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 outbreak of COVID -19 pandemic and the current lockdown, physical examination of documents under SEBI Act and regulation is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For, **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
PARTNER

Place : Mumbai
Date : 26th June, 2020

FCS: 3706 COP: 2324
UDIN : F003706B000387861

ANNEXURE "C" 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 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

(₹ In lacs)

Sr No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2019-20	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director, CEO, CFO & CS to median remuneration of employees
1	S. K. Nevatia Chairman and Managing Director (KMP)	157.57	8.61	31.39
2	Akshada Nevatia Executive Director	62.46	114.34	12.44
3	Pawan Golyan Non-Executive Director	0.33	-	-
4	Vijay Kumar Bhartia Non-Executive and Independent Director	2.47	279.23	0.49
5	Binod Kumar Patodia Non-Executive and Independent Director	0.88	1650.00	0.17
6	Pradeep Goyal Non-Executive and Independent Director	1.72	308.33	0.34
7	Parimal Merchant Non-Executive and Independent Director	1.50	212.50	0.30
8	Vandan Shah Non-Executive Director	0.58	91.67	0.11
9	Suramya Nevatia Chief Executive Officer (KMP)	72.65	*	*
10	Anil Kumar Nemani Chief Financial Officer (KMP)	31.94	13.30	6.36
11	Meenakshi Anchlia Company Secretary (KMP)	9.59	14.17	1.91

* Details are not given as he was not appointed as KMP throughout in the financial year 2018-19.

- (2) The median remuneration of employees (excluding managerial personnel) of the Company during the financial year was ₹ 5.02 lacs.
- (3) In the financial year, there was decrease of 0.80% in the median remuneration of employees other than the managerial personnel.
- (4) There were 340 permanent employees (excluding workers) on the rolls of the Company as on 31st March, 2020.
- (5) Average percentage decrease in the salaries of employees (excluding managerial personnel) in the last financial year i.e.



2020 was 0.80%. Lower decrease in median remuneration was due to employing of some employees at lower remuneration.

- (6) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020

S. K. Nevatia
Chairman and Managing Director

ANNEXURE "D" TO THE DIRECTORS' REPORT

Information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2020.

I CONSERVATION OF ENERGY

Regular audit is being conducted to identify area of energy wastage
Power factor has been maintained at optimum level to minimise losses.

II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

(i) Efforts in brief made towards technology absorption

- Successful development and commercialization of Battery Charger with innovative technology.
- Successful development of Switch Board Panel for Head on Generation compliant (HOG) for LSLRD coaches for Power car for Indian Railways.
- Successful development of Auxiliary Converter for replacement of existing Conventional converter with 100% redundancy.
- Successful development and approval of under-slung Transformer for LINKE-HOFMANN-BUSCH (LHB) coaches in Indian Railways.
- Successful development of Control cards and Software with in-house design technology for Converters for passenger Locomotives in Indian Railways.
- Successful development of simulator for high power IGBT'S
- Successful commercialization of 3 Phase ESP upgraded controller with innovative technology for pollution control application.

ii) Benefits derived as a result of the above efforts

- Expanding product segment with LINKE-HOFMANN-BUSCH (LHB) coaches to increase revenue in 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 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 technology has been fully absorbed - Partially absorbed
- If not fully absorbed, areas where absorption has not taken place, and reasons there of - Control electronics and SW development is pending from collaborators side.

iv) Expenditure incurred on Research and development

(₹ In lacs)

Particulars	2019-20	2018-19
Capital	319.45	314.25
Recurring	210.25	188.79
Total	529.70	503.04
Total R&D Expenditure as % of net operational income	1.77	1.97



III Foreign exchange earnings and outgo

(₹ In lacs)

Particulars	2019-20	2018-19
Foreign Exchange Earned		
1. Export of goods on FOB basis, Commission and Service Charges	466.77	295.37
Foreign Exchange Used		
1. Raw materials, stores and spare parts, Capital goods and other products	3525.26	2706.56
2. Expenditure in foreign currency	44.43	35.95
3. Payment of Technical Knowhow	-	40.55
4. Payment of Software	5.68	-

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020

S. K. Nevatia
Chairman and Managing Director

**ANNEXURE "E" 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 arms 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 financial year 2019-20. 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 Listing Regulations.

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, Chief Executive Officer, Nashik Plant is son of Mr. S. K. Nevatia, Chairman and Managing Director (KMP), father of Mr. Suramya Nevatia, Chief Executive Officer (KMP) and father-in-law of Mrs. Akshada Nevatia, Executive Director of the Company.
- (ii) Mr. Suramya Nevatia, Chief Executive Officer (KMP) is son of Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant and grandson of Mr. S. K. Nevatia, Chairman and Managing Director (KMP) and spouse of Mrs. Akshada Nevatia, Executive Director of the Company.

(b) Nature of contracts/arrangements/transactions

- (i) Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant is a regular employee of the Company and remuneration being paid as senior employee of the Company. The said remuneration has been approved by the members in the 61st Annual General Meeting as related party transaction.
- (ii) Mr. Suramya Nevatia, Chief Executive Officer (KMP), is a regular employee of the Company and remuneration being paid as 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, Chief Executive Officer, Nashik Plant is a regular employee of the Company. He has been working in the Company since 1988.
- (ii) Mr. Suramya Nevatia, Chief Executive Officer, 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 lacs paid to Mr. Saurabh Nevatia in the financial year 2019-20.
- (ii) Total remuneration ₹ 73.65 lacs paid to Mr. Suramya Nevatia in the financial year 2019-20.

(e) Date(s) of approval by the Board : The Board has approved the said transactions as on 18th May, 2019.

(f) 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 2019-20, which were not in the ordinary course of business.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020

S. K. Nevatia
Chairman and Managing Director



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 fulfils 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 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.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), as applicable, with regard to corporate governance.

CORPORATE ETHICS

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

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. The Code of Conduct is applicable to all Directors and senior management executives. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. A declaration by the Chief Executive Officer affirming compliance to the Code of Conduct is appended to this Report.

BOARD OF DIRECTORS

The Company as on 31st March, 2020 consists of eight Directors. There are two Executive Directors and the remaining six Directors are Non-executive Directors. Out of the two Executive Directors, one is the Chairman and Managing Director (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 while one is Non-executive Director. The remaining four Non-executive Directors are Independent Directors.

The Company is falling in top 1000 Companies on the basis of market capitalization list of National Stock Exchange of India limited as on 31st March, 2020. According to the Regulation 17(1)(a) of Listing Regulations, the Company is required to appoint a Woman Independent Director on the Board. The Board has appointed Mrs. Ashlesha Bodas as Additional Director w.e.f. 26th June, 2020. Further, the Board has appointed her as Independent Director w.e.f. 26th June, 2020 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 ensuing Annual General Meeting of the Company.

The Board has appointed Mr. Suramya Nevatia, Chief Executive Officer (KMP) as Additional Director w.e.f. 17th August, 2020 Further, the Board has appointed him as 'Joint Managing Director and Chief Executive Officer (KMP)' w.e.f. 17th August, 2020 for three consecutive years. The appointment was made based on the recommendation of the Nomination and Remuneration

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Committee. The appointment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company.

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 specific functional area
Mr. S. K. Nevatia	Industrialist, Semi Conductor Devices, Power Electronic Products and Loco Transformers domain, Business Strategy and Corporate Management, Practical understanding of organizations, processes, planning and risk management, Demonstrated strengths in developing talent, planning succession and long term growth
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. Binod Kumar Patodia	Industrialist, Manufacturing Domain, Develop insights about maintaining Board and Management accountability, protecting shareholders interests and observing appropriate governance practices
Mr. Pradeep Goyal	Industrialist, Manufacturing Domain, Business Management and Administration, significant background in technology, anticipate technological trends
Mr. Parimal Merchant	Law, Capital Markets, Family Managed Business, Extend and create new business models, Evaluate Corporate Strategy and Culture
Mrs. Akshada Nevatia	Entrepreneur, Finance, Accounts and Banking, General Corporate Management, Corporate Governance, Understanding of the needs and viewpoints of customers, partners, employees, governments and other stakeholders
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, Fundraising and Project Management
Mr. Suramya Nevatia	Operation and Management, Strategic Development and Implementation Management, Performance Review and Marketing Management, Planning and Risk 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, 2020 have been made by the Directors. None of the Directors on the Board holds Directorships in more than ten public Companies.

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



The details of composition of the Board, category, shareholding of Directors, number of Directorships held by the Directors in other Companies, Memberships/Chairmanships of the Committees in other public limited 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	No. of Other Directorships held as on 31.03.2020* excluding Hind Rectifiers Limited		Outside Committee position held as on 31.03.2020**		Shareholding in the Company as on 31.03.2020
			Public	Private	Member	Chairman	
Mr. S. K. Nevatia DIN 00341349 (01.04.1973)	Non-independent Executive and Promoter Director (Chairman and Managing Director)	-	0	0	0	0	158500
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	-	1	1	0	0	NIL
Mr. Binod Kumar Patodia DIN 00003516 (18.04.2007)	***Independent Non-executive Director	GTN Textiles Limited (Chairman & Managing Director) Patspin India Limited (Chairman Non-executive Director)	4	4	4	0	NIL
Mr. Pradeep Goyal DIN 00008370 (28.03.2008)	***Independent Non-executive Director	Pradeep Metals Limited (Chairman & Managing Director) UPL Limited (Non-Executive Independent Director) Uniphos Enterprises Limited (Non-Executive Independent Director)	3	2	4	3	NIL
Mr. Parimal Merchant DIN 00201962 (07.02.2013)	Independent Non-executive Director	-	0	3	0	0	NIL
Mrs. Akshada Nevatia DIN 05357438 (15.01.2017)	Non-independent Executive Director and member of Promoter Group	-	0	0	0	0	5850
Mr. Vandan Shah DIN 00759570 (15.01.2017)	Non-executive Director	Hercules Hoists Limited (Non-executive Independent Director)	1	4	2	0	50655

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Name of the Director, DIN and Date of Appointment	Category of Director	List of Directorship held in Other Listed Companies and Category of Directorship	No. of Other Directorships held as on 31.03.2020* excluding Hind Rectifiers Limited		Outside Committee position held as on 31.03.2020**		Shareholding in the Company as on 31.03.2020
			Public	Private	Member	Chairman	
****Mrs. Ashlesha Bodas DIN 00935512 (26.06.2020)	Independent Non-executive Director (Additional Director)	-	0	11	0	0	NIL
*****Mr. Suramya Nevatia DIN 06703910 (17.08.2020)	Non-independent Executive and Promoter Director (Joint Managing Director and CEO) (Additional Director)	-	0	0	0	0	2016536

*Excluding Directorships in foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

**Committee positions only of the Audit Committee and Stakeholders Relationship Committee in public limited Companies have been considered.

***Re-appointed as Independent Director for a second term w.e.f. 14th August, 2019.

****The Board has appointed Mrs. Ashlesha Bodas as Independent Director (Additional Director) w.e.f. 26th June, 2020 subject to the approval of Members in the ensuing Annual General Meeting.

***** The Board has appointed Mr. Suramya Nevatia as Joint Managing Director and CEO (KMP) (Additional Director) w.e.f. 17th August, 2020 subject to the approval of Members in the ensuing Annual General Meeting.

Details of Directors retiring or being appointed are given in the Notice to Annual General Meeting.

Maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and Listing Regulations made thereunder.

INDEPENDENT DIRECTORS

Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, 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.

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 Listing Regulations. In the opinion of the Board, the Independent Directors, fulfills the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations and are independent of the management. Terms and conditions of appointment /re-appointment of Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and available on website of the Company viz. www.hirect.com.

In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed Companies. In case he is serving as a Whole-time Director in any listed Company, does not hold the position of Independent Director in more than three listed Companies.

Mr. V. K. Bhartia and Mr. B. K. Patodia, Independent Directors have already attended the age of seventy five; therefore, the Members have passed the special resolution in the 60th Annual General Meeting.

As mandated by the Listing Regulations and the Companies Act, 2013, the Independent Directors on the Board of the



Company:

- (a) in the opinion of the Board of Directors, are persons of integrity and also possess relevant expertise and experience;
- (b) (i) are/was not a Promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;
- (ii) are not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
- (c) apart from receiving sitting fees, do not have/had any pecuniary relationship or having transaction not exceeding ten percent of their total income or such amount as may be prescribed with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- (d) or any of the relative do not have
 - (i) holding any security of or interest in the Company of face value not exceeding fifty lacs rupees or two percent of the paid up capital of the Company, its holding, subsidiary or associate Company, during the two immediately preceding financial years or during the current financial year;
 - (ii) indebted to the Company, its holding, subsidiary or associate Company or their promoters, or Directors, for an amount of fifty lacs rupees or more at any time during the two immediately preceding financial years or during the current financial year;
 - (iii) given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or Directors of such holding Company, for an amount of fifty lacs rupees or more at any time during the two immediately preceding financial years or during the current financial year; or
 - (iv) any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in clause (i), (ii) or (iii);
- (e) who, neither himself nor any of his relative(s) -
 - (i) do not hold the position of a Key Managerial Personnel or are or have been employees of the Company or its holding or its Subsidiary or Associate Company in any of the three financial years immediately preceding the current financial year;
 - (ii) are not employees or proprietor's or partners, in any of the three financial years immediately preceding the current financial year in which they are proposed to be appointed, in-
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding or its Subsidiary or Associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, its subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such a firm;
 - (iii) either singly or together with their relatives, do not hold two per cent or more of the total voting power of the Company;
 - (iv) is not Chief Executives or Directors, by whatever name called, of any non-profit organization that receives twenty five percent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company that holds two percent or more of the total voting power of the Company;
- (f) possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- (g) is not material supplier, service provider or customer or lessor or lessee of the Company;
- (h) is not less than 21 years of age.

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- (i) is not a Non-independent Director of another Company on the Board of which any non- independent Director of the Company is an Independent Director.

All the Independent Directors inserted their name in the data bank maintained by IICA for a period of one year/ five years/ for a life-time, and ensured that from time to time take steps (within a period of thirty days from the date of expiry of the period) to renewal, till they continue to hold the office of an Independent Director in the Company. Further, it has been ensured that they shall pass an online proficiency self-assessment test conducted by the IICA within a period of one year from the date of inclusion of their name in the data bank, if they are not falling in exempt category to pass the said test.

MEETING OF INDEPENDENT DIRECTORS

During the year under review the Independent Directors of the Company have met twice on 8th August, 2019 and 6th February, 2020 without the attendance of Non-independent Directors.

Attendance record at the meetings of the Independent Directors during the financial year 2019-20 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	1
Mr. Binod Kumar Patodia	2	1

The Independent Directors in their meeting, *inter alia*,

- (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 the 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.

BOARD MEETING

The Board of Directors met four times during the financial year 2019-20 i.e. on 18.05.2019, 08.08.2019, 11.11.2019 and 06.02.2020.

The Board meets at least once in a quarter to review the performance and the financial results of the Company. The maximum gap between any two Board meetings was less than one hundred and twenty days. The dates and timings of the meetings are decided well in advance.

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.



The details of attendance of Directors at Board meetings held during the financial year 2019-20 and at the last Annual General Meeting held on 8th August, 2019 are as follows:

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

*The Board has appointed Mrs. Ashlesha Bodas as Independent Director (Additional Director) w.e.f. 26th June, 2020 and Mr. Suramya Nevatia, CEO as 'Joint Managing Director and CEO' (Additional Director) w.e.f. 17th August, 2020 respectively subject to the approval of Members in the ensuing Annual General Meeting.

Video-conferencing facilities are also used to facilitate Directors to participate in the meetings.

RELATIONSHIP BETWEEN DIRECTORS

Mr. S.K. Nevatia, Mr. Suramya Nevatia and Mrs. Akshada Nevatia are related to each other. Mr. S.K. Nevatia is related to Mr. Pawan Golyan and no other Director is related with 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 which 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, significant 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

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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 signing of wage agreement, implementation of Voluntary Retirement Scheme, etc;
- developing a succession plan for the Board;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of 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 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 and relevant Acts, Rules and Regulations. With a view to familiarize him with the Company's operations, the Chairman and Managing Director, Executive Director and Chief Executive Officer 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 programme imparted to the Independent Directors are available on the website of the Company viz. 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 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 '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) (Amendment) Regulations, 2018. The Company has also formulated 'Policy for Enquiry in case of leak /suspected leak of Unpublished Price Sensitive Information'. The said codes and policy are available on the Company's website viz. www.hirect.com.

COMMITTEES OF THE BOARD

For better Corporate Governance, promoting transparency and for enhancing the credibility of the financial disclosures of the Company, the Board has constituted Committees which conform to the requirements of the Listing Regulations 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 of the Audit Committee of the Company are in accordance with provisions of the Listing Regulations and the Companies Act. The Audit Committee comprises of three Independent Directors. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background.

Mr. S. K. Nevatia, Chairman and Managing Director (KMP), Mrs. Akshada Nevatia, Executive Director, Mr. Suramya Nevatia, Chief Executive Officer (KMP), Mr. A. K. Nemani, Chief Financial Officer and Mr. Saurabh Nevatia, CEO Nashik Plant of the Company are permanent invitees to the Audit Committee meeting. In addition to this, the Statutory and Internal Auditor are also attending these meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting of the Company was held on 8th August, 2019 and was attended by Chairman of the Audit Committee.

The Audit Committee met four times during the year i.e. on 18.05.2019, 08.08.2019, 11.11.2019 and 06.02.2020. The maximum gap between any two meetings was less than one hundred and twenty days. The Chairman of the Audit Committee attended the Annual General Meeting held on 8th August, 2019.

The composition of the Audit Committee and the attendance of its members at the aforesaid meetings held during the financial year 2019-20 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	4
Mr. Pradeep Goyal	Independent Non-executive	4	3
Mr. Parimal Merchant	Independent Non-executive	4	2

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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 Listing Regulations, 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 considered required and have full access to the information contained in the records of the Company.

The role includes oversight of 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 audit process, scrutiny of inter corporate loans and investments, if any, evaluation of internal financial controls and risk management system and reviewing the functioning of the whistleblower mechanism.

The Committee mandatorily reviews information such as internal audit reports, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed. Further, the Committee also reviews the compliances with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. Quarterly Reports are sent to the Chairman of the Committee on matters relating to the Insider Trading Code.

NOMINATION AND REMUNERATION COMMITTEE

The constitution and the broad terms of reference of the Nomination and Remuneration Committee of the Company are in accordance with provisions of the Listing Regulations and the Companies Act, 2013. The Nomination and Remuneration Committee comprises of four Directors. The Committee meets as and when necessary. The Nomination and Remuneration Committee met three times during the year i.e. on 18.05.2019, 08.08.2019 and 06.02.2020.

The previous Annual General Meeting of the Company was held on 8th August, 2019 and was attended by Chairman of the Nomination and Remuneration Committee.

The composition of the Nomination and Remuneration Committee and the attendance of its members at the aforesaid meeting held during the financial year 2019-20 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	3	3
*Mr. Binod Kumar Patodia	Independent Non-executive	2	2
Mr. Pradeep Goyal	Independent Non-executive	3	3
Mr. Parimal Merchant	Independent Non-executive	3	1
Mr. S. K. Nevatia	Managing Director	3	3

* Ceased to be a member of Nomination and Remuneration Committee w.e.f. 9th August, 2019.



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 SEBI LODR, 2015, besides other terms as referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommend 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 and recommendation on extension or continuation of the terms of appointment of the Independent Directors, etc.

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 Listing Regulations. 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:

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial and Senior Management Personnel;
- (b) To recommend to the Board the Remuneration payable to the Directors, Key Managerial and Senior Management Personnel; and
- (c) 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 and 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 Act, 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 Executive Directors including Chairman and Managing Director is 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 Chairman and Managing Director 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.

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 were paid sitting fees of ₹ 7,500/- for attending each meeting of the Board and ₹ 5,000/- for attending Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee meetings. The sitting fees have been revised from the second quarter.

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 meetings.

**Hind Rectifiers Limited**

The details of remuneration/sitting fees paid to the Directors of the Company during the financial year 2019-20 are as under:
(₹ In lacs)

Name of the Director	Salary	Benefits	Bonus / Commission/ Stock Options	Sitting Fees	Total
Mr. S. K. Nevatia	24.00	133.57	-	-	157.57
Mrs. Akshada Nevatia	18.00	44.46	-	-	62.46
Mr. Pawan Kumar Golyan	-	-	-	0.33	0.33
Mr. V. K. Bhartia	-	-	-	2.47	2.47
Mr. Binod Kumar Patodia	-	-	-	0.88	0.88
Mr. Pradeep Goyal	-	-	-	1.72	1.72
Mr. Parimal Merchant	-	-	-	1.50	1.50
Mr. Vandan Shah	-	-	-	0.58	0.58

Details of Mrs. Ashlesha Bodas and Mr. Suramya Nevatia are not given, as they were not appointed as Director in the financial year 2019-20.

Mr. S. K. 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 Listing Regulations and resolutions passed by the shareholders in the respective Annual General Meeting. 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 Listing Regulations, 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. During the year, there were no such instances.

PERFORMANCE EVALUATION

Pursuant to the provisions of Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the chairperson, the Directors individually, as well as the evaluation of the working of its Committees. The performance evaluation of the Chairman and Managing Director and the Non-independent Directors was carried out by the Independent Directors.

The performance was evaluated through a structured questionnaire 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. Further, it was reported that Directors attendance in the meetings has been improved and in some instances, the Director attended the meeting through video conferencing/audio visual means in case personal attendance is not possible due to some other priorities.

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 provides 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.

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 Listing Regulations and the Companies Act. The Committee has been constituted to strengthen the investor relations and to inter-alia, resolve the grievances of security holders pertaining to transfer of shares, non receipt of declared dividends, non receipt of Annual Report, issues concerning de-materialization, etc.

The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of Companies Act, 2013 and Regulation 20 of SEBI LODR, 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
 Phone : + 91 22 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.

The previous Annual General Meeting of the Company was held on 8th August, 2019 and was attended by Chairman of the Stakeholders Relationship Committee.

The following table shows the nature of complaints received from the shareholders during the financial year 2019-20.

Nature of complaints	No. of complaints received during the financial year 2019-20	No of complaints resolved during the financial year 2019-20
Non receipt of Dividend Warrant	-	-
Non receipt of Annual Report	-	-
Non receipt of Share Certificate	-	-
Other	1	1

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

There were no complaints pending as on 31st March, 2020.

The Stakeholders Relationship Committee met two times during the financial year i.e. on 18.05.2019 and 11.11.2019.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the aforesaid meeting held during the financial year 2019-20 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
Mr. Pradeep Goyal	Independent Non-executive	2	1
Mr. Parimal Merchant	Independent Non-executive	2	1

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 LODR, 2015.

The Risk Management Committee of the Company comprises of three members i.e. Mr. S. K. Nevatia, Chairman and

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Managing Director, Mr. Parimal Merchant, Non-executive and Independent Director and Mr. A. K. Nemani, Chief Financial Officer of the Company as on 31st March, 2020. Mr. S. K. Nevatia is the Chairman of the Risk Management Committee.

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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The constitution and the broad terms for the reference of the Corporate Social Responsibility Committee of the Company are in accordance with provisions of the Companies Act. The composition of 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. As per Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on CSR in the financial year 2019-20 because the CSR is not applicable in the said period.

The Company formulated Corporate Social Responsibility Policy, which is available on the website of the Company viz. 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 one time during the year i.e. on 18.05.2019.

The composition of Corporate Social Responsibility Committee and the attendance of its members at the aforesaid meeting held during the financial year 2019-20 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	1	1
Mr. S. K. Nevatia	Managing Director	1	1
Mrs. Akshada Nevatia	Executive Director	1	1

**GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
59th AGM	31.03.2017	08.09.2017	3:30 p.m.	Kamalnayan Bajaj Hall and Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai 400021 Maharashtra.
60th AGM	31.03.2018	13.08.2018	12:00 Noon	Odyssey, Mayfair Banquet, 254-C, Dr. Annie Besant Road, Worli, Mumbai 400030 Maharashtra.
61th AGM	31.03.2019	08.08.2019	2:00 p.m.	Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai 400020 Maharashtra.

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:

59th AGM
No special resolution has been passed on 59th AGM.

60th AGM			
Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
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	The Company plans to implement in the future.

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61st AGM			
Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
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.

EXTRAORDINARY GENERAL MEETING

No extraordinary general meeting of the members was held during FY 2019-20.

RESOLUTION PASSED THROUGH POSTAL BALLOT

No resolution was passed through the postal ballot during FY 2019-20.

MEANS OF COMMUNICATION

The Unaudited quarterly/half yearly financial results are announced within forty-five days of the close of the quarter. The audited annual financial results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

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. In addition, the same are published in Economics Times (English Newspaper).

The financial results and press releases are available on the Company's website viz. 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.

Presentation, if any, made to the institutional investors or/and analysts are also available on the Company's website viz. www.hirect.com.

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder 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.



ELECTRONIC CLEARING SERVICE

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In a case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

GENERAL SHAREHOLDER INFORMATION

AGM: 62nd Annual General Meeting for the financial year 2019-20 is scheduled to be held on Tuesday, 15th September, 2020.

The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this Annual General Meeting.

As required under Regulation 36(3) of the SEBI Listing Regulations 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 Listing Regulations. The details for the forthcoming financial year 2020-21 are as follows.

Financial year 2020-21	April 1, 2020 to March 31, 2021
Financial reporting for the quarter ended June 30, 2020	On or before 14th August, 2020
Financial reporting for the quarter ended Sept 30, 2020	On or before 14th November, 2020
Financial reporting for the quarter ended Dec 31, 2020	On or before 14th February, 2021
Financial reporting for the year ended March 31, 2021	Audited Results on or before 30th May, 2021

DIVIDEND PAYMENT DATE

In case the Final Dividend as recommended by the Board of Directors is approved at the 62nd AGM to be held on Tuesday, 15th September, 2020 payment of such dividend will be paid within a week from the conclusion of the AGM.

DATE OF BOOK CLOSURE

The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 9th September, 2020 to Tuesday, 15th September, 2020, both days inclusive, for annual closing and determining the entitlement of the Members to the Final Dividend for Financial Year 2019-20.

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.

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 dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the

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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 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 2020-21, 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 2020-21.

Address of Stock Exchanges**BSE Limited**

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

National Stock Exchange of India Limited

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

Stock Code / Symbol

BSE Limited – 504036

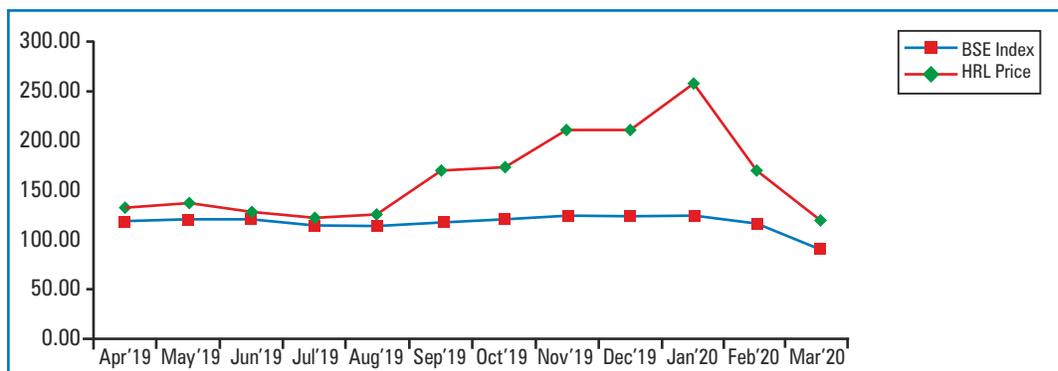
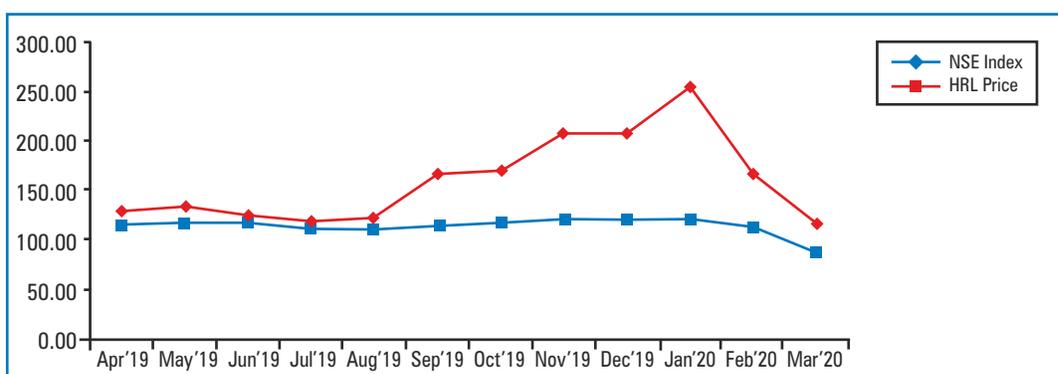
National Stock Exchange of India Limited – HIRECT

Demat ISIN: INE835D01023

MARKET PRICE DATA

The Monthly High/Low market price of equity shares of Hind Rectifiers Limited during the financial year 2019-20:

Month	BSE		NSE	
	High	Low	High	Low
April, 2019	138.25	118.50	138.50	115.50
May, 2019	135.60	113.85	137.40	113.60
June, 2019	145.70	120.15	145.95	122.05
July, 2019	132.90	110.00	133.00	111.00
August, 2019	133.90	112.60	135.00	111.30
September, 2019	173.35	118.00	175.00	114.55
October, 2019	179.75	147.80	179.95	147.55
November, 2019	241.20	171.60	240.85	166.20
December, 2019	216.25	189.65	216.00	188.00
January, 2020	268.75	206.70	269.00	207.20
February, 2020	269.95	164.00	269.00	159.30
March, 2020	171.95	89.65	172.00	89.00

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:**RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX:****REGISTRAR AND SHARE TRANSFER AGENT**

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 read with Circular No. D & CC/FITTC/CIR-18/2003 dated February 12, 2003, on the appointment of common agency for share registry work, 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

Tel: +91 22 4227 0400

Fax: +91 22 28503748

Email: info@adroitcorporate.com

Website: www.adroitcorporate.com

SHARE TRANSFER SYSTEM

The transfer of shares in physical form is processed and completed by Registrar and Share Transfer Agent within stipulated time from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

SEBI, effective 1st April, 2019, barred the physical transfer of shares of listed Companies and mandated transfers only through Demat. However, investors are not barred from holding shares in physical form.

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Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. Any Director and Company Secretary are authorised by the Board to approve transfers, which are noted at subsequent Board Meetings.

Shareholding Pattern as on 31st March, 2020

Category	No. of shares held	% of shareholding
*Promoters and Associates	6990624	42.20
Mutual Funds and UTI	750	0.00
Banks/Financial Institutions	54156	0.33
Private Bodies Corporate	385151	2.33
NRI/OCBs	2550771	15.40
Others	6582271	39.74
Total	16563723	100

*Mr. Suramya Saurabh Nevatia, Promoter informed that he bought 232 and 8000 Equity shares on 27.03.2020 and 30.03.2020 respectively. These 8232 equity shares were not reflected in the Promoters category of shareholding pattern dated 31st March, 2020.

Distribution of Shareholding as on 31st March, 2020

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	6540	756039	4.57
501-1000	568	442593	2.67
1001-2000	434	642159	3.88
2001-3000	160	413195	2.49
3001-4000	62	221022	1.33
4001-5000	51	235827	1.42
5001-10000	97	694261	4.19
10001 and above	96	13158627	79.44
Total	8008	16563723	100

DEMATERIALISATION OF SHARES

13547679 Equity Shares representing 81.79% of total equity share capital were held in dematerialized form with NSDL and CDSL as on 31st March, 2020. Members can hold shares in electronic form and trade the same in Depository System. However, they may hold the same in physical form also but cannot transfer the shares in physical form.

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 dematerialise 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, 2020**

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	4291	11614619	70.12
Central Depository Services (India) Limited	3543	1933060	11.67
Total Dematerialized	7834	13547679	81.79
Shares held in Physical form	174	3016044	18.21
Grand Total	8008	16563723	100.00

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 death of all the registered shareholders. Nomination facility in respect of shares held on 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.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK

The details are disclosed in Note No. 56 to the financial statement.

Details of 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 39 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 number of complaints filed and disposed of during the year and pending as on 31st March, 2020 are given in the Directors' report.

Plant Locations

- i. Lake Road, Bhandup (West), Mumbai - 400078 Maharashtra.
- ii. Plot No.110/111, M.I.D.C., Satpur, Nashik - 422007 Maharashtra.
- iii. New Khasra No. 64-67 and 74, Village Chharba, Langha Road, Vikas Nagar, Dehradun - 248197 Uttarakhand.

**Hind Rectifiers Limited****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

At the request of the Company, the ICRA Limited had withdrawn the rating as mentioned below on 14th June, 2019:-

Ratings of [ICRA]BB(Stable)/[ICRA]A4+ withdrawn for bank facilities of Hind Rectifiers Limited; rating of MB+ (Stable) for fixed deposit program.

During the current year, the Company has obtained the credit rating. Details are as under:-

1. Review of CRISIL Rating on the bank facilities on dated 9th July, 2019

Total Bank Loan Facilities Rated	₹ 90 Crore
Long-Term Rating	CRISIL BBB-/Stable (Upgraded from CRISIL BB+ / Stable)
Short-Term Rating	CRISIL A3 (Upgraded from CRISIL A4+)

2. Review of CRISIL Credit Ratings on 5th February, 2020

Total Bank Loan Facilities Rated	₹ 90 Crore
Long-Term Rating	CRISIL BBB-/Positive (Outlook Revised from 'Stable' and Rating Reaffirmed)
Short-Term Rating	CRISIL A3 (Reaffirmed)

3. Rating rational issued by CRISIL on 10th February, 2020

Total Bank Loan Facilities Rated	₹ 120 Crore (enhanced from ₹ 90 crore)
Long-Term Rating	CRISIL BBB-/Positive (Reaffirmed)
Short-Term Rating	CRISIL A3 (Reaffirmed)

DISCLOSURES**COMPLIANCES WITH GOVERNANCE FRAMEWORK**

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

RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis. All the related party transactions are approved by the Audit Committee and if required with the permission of Board and/or shareholders. The necessary disclosures regarding the transactions entered into with the related parties are given in the Notes to the Financial Statement. The material related party transaction as per the provisions of Listing Regulations 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.

There were no instances of non-compliance on any matter related to the capital market during the last three years. 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.

VIGIL MECHANISM/WHISTLEBLOWER POLICY

The Company has a 'Vigil Mechanism/Whistleblower Policy' in place as required under SEBI LODR, 2015 and as per the provisions of Section 177 of the Companies Act, 2013. The Directors and employees of the Company are free to report genuine concerns about unethical behavior, misconduct or unlawful act, factual or suspected fraud or violation of the code of conduct. The policy provides a mechanism for an individual to report violations without fear of victimization. The policy is available on the website of the Company viz. www.hirect.com. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee.

The said policy has been amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling employees to report any violations under the Insider Trading Regulations and leak or suspected leak of Unpublished Price Sensitive Information.

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 Listing Regulations is provided below:

THE BOARD

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Company is headed by an Executive Chairman.

SHAREHOLDERS RIGHTS

The Company has not adopted the practice of sending out 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 reports to the Audit Committee. The Internal Auditors are invitees at the Audit Committee meetings of the Company. Internal audit report of the Internal Auditor is placed on a quarterly basis before the Audit Committee. The Internal Auditor 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 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 Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

**Hind Rectifiers Limited**

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.

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 reconcile 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 Auditor of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations 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 Listing Regulations, a certificate duly signed by Mr. Suramya Nevatia, Chief Executive Officer and Mr. A. K. Nemani, Chief Financial Officer has been obtained. The certificate is annexed to this report.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 17th August, 2020

S. K. Nevatia
Chairman and Managing Director

DECLARATION

I, Suramya Nevatia, Chief Executive Officer 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.

All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for year ended on 31st March, 2020.

For and behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020

Suramya Nevatia
Chief Executive Officer



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, 2020 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, 2020.

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.

For **RAVI A. SHAH ASSOCIATES**,
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH
Proprietor

Membership No.116667

UDIN: 20116667AAAAFM5982

Place : Mumbai
Date : 26th June, 2020



CEO AND CFO CERTIFICATION

The Board of Directors
Hind Rectifiers Limited
Mumbai, Maharashtra

Re: Compliance Certificate for the Financial Statements for 2019-20

We, Suramya Nevatia, Chief Executive Officer 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, 2020 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 have 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 : 26th June, 2020

Suramya Nevatia
Chief Executive officer

A. K. Nemani
Chief Financial Officer



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) 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, 2020 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 the Director	DIN	Date of Appointment in Company
1	Mr. Sushil Kumar Nevatia	00341349	01/04/1973
2	Mr. Pawan Kumar Golyan	00356807	24/03/1998
3	Mr. Vandan Sitaram Shah	00759570	15/01/2017
4	Mrs. Akshada Nevatia	05357438	15/01/2017
5	Mr. Binod Kumar Patodia	00003516	18/04/2007
6	Mr. Pradeep Goyal	00008370	28/03/2008
7	Mr. Vijay Kumar Bhartia	00019810	18/04/2007
8	Mr. Parimal Merchant	00201962	07/02/2013

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 : 26th June, 2020

FCS: 3706 COP: 2324
UDIN: F003706B000387870

BUSINESS RESPONSIBILITY REPORT 2019-20

[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 : 2019-2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :

Industrial Group	Description
Power Sector (31)	Pollution control system for the power sector
Automobile industry, Chemical industry (31)	Electrochemical process equipment
Rail transportation (31)	IGBT based converters, Transformers, Auxiliary panels, electronics for locomotives and 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. Pollution control equipment for power plants
 - ii. Rectifiers for electrochemical industries
 - iii. IGBT based converter, Aux panels for locos & coaches and transformers 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: National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹ 33127446
2. Total Turnover : ₹ 299.62 crores
3. Total profit after taxes : ₹ 18.48 crores
4. Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after-tax (%): Total spend on CSR during the financial year 2019-20 is Nil because Section 135 of the Companies Act, 2013 is not applicable to the Company during the reporting period.
5. List of activities in which expenditure in 4 above has been incurred : Not applicable

SECTION C: OTHER DETAILS

1. Does the company have any subsidiary company/ companies?
No. The Company does not have any subsidiary.

2. 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

3. 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%]

The Company has long-lasting relations with its Vendors & Suppliers. Awareness regarding sustainability is created by doing regular meetings as well as Vendor quality is evaluated by periodically & random visits. Also, a vendor is only registered when one submits all its details through our vendor registration form as well as a physical visit. The areas covered are vendor capability building, vendor evaluation standard, supply risk mitigation, and management.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

Particular	Details of Directors
1. DIN Number	05357438
2. Name of Director	Mrs. Akshada Nevatia
3. Designation	Executive Director

(b) Details of the BR head:

Particular	Directors Details
1. DIN Number (If applicable)	05357438
2. Name of Director	Mrs. Akshada Nevatia
3. Designation	Executive Director
4. Telephone number	022- 25696789
5. Email ID	corporate@hirect.com

2. 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.

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(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 confirm 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? Is 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?	Yes. Mrs. Akshada Nevatia, Executive Director through Business Responsibility Committee and the functional heads of the departments/Plant heads of the Company is empowered to ensure the implementation of the policy. The Committee consists of Mrs. Akshada Nevatia, Executive Director, Mr. Suramya Nevatia, Chief Executive Officer, and Mr. A. K. Nemani, Chief Financial Officer. The Committee met on 26th June, 2020. Further, she is authorized to monitor and evaluate the compliance of the policy and submit this report to the Board/committee periodically.								
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
		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. An investor grievance mechanism is in place to respond to investor grievances. The customer complaint mechanism records the grievances of customers on product and service quality and other issues. The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at investors@hirect.com.								
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.								

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.									
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 Business Responsibility Report for the financial year 2019-2020 is being published as a part of the Annual Report and can be accessed at www.hirect.com.

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 take a 'zero tolerance' approach to bribery and corruption and are 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

- i. Fairness to all stakeholders
- ii. Transparency in all business dealings
- iii. Raising that trust and confidence of stakeholders in the way the Company operates
- iv. Understanding and discharging societal responsibility
- v. Long term thinking

Hind Rectifiers Limited

- vi. Overcoming from 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 above, it is also expected from every member of the Board and Sr. 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?
- The Company’s code of conduct and policy on Ethics, Transparency and Accountability covers the policy on bribery and anti-corruption and is applicable to its business associates, suppliers, contractors, NGOs and other entities, which are directly dealing with the Company either in business operations or in its CSR activities.
- All such policies are communicated to Employees on joining.
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 2019-20	Complaints Resolved during FY 2019-20	Complaints Resolved (%)
Investors Complaints	1	1	100
Consumers’ Complaints			
Railway	691	691	100
Industrial (Non-railway)	452	452	100
Total	1144	1144	100

No complaint was outstanding as on 31st March, 2020. The Company has the 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.

The Company, as a responsible organization ensures that its products and manufacturing processes have minimal impact on the society and environment. The Company focuses on doing its business responsibly by driving sustainable practices across all its businesses.

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.
High voltage Rectifier, Effluent treatment rectifier PR-TCR, Electro Chlorination rectifier TCR
- 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 reduction of Material of 1.0 to 1.5 percentage. Water is not required for 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 reduction of resource usage by the consumers.

3. Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably.

We do have a procedure for sustainable sourcing, usually, there are two to three vendors for a single item but depending upon their quality of the product, as well as supply credentials & pricing the order, is placed & in order to reduce the logistics cost, materials are clubbed together in order to utilize the full volume of the vehicle. In Railways business usually sourcing is limited as one has to opt as per approved BOM.

Usually, 10 to 12 % of product cost are clubbed together in order to reduce the logistics cost, materials are clubbed together in order to utilize the full volume of the vehicle.

For most of components used by the Company there are alternative suppliers & we always put emphasis to have multiple suppliers. The Company always encourages new supplier 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 above products however to optimize the cost & save the natural resources we reuse the wooden packing material received at the time of purchases of raw materials.

Principle 3: Businesses should promote the wellbeing of all employees.

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

1. Please indicate the total number of employees : 460

(The total number of employees including Executive, General staff, workers and GET)

The central government has introduced a scheme for youths to be employable under the scheme "NATIONAL EMPLOYABILITY ENHANCEMENT MISSION". The company has engaged 110 individuals under the scheme and provided training to youths and paid stipend.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis : 253

3. Please indicate the number of permanent women employees : 51

4. Please indicate the number of permanent employees with disabilities : Nil

5. Do you have an employee association that is recognized by management : Yes, the Company has employee unions which encourage them to participate freely in constructive dialogue with the management.

6. What percentage of your permanent employees is members of this recognized employee association : 23%

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 -

Hind Rectifiers Limited

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	No	No
2.	Sexual harassment	No	No
3.	Discriminatory employment	No	No

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 Over 2371 manhours of training were provided to our workforce during the year, including around 814 thousand manhours of safety training.
- (a) Permanent Employees : 1613 manhours
 - (b) Permanent Women Employees: 198 manhours
 - (c) Casual/Temporary/Contractual Employees: 560 manhours
 - (d) Employees with Disabilities : N.A.

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?

Stakeholders	Mode of Engagement
Government and Regulatory Authorities	Industry bodies/ forums, direct interactions
Employee	Meetings, Circulars, Employee engagement activities, and training.
Customers	Customer meets and visits by Company officials
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 economically weaker background. 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.

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?

No complaints were received from stakeholders with respect 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 for 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 at various forums. The Company received following accolades in 2019 from "National Society of Friends of the Trees":

1. Garden attached to factories and industrial establishment (area above 5000 sq. Mts) - First Prize
2. Landscape - First Prize
3. Outstanding specimens of Bonsai - First Prize

The Company has achieved "Zero Accident" during the reporting period at all the plants. No reportable accidents in any plant which is remarkable and shows a Safety Culture in the Company.

2. The Company's strategies/ initiatives to address global environmental issues such as climate change, global warming and more.

The company installed energy saving illumination system and also new 5 star Air conditions, which reduced ambient temperature.

3. Identification and assessment of potential environmental risk

We are 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 2019-20.

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

Hind Rectifiers Limited

Yes, we developed active harmonic filter, which will prevent energy / harmonic pollution in electricity supply.

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 2019-20 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 have 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.

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

The programmes will be undertaken directly and through agencies.

3. Impact assessments for initiatives

Section 135 of the Companies Act, 2013 was not applicable to the Company for the reporting period.

4. Company's direct contribution to community development projects

Section 135 of the Companies Act, 2013 was not applicable to the Company for the reporting period.

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



Section 135 of the Companies Act, 2013 was not applicable to the Company for the reporting period.

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 their 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 2019-20 : 1144 customer complaints were received by the Company. All the complaints were successfully resolved.

There were six customer-related legal cases as on 31st March, 2020.

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 at on the end of the financial year.

One entity challenged the Company's status of small enterprises registered with MSME authorities in the High Court, Mumbai on 29th August 2016. The High Court vide its order dated 31st March 2017 directed the matter to MSME Authority to form a grievance committee and give the judgment. Accordingly, on 13th July 2017 MSME has given the decision in favour of the Company but the entity has filed the case against the Company again on 27th June 2018, which is still pending.

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

Yes, we carry out customer surveys to identify needs of customer and use this information for the product development.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020

S. K. Nevia
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

The company caters to the Indian Railways and manufacturing industry with strong legacy and brand image in both sectors. Railways continue to be primary focus area for business volume. Financial Year 2019-20 was an outstanding year for our Railway business with enlarged product range thanks to the help of internal R & D efforts. Considering the forecast of Indian Railways and our product profile, we expect the same business trend in the coming year.

We have not overlooked sustainable support on industrial business projects in power sector and the new year augurs well with good enquiries from many domestic clients.

OPPORTUNITIES & THREATS

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

Establishment of our new manufacturing facility with world-class setup has created added confidence to our customer and attracted their interest towards us for meeting their bulk requirements with best quality. Vigorous focus on R & D has enhanced our strength for stepping into new projects in a bigger way.

Changing the face of Indian Railways technology has been effectively matched by our R & D, however, the diminishing trend of established products is a big threat in consistency of order intake. The present global threat of COVID-19 remains as unknown threat for normal business activity.

OUTLOOK

The government has aggressively targeted more electrification of routes and modernization of Railways facilities. Existing production units of Railways have been asked to manufacture electric locos instead of diesel due to increased demands of Railways. However, COVID-19 and lockdown for over 3 months will affect the current year and delay the progress of ongoing projects any may cut down the requirements for the financial year.

RISK & CONCERNS

Most of the bigger projects in industrial and major tenders in Railway segments are getting shifted to second half of the financial year due to COVID-19. This will surely create an imbalance in order to intake and execution throughout the year. Pandemic has created its new set of planning obstacles for supply chain management. Hopefully, when pandemic subsides in next 2/3 months, we may have an opportunity to recoup shortfalls to some extent with extra efforts in the second half of the year.

Working fund flow is likely to be constrained due to expanded capacity, delayed/ stretched fund inflow from bigger projects and orders from Railways coupled with very conservative financial support from Banks due to COVID-19 is visualized as major concern for the current year.

SEGMENT WISE PRODUCT WISE PERFORMANCE

Specialized products for specific applications like automobiles, pollution control and electrochemical industries are well stabilized in the industrial segment. Ability of making different range and custom-built design is an added advantage to patronize our brand.

Variety of newly developed products and upcoming products under R & D form strategic part of major revenue making source in Railway segment.

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 compliance of various laws and regulations.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company's financial performance has improved considerably during the financial year with effective monitoring of

operational cost. The Company is continuously putting efforts to improve efficiency to achieve better results.

DEVELOPMENT OF HUMAN RESOURCES / INDUSTRIAL RELATIONS

Attracting and retaining competent talent, while focusing on training needs and development is absolutely imperative for an emerging dynamic business of our type. The Company recognizes that human resources are an extremely important and critical as 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, 2020, revenue from operations increased to ₹ 29962.05 lakhs as against ₹ 25514.29 lakhs in the financial year ended 31st March, 2019 resulting in growth of 17.43%. The profit after tax for the financial year ended 31st March, 2020 is ₹ 1847.91 lakhs as against ₹ 1179.08 lakhs in the preceding year with growth of 56.72%.

KEY FINANCIAL RATIOS

Particulars	Financial Year 2019-20	Financial Year 2018-19	Change %
Debtors Turnover Ratio (no of Days) - based on Gross Sales	83	76	(9.21)
Inventory Turnover Ratio (no of Days) - Based on Cost of Materials consumed including consumable and packing	119	105	(13.33)
Interest Coverage Ratio	5.14	3.70	38.95
Current Ratio	1.38	1.49	(7.10)
Debt Equity Ratio	0.94	0.81	(15.24)
Operating Profit Margin (%)	11.20	9.09	23.17
Net Profit Margin (%)	8.76	6.35	37.95
Return on Net Worth (based on Average Net Worth) (%)	30.20	22.43	34.63

Number of days of the debtors has increased from 76 days to 83 days due to slow down in the collection, however the same is within an acceptable range is under control. The level of inventory has increased from 105 days to 119 days mainly due to suspension of despatches on account of nationwide lockdown imposed in March, 2020.

Interest coverage ratio has improved by 38.95% due to better margin and regular monitoring of interest cost.

Operating profit margin, net profit margin and return on net worth has increased due to better monitoring of all elements of the cost and also an increase in the volume.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2020

S. K. Nevatia
Chairman and Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIND RECTIFIERS LIMITED

Report on the Audit of the 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, 2020, 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, 2020, 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 ₹ 5243.90 lacs for Nashik and ₹ 600.97 lacs for Dehradun as at 31st March, 2020 and total revenues of ₹ 12566.22 lacs of Nashik and ₹ 4067.59 lacs 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 significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty

Hind Rectifiers Limited

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. 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 31st March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 31st March, 2020 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, 2020;

For **RAVI A. SHAH ASSOCIATES,**
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH
Proprietor

Membership No.116667
UDIN: 20116667AAAAFL1266

Place : Mumbai
Date : 26th June, 2020

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, 2020

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, 2020 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, forms, 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	29.48	5.00	2008-2009	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 Registration No.125079W

RAVI A. SHAH
Proprietor

Membership No.116667
UDIN: 20116667AAAAFL1266

Place : Mumbai
Date : 26th June, 2020

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, 2020

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, 2020, 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.



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, 2020 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 Registration No.125079W

RAVI A. SHAH

Proprietor

Membership No.116667

UDIN: 20116667AAAAFL1266

Place : Mumbai

Date : 26th June, 2020



Hind Rectifiers Limited

BALANCE SHEET AS ON 31ST MARCH 2020

(₹ In lacs)

Sr. No.	Particulars	Note	As at 31st Mar 2020	As at 31st Mar 2019
I.	ASSETS			
1	Non Current Assets			
a.	Property, Plant and Equipment	2	2,839.00	2,150.07
b.	Capital Work in Progress	3	912.34	627.50
c.	Intangible Assets	4	464.76	470.41
d.	Intangible Assets under Development	5	885.17	756.93
e.	Financial Assets			
i.	Investments	6	610.00	10.00
ii.	Loans	7	3.55	5.67
iii.	Others	8	228.08	402.38
f.	Deferred tax Assets (net)	9	468.95	685.16
g.	Other Non Current Assets	10	141.59	260.39
			6,553.44	5,368.51
2	Current Assets			
a.	Inventories	11	6,926.99	5,414.87
b.	Financial Assets			
i.	Trade Receivables	12	8,104.47	6,325.73
ii.	Cash and cash equivalents	13	148.92	25.19
iii.	Other Bank balances	14	154.09	144.95
iv.	Loans	15	1.49	0.83
v.	Other Financial Assets	16	1,253.69	14.51
c.	Current Tax Assets (Net)	17	5.23	122.28
d.	Other current Assets	18	1,046.73	977.79
			17,641.61	13,026.15
3	Assets held for Sale	19	57.84	57.84
	TOTAL ASSETS		24,252.89	18,452.50
II.	EQUITY AND LIABILITIES			
1	Equity			
a.	Equity Share Capital	20	331.27	331.27
b.	Other Equity	21	9,232.55	7,482.26
			9,563.82	7,813.53
2	Liabilities			
	Non Current Liabilities			
a.	Financial Liabilities			
i.	Borrowings	22	1,509.44	1,674.20
ii.	Other Financial Liabilities	23	18.25	19.76
b.	Provisions	24	418.64	204.16
			1,946.33	1,898.12
	Current Liabilities			
a.	Financial Liabilities			
i.	Borrowings	25	6,938.12	4,190.94
ii.	Trade Payables			
a.	total outstanding dues of micro and small enterprises	26	212.78	153.59
b.	total outstanding dues of creditors other than micro and small enterprises	26	3,733.94	3,132.92
iii.	Other Financial Liabilities	27	1,264.48	806.54
b.	Other Current Liabilities	28	278.37	168.88
c.	Provisions	29	284.18	287.98
d.	Current Tax Liabilities		30.87	
			12,742.74	8,740.85
	TOTAL EQUITY AND LIABILITIES		24,252.89	18,452.50
	Corporate Information & Significant Accounting Policies	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 : 26th June, 2020

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

Place : Mumbai
 Date : 26th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020 (₹ In lacs)

Sr. No	Particulars	Note	Year ended 31st Mar 2020	Year ended 31st Mar 2019
1	Income			
a	Revenue from operations	30	29,962.05	25,514.29
b	Other income	31	48.16	61.55
	Total income		30,010.21	25,575.84
2	Expenses			
a	Cost of materials consumed	32	22,175.21	19,299.73
b	Purchases of stock-in-trade		-	-
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(1,240.68)	(708.89)
d.	Employee benefit expense	34	2,980.15	2,231.14
e.	Finance costs	35	731.63	700.24
f.	Depreciation and amortisation expense	36	407.26	271.86
g.	Other Expenses	37	2,332.57	2,161.90
	Total expenses		27,386.14	23,955.98
3	Profit/(Loss) before exceptional items and tax		2624.07	1619.86
4	Exceptional items		-	45.05
5	Profit/(Loss) before tax		2624.07	1664.91
6	Tax expense			
a	Current tax		634.45	-
b	Deferred tax	38	141.71	485.83
7	Net Profit/ (Loss) after tax		1847.91	1179.08
8	Other comprehensive income/(loss)			
	(a) Items that will not be reclassified to profit and loss			
	(i) Actuarial Gains/(Loss) on post-employment defined benefit plan		(25.05)	7.90
	(ii) Tax on above		7.29	(2.30)
	Total Comprehensive income for period		1830.15	1184.68
9	Earnings per equity share			
10	Basic & Diluted		11.16	7.12

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 : 26th June, 2020

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

Place : Mumbai
Date : 26th June, 2020

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

(₹ In lacs)

Particulars	Equity Share Capital (Refer Note 20)	Other Equity Reserves & Surplus			Total Other Equity (Refer Note 21)	Total Equity (A+B)
		Securities Premium Reserve	General Reserve	Retained Earnings		
	(A)				(B)	
As at 31 March 2018	331.27	1,152.01	6,333.65	(1,188.08)	6,297.58	6,628.85
Profit / (Loss) for the year	-	-	-	1,179.08	1,179.08	1,179.08
Other Comprehensive Income/ (Loss)	-	-	-	5.60	5.60	5.60
Total Comprehensive Income for the Year	-	-	-	1,184.68	1,184.68	1,184.68
Transferred from General Reserve to Retained Earnings	-	-	(90.00)	90.00	-	-
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	6543.65	1536.89	9,232.55	9,563.82

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 : 26th June, 2020

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

Place : Mumbai
Date : 26th June, 2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ In lacs)

	Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Exceptional Item	2,624.07	1,619.86
	Add: Exceptional Items	-	45.05
	Net Profit/(Loss) After Exceptional Item	2,624.07	1,664.91
	Adjusted for		
	Depreciation & Amortization Expense	407.26	271.86
	Investment Income	(26.27)	(21.79)
	Interest Charged	731.63	700.24
	Operating Profit before Working Capital Changes	3,736.69	2,615.22
	Changes in		
	Trade & Other Receivables	(2,787.92)	(796.34)
	Inventories	(1,512.12)	(1,973.80)
	Trade & Other Payables	1,411.76	966.93
		(2,888.28)	(1,803.21)
	Cash Generated from Operations	848.41	812.01
	Direct Taxes Paid	(404.74)	(165.10)
	Net Cash from Operating Activities	443.67	646.91
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Intangible Assets under development	(1,506.91)	(1,161.45)
	Proceeds from disposal of Property, Plant and Equipment	3.29	97.65
	Purchases of Non Current Investments	(600.00)	-
	Dividend paid (inclusive of tax)	(79.86)	-
	Interest Received	20.64	20.49
	Dividend Received	1.25	1.12
	Net Cash used in Investing Activities	(2,161.59)	(1,042.19)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	2,582.42	1,051.92
	Interest Paid	(731.63)	(712.52)
	Net Cash used in Financing Activities	1,850.79	339.40
	Net Changes in Cash & Cash Equivalents (A+B+C)	132.87	(55.88)
	Cash & Cash Equivalents - Opening Balance	170.14	226.02
	Cash & Cash Equivalents - Closing Balance	303.01	170.14

**Hind Rectifiers Limited****CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES IN ACCORDANCE WITH IND AS 7**

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Opening balances		
Non Current borrowing (Refer Note 22)	1,674.20	1,003.25
Current Borrowings (Refer Note 25)	4,190.94	3,809.97
	5,865.14	4,813.22
Movements		
Non Current borrowing	(164.76)	670.95
Current Borrowings	2,747.18	380.97
	2,582.42	1,051.92
Closing balances		
Non Current borrowing (Refer Note 22)	1,509.44	1,674.20
Current Borrowings (Refer Note 25)	6,938.12	4,190.94
	8,447.56	5,865.14

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 : 26th June, 2020

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

Place : Mumbai
Date : 26th June, 2020



1 - OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2020

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 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 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

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 and GST Incentives

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

GST Incentives are accounted when the amount of incentive is certain to be received.

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

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 Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company.
- 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 Chairman cum Managing Director and Executive Director, in whose cases the additional Gratuity liability in accordance with their terms of appointment, is provided in the books.
 - b) In case of Nashik and Dehradun Division it is provided on the basis of actuarial valuation.

Defined Benefit Plans - The present value of the obligation under such plans, 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.

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

iv) 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.

vii) 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 charges 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

Hind Rectifiers Limited

exchange difference arising on such transaction is dealt with in the Statement of Profit and Loss.

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. Refer to the accounting policy on warranty. 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 on the basis of historical experience. The initial estimate of warranty-related costs is revised annually.

Note 2 - PROPERTY, PLANT AND EQUIPMENT (CUM)

(₹ In lacs)

Details Of Assets	Land		Road	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Computers	Total
	Freehold	Leashold							
Gross Carrying Amount									
Deemed Cost As At Ist April, 2018	161.40	21.01	51.24	1,140.76	1,581.54	286.41	176.09	91.99	3,510.44
Additions	-	-	-	11.33	99.43	2.96	69.76	26.19	209.67
Transfer From / To Other Plants	-	-	-	-	-	-	-	-	-
Disposals	37.09	-	6.84	64.57	33.68	0.91	15.51	-	158.60
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
Balance As At 31st March, 2019	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
Transfer From Other Plants	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	18.99	-	42.32	-	61.31
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
Balance As At 31st March, 2020	124.31	21.01	44.40	1,230.32	2,280.60	313.69	224.00	160.44	4,398.77
Accumulated Depreciation									
Balance As At 31st March, 2018	-	8.69	48.67	238.50	582.17	229.30	119.26	70.89	1,297.48
Additions	-	0.22	-	30.32	100.47	11.65	21.61	11.71	175.98
Accumulated Dep On asset transferred	-	-	-	-	-	-	-	-	-
Disposals	-	-	6.50	20.35	20.37	0.79	12.94	-	60.95
Reclassification As Held For Sale	-	-	-	1.07	-	-	-	-	1.07
Balance As At 31st March, 2019	-	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
Accumulated Dep On asset transferred	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	16.65	-	40.20	-	56.85
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
Balance As At 31st March, 2020	-	9.13	42.17	275.90	769.25	252.28	107.68	103.36	1,559.77
Net Carrying Amount									
Bal. As At 1st April, 2018	161.40	12.32	2.57	902.26	999.37	57.11	56.83	21.10	2,212.96
Bal. As At 1st April, 2019	124.31	12.10	2.23	840.12	985.02	48.30	102.41	35.58	2,150.07
Bal. As At 1st April, 2020	124.31	11.88	2.23	954.42	1,511.35	61.41	116.32	57.08	2,839.00

Note : 1. Borrowing costs of ₹12.58 lacs have been capitalised for the year ended 31st March 2020 (Previous year ₹ 0.51 lacs)

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 lacs)

Details Of Assets	Capital Work In Progress Others	TOTAL
Gross Carrying Amount		
Demand Cost As At 1st April,2018	23.09	23.09
Additions	648.67	648.67
Transferred From Intangible Assets Under Development	-	-
IND As Impact For The Year	-	-
Disposal/capitalised During The Year	44.26	44.26
Reclassification As Held For Sale	-	-
Balance As At 31st March, 2019	627.50	627.50
Additions	850.02	850.02
Transfer From Other Plants	-	-
IND As Impact For The Year	-	-
Disposals / Capitalised	565.18	565.18
Reclassification As Held For Sale	-	-
Balance As At 31st March, 2020	912.34	912.34
Net Carrying Amount		
As at 1st Apr 2018	23.09	23.09
As at 1st Apr 2019	627.50	627.50
As at 1st Apr 2020	912.34	912.34

Note:

- Borrowing costs capitalised to Capital Work in Progress Others are as follows:

(₹ In lacs)

As on 31st March 2020	89.13
As on 31st March 2019	39.96

During the year ended 31st March, 2020, ₹ 12.58 lacs of borrowing costs are transferred from Capital Work in Progress (Others) 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 lacs)

Details Of Assets	Technical Knowhow	Computer Software	Product Development	TOTAL
Gross Carrying Amount				
Demand Cost As At 1st April, 2018	579.94	89.19	394.14	1,063.27
Additions	-	47.35	-	47.35
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2019	579.94	136.54	394.14	1,110.62
Additions	16.82	69.26	110.36	196.44
Transfer From Other Plants	-	-	-	-
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2020	596.76	205.80	504.50	1,307.06
Accumulated Depreciation				
Balance as at 31st March, 2018	409.42	65.80	69.11	544.33
Additions	35.39	6.97	53.52	95.88
Disposals	-	-	-	-
Accumulated Depreciation On Assets Transferred	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2019	444.81	72.77	122.63	640.21
Additions	53.85	22.74	125.49	202.08
Disposals	-	-	-	-
Accumulated Depreciation On Assets Transferred	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2020	498.66	95.51	248.12	842.29
Net Carrying Amount				
Balance As At 1st April, 2018	170.52	23.39	325.03	518.94
Balance As At 1st April, 2019	135.13	63.77	271.51	470.41
Balance As At 1st April, 2020	98.10	110.29	256.37	464.76

Hind Rectifiers Limited
Note 5 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In lacs)

Details Of Assets	Technical Knowhow	Computer Software	Product Development	TOTAL
Gross Carrying Amount				
Demand Cost As At 1st April, 2018	69.22	2.36	328.98	400.56
Additions	124.12	2.70	244.47	371.29
Transferred To Capital Work In Progress	-	-	-	-
Capitalised During The Year	-	2.36	12.56	14.92
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2019	193.34	2.70	560.89	756.93
Additions	30.00	-	388.89	418.89
Transfer From Other Plants	-	-	-	-
Disposals / Capitalised	43.82	2.70	244.13	290.65
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2020	179.52	-	705.65	885.17
Net Carrying Amount				
Balance As At 1st April, 2018	69.22	2.36	328.98	400.56
Balance As At 1st April, 2019	193.34	2.70	560.89	756.93
Balance As At 1st April, 2020	179.52	-	705.65	885.17

Notes forming part of Financial Statements
Note 6 - NON-CURRENT INVESTMENTS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Investments carried at Fair value		
Fully paid equity shares (unquoted)*		
Apna Sahakari Bank Ltd.	5.00	5.00
TJSB Sahakari Bank Ltd.	5.00	5.00
Fixed deposits with TJSB Sahakari Bank	600.00	
TOTAL	610.00	10.00

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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Rental Security Deposit	1.98	3.78
Staff Loans	1.57	1.89
TOTAL	3.55	5.67

Note: Rental Security Deposit as on 31st March 2020 includes ₹ Nil (previous year ₹ 1.5 lacs) due from the CEO of the Company, Mr. Suramya Nevatia. (refer note 50 of the Financial statements)

Other than that, 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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Assets valued at Amortised Cost		
Unsecured considered good		
Security Deposits Given to Government & Other Bodies	38.56	53.44
Retention Money	156.36	207.56
Fixed Deposits with Banks (EMD)	-	13.15
Earnest Money Deposits	33.16	128.23
TOTAL	228.08	402.38

Note 9 - DEFERRED TAX ASSET (NET)

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	272.59	205.75
Carried forward losses and unabsorbed depreciation	-	149.61
	272.59	355.36
Deferred Tax Liability		
Related to Property, Plant & Equipment and Intangible Assets	224.31	172.66
MAT Credit Entitlement	420.67	502.46
TOTAL	468.95	685.16

Note 10 - OTHER NON-CURRENT ASSETS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Capital Advances	199.21	260.39
Less: Provision for doubtful advances	(57.62)	-
TOTAL	141.59	260.39

Hind Rectifiers Limited
Note 11 - INVENTORIES

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Raw Materials and components (Including Packing material)	3,426.90	3,037.94
Work-in-progress	2,343.66	1,781.42
Finished goods	1,057.67	536.16
Stores and Spares	19.69	-
Loose Tools and Instruments	72.91	48.45
Scrap	6.16	10.90
TOTAL	6,926.99	5,414.87

- Note: i. Refer Note 1 on Financial Statements for Accounting Policy of Inventory Valuation
 ii. Refer Note 22 & 25 of Financial Statements for Inventories on hypothecation as security
 iii. Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-down of inventories amounted to 81.66 lakhs as at 31st March, 2020 (as at 31st March, 2019 67.04 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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Trade Receivables considered good - Secured	3.69	5.61
Trade Receivables considered good - Unsecured	8,100.78	6,320.12
Trade Receivables which have significant increase in Credit Risk	445.21	296.41
Trade Receivables - credit impaired	-	-
Less : Allowance for Expected Credit Loss	(445.21)	(296.41)
TOTAL	8,104.47	6,325.73

- 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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
a. Balances with banks		
In Current Account	144.23	18.57
b. Cash on hand	4.69	6.62
TOTAL	148.92	25.19

Note 14 - OTHER BANK BALANCES

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
a. Balances with banks		
In Unclaimed Dividend A/c	5.11	8.20
In Margin Account	144.04	109.43
b. Fixed Deposits (Earnest Money Deposits)	4.94	27.32
TOTAL	154.09	144.95

Note 15 - OTHER CURRENT LOANS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Assets carried at Amortised Cost		
Unsecured, Considered Good		
Staff Loans	1.49	0.83
TOTAL	1.49	0.83

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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Assets carried at Amortised Cost		
Earnest Money Deposits	848.84	8.71
Retention Money	431.91	-
Interest Income accrued but not due	10.18	5.80
Less: Provision for Doubtful Amounts	(37.24)	-
TOTAL	1,253.69	14.51

Note 17 - CURRENT TAX ASSET (NET)

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Taxes Paid in Advance/ deducted at Source (Net of Provision for Tax)	5.23	122.28
TOTAL	5.23	122.28

Hind Rectifiers Limited
Note 18 - OTHER CURRENT ASSETS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Balance with GST, Excise, Customs and Port Trust etc.	249.49	262.12
GST Incentive Receivable	-	32.11
Advance to Suppliers	444.44	411.22
Advance to Staff	6.34	4.43
Advance to Others	84.88	95.75
Unbilled Service Revenue	368.37	289.07
Less : Provision for Doubtful Amounts	(106.79)	(116.91)
TOTAL	1,046.73	977.79

Note 19 - ASSETS HELD FOR SALE

(₹ In lacs)

Particulars	Office Building Kolkata	Total
Balance as at 31st March, 2018	58.91	58.91
Add: Transferred from Property, Plant & Equipment	-	-
Less: Sold during the year	-	-
Less: Depreciation during the year	1.07	1.07
Balance as at 31st March, 2019	57.84	57.84
Add: Transferred from Property, Plant & Equipment	-	-
Less: Sold during the year	-	-
Less: Depreciation during the year	-	-
Balance as at 31st March, 2020	57.84	57.84

Note: The sale of Office Building of Kolkata could not be carried out in the financial year ended 31st March 2020. Also, depreciation has not been charged since it is asset held for sale.

Note 20 - EQUITY SHARE CAPITAL

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each	1,000.00	1,000.00
Issued Capital		
1,65,63,723 Equity Shares of ₹ 2/- each	331.27	331.27
TOTAL	331.27	331.27
Subscribed and Paid up Capital		
1,65,63,723 Equity Shares of ₹ 2/- each	331.27	331.27
TOTAL	331.27	331.27



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

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No of shares	% held	No of shares	% held
Mr. Sushil Kumar Nevatia	1,58,500	0.96	1,58,500	0.96
Mr. Suramya Nevatia	20,16,536	12.17	20,16,536	12.17
Mr. Saurabh Nevatia	34,49,938	20.83	34,49,938	20.83
BTR Industries Limited	24,00,000	14.49	24,00,000	14.49

b. Reconciliation of number of shares

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No of shares	₹ In lacs	No of shares	₹ In lacs
Equity Shares at the beginning of the year	165,63,723	331.27	165,63,723	331.27
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	165,63,723	331.27	165,63,723	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 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, 2020.

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

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
General Reserve		
Opening Balance	6,243.65	6,333.65
Add: Transferred from retained earnings	300.00	-
Less: Transferred to retained earnings	-	(90.00)
Closing Balance	6543.65	6,243.65
Note: 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.		
Securities Premium		
Closing Balance	1,152.01	1,152.01
Note : 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.		
Retained Earnings		
Opening balance	86.60	(1,188.08)
Add: Profit for the period	1,830.15	1,184.68
Add: Transferred from General Reserve	-	90.00
Less: Transferred to General Reserve	(300.00)	-
Less: Dividend	(66.25)	-
Less: Dividend Tax	(13.61)	-
Closing Balance	1536.89	86.60
Note: 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.		
TOTAL	9,232.55	7,482.26

Proposed Dividend on equity Shares		
Final cash dividend for the year ended 31st March, 2020 is ₹ 0.80 per equity share (31st March 2019 ₹ 0.40 per equity share)	132.51	66.25
Dividend Distribution Tax on proposed dividend	-	11.58
	132.51	77.83

Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31st March, 2020.

Note 22 - NON CURRENT BORROWINGS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Liabilities valued at amortised cost		
SECURED		
Term Loans		
From Banks		
i. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 500 lacs. Repayable in 60 monthly instalments started from July, 2017.)	160.16	249.17
ii. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 250 lacs. Repayable in 72 monthly instalments started from August, 2017.)	120.54	156.49
iii. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned Amount and Disbursed amount of ₹ 400 lacs. Repayable in 60 monthly instalments started from August, 2018.)	218.51	273.49
iv. Term Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 450 lacs. Repayable in 72 monthly instalments started from Jun, 2017.)	131.73	211.24
v. Term Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 250 lacs. Repayable in 72 monthly instalments started from Feb, 2018.)	126.82	164.65
vi. Term Loan from Apna Sahakari Bank Ltd (Sanctioned Amount of ₹ 475 lacs and Disbursed amount of ₹ 313.28 lacs. Repayable in 60 monthly instalments started from Feb, 2019.)	285.50	188.36
vii. Term Loan from ICICI Bank Ltd (Sanctioned Amount is ₹ 500 Lacs and Disbursed Amount is ₹ 361.36 lacs till 31st March, 2020. Repayable in 60 monthly instalments starting from Nov, 2018.)	265.02	264.45
viii. Term Loan from TJSB Sahakari Bank Ltd (Sanctioned amount is ₹ 350 Lacs and Disbursed Amount is ₹ 202.97 Lacs. Repayable in 60 monthly instalments and moratorium of 6 months starting from Feb, 2019.)	166.47	127.52
ix. Vehicle Loan from Yes Bank Ltd (Loan of ₹ 7.87 Lacs. Repayable in 37 monthly instalments starting from Dec, 2018.)	2.12	4.73
x. Vehicle Loan from Yes Bank Ltd (Loan of ₹ 39 Lacs. Repayable in 37 monthly instalments starting from Dec, 2018.)	10.46	23.38
xi. Vehicle Loan from TJSB Sahakari Bank Ltd (Mumbai) (Loan of ₹ 9.85 Lacs. Repayable in 36 monthly instalments starting from Dec, 2018.)	2.92	5.67
xii. Vehicle Loan from TJSB Sahakari Bank Ltd (Mumbai) (Loan of ₹ 34.16 Lacs. Repayable in 36 monthly instalments starting from Sep, 2019.)	16.98	-
xiii. Vehicle Loan from TJSB Sahakari Bank Ltd (Dehradun) (Loan of ₹ 8.71 Lacs. Repayable in 36 monthly instalments starting from Dec, 2018.)	2.21	5.05
From Others	-	-
UNSECURED	-	-
TOTAL	1,509.44	1,674.20

Hind Rectifiers Limited

Note: Details of Security:

1. 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
2. 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.
3. 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.
4. Loan Covered in (ix) above
Secured by hypothecation of Motor Car No. TN-01-BF-6316.
5. Loan Covered in (x) above
Secured by hypothecation of Motor Car No. MH-03-DA-4070.
6. Loan Covered in (xi) above
Secured by hypothecation of Motor Car No. MH-03-DA-5903.
7. Loan Covered in (xii) above
Secured by hypothecation of Motor Car No. MH-03-DG-4070.
8. Loan Covered in (xiii) above
Secured by hypothecation of Motor Car No. UK-07-DK-3152.

Note 23 - OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Liabilities carried at amortised cost		
Dealership Deposit	18.25	19.76
TOTAL	18.25	19.76

Note 24 - NON CURRENT PROVISIONS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Provision for Employee Benefits		
Provision for Gratuity (refer note 48)	200.09	158.93
Provision for Leave Encashment	55.53	45.23
provision for warranty (refer note 53)	163.02	-
TOTAL	418.64	204.16

Note 25 - CURRENT BORROWINGS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Liabilities valued at amortised cost		
SECURED		
Loan from Consortium Banks		
i) Cash Credit	6,938.12	4,190.94
TOTAL	6,938.12	4,190.94

Note: 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.

Note 26 - TRADE PAYABLES

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Total outstanding dues of micro enterprises and small enterprises	212.78	153.59
Total outstanding dues of creditors other than micro and small enterprises	3,733.94	3,132.92
TOTAL	3,946.72	3,286.51

Note: Also refer Note 43 of Financial Statements

Note 27 - OTHER CURRENT FINANCIAL LIABILITIES

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Financial Liabilities valued at Amortised Cost		
Current maturities of long term debt*	529.73	499.20
Interest Accrued But not Due	11.36	1.62
Unclaimed Dividend	5.11	8.20
Sundry Creditors for Capital Goods	33.35	85.21
Provision for Bonus	35.80	32.09
Other Payables	649.13	180.22
TOTAL	1,264.48	806.54

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.

Note 28 - OTHER CURRENT LIABILITIES

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Advances		
Advance from Customers	203.52	100.80
Others		
Statutory Liabilities	74.85	68.08
TOTAL	278.37	168.88

Note 29 - CURRENT PROVISIONS

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Provision for Employee Benefits		
Provision for Gratuity (refer note 48)	30.73	26.54
Provision for Leave Encashment	8.92	6.46
Provision for Warranty (refer note 53)	244.53	254.98
TOTAL	284.18	287.98

Hind Rectifiers Limited
Note 30 - REVENUE FROM OPERATIONS

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Sale of Products	27,537.82	23,581.60
Sale of Services	2,403.49	1,916.88
Other Operating Income		
Export Incentives	20.74	15.81
TOTAL	29,962.05	25,514.29

Note: Refer Note 52 of the Financial Statements

Note 31- OTHER INCOME

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Interest Income	25.02	20.67
Dividend Income	1.25	1.12
Other Non Operating Income		
Credit Balance Written Back	20.50	9.54
Exchange Rate Fluctuation	-	30.15
Miscellaneous Income	0.21	0.07
Profit on sale of assets	1.18	-
TOTAL	48.16	61.55

Note 32 - COST OF MATERIALS CONSUMED

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Opening Stock of Raw Materials	3,036.64	1,774.18
Add: Purchases of Raw Materials	21,523.79	19,475.44
Add: Conversion and Processing Charges	1,052.04	1,086.75
Less: Transferred to CWIP from Opening stock of Raw Materials	(12.16)	-
Total	25,600.31	22,336.37
Less: Closing Stock of Raw Materials	3,425.10	3,036.64
TOTAL	22,175.21	19,299.73

Note 33 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
<u>Opening Inventory</u>		
Finished Goods	536.16	67.05
Work-In-Progress	1,781.42	1,552.37
Stock-In-Trade	-	-
	2,317.58	1,619.42
<u>Closing Inventory</u>		
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
Add/(Less) Trfd to CWIP	(156.93)	(10.73)
TOTAL	(1,240.68)	(708.89)

Note 34 - EMPLOYEE BENEFITS EXPENSE

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Salaries, Wages, Bonus, Gratuity etc.	2,728.41	2,002.43
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	118.50	108.62
Staff Welfare Expenses	133.24	120.09
TOTAL	2,980.15	2,231.14

Note 35 - FINANCE COSTS

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Interest		
Interest on Bank Borrowings	548.72	479.62
Other Interest	6.60	25.28
Interest on Term Loan	176.31	195.34
TOTAL	731.63	700.24

Hind Rectifiers Limited
Note 36 - DEPRECIATION AND AMROTIZATON EXPENSE

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Depreciation on Property, Plant & Equipment	205.18	174.91
Depreciation on Assets held for sale	-	1.07
Amortization on Intangible assets	202.08	95.88
TOTAL	407.26	271.86

Note 37 - OTHER EXPENSES

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Consumable Stores, Tools and Instruments	38.88	55.23
Electricity, Water and Fuel Charges	192.04	182.86
Packing	197.80	157.55
Repairs		
i) To Machinery	13.54	16.90
ii) To Building	40.66	38.78
iii) To Other Assets	12.95	21.91
Rent	17.65	17.50
Rates and Taxes	18.61	10.85
Insurance	10.33	9.73
Travelling, Conveyance and Vehicle Expenses	286.35	284.93
Directors' Travelling, Conveyance and Sitting Fees	7.96	1.90
Printing and Stationery	19.30	14.62
Postage, Telegram and Telex	36.42	30.43
Advertisement and Publicity	14.66	24.76
Bad Debts	2.07	551.46
Liquidated Damages	92.75	337.56
Provision for Doubtful debts	148.80	189.90
Provisions for doubtful debts and others written back	-	(707.66)
Commission	79.28	82.01
Legal and Professional Charges	157.84	176.10
Payment to Auditors	3.76	2.69
Transit Insurance and Freight	123.61	96.61
Bank Charges	83.62	83.08
Warranty Expenses	299.63	254.98
Miscellaneous Expenses	418.20	227.22
Exchange Fluctuation	15.86	-
TOTAL	2,332.57	2,161.90

Note 38 - TAX EXPENSES**Income Tax Expenses Recognized in the Statement of Profit & Loss**

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Current Tax		
Current Tax on taxable Income for the year	499.80	-
MAT Credit (taken)/ utilised	141.01	-
Earlier year tax	(6.36)	-
Total Current Tax Expense	634.45	-
Deferred Tax		
Deferred Tax Charge / (Credit)	141.71	502.10
Earlier year tax	-	(16.27)
Total Deferred Tax expense / (benefit)	141.71	485.83
Total tax expense recognised in Statement of Profit and Loss	776.16	485.83

Income Tax Expenses Recognized in Other Comprehensive Income

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Other Comprehensive Income	(7.29)	2.30
TOTAL	(7.29)	2.30

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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Enacted Income tax rate in India applicable to the Company	29.12%	29.12%
Profit before tax	2,624.07	1,672.81
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	764.13	487.12
Tax effects of the amounts which are not deductible / (taxable) in calculating taxable income		
Add / Less :-		
• Tax on sale of land and building due to applicability of section 50C of the Income Tax Act, 1961.	-	40.70
• Tax rate change on deferred tax asset	-	(32.11)
• Tax impact on expense which not-deductible (penalty type, donation, capital expenditure)	18.23	7.66
• Earlier year un-recognised deferred tax asset recognized during the year	(6.36)	(16.27)
Others	0.16	(1.27)
TOTAL	776.16	485.83



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The movement in deferred tax assets and liabilities during the year ended 31st March, 2020 and 31st March, 2019:

(₹ In lacs)

Particulars	Deferred Tax Asset/ (Liabilities) as on 1st April, 2018	Payment	Credit/ (charge) in Statement of Profit & Loss	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
Depreciation	(148.04)		(24.62)	(172.66)	-	-	(51.65)	(224.31)
Disallowance under Income Tax Act with respect to Employee Benefits	70.38		9.56	79.94	-	-	17.43	97.37
Provision	231.53		(111.17)	120.36	-	-	51.23	171.59
Impairment of Assets	3.40		(3.40)	-	-	-	-	-
Right Issue Expenses	6.94		(1.49)	5.45	-	-	(1.82)	3.63
Loss of Earlier years	506.62		(357.01)	149.61	-	-	(149.61)	-
MAT Credit Entitlement	387.46	115.00	-	502.46	14.14	45.08	(141.01)	420.67
TOTAL	1,058.29	115.00	(488.13)	685.16	14.14	45.08	(275.43)	468.95

Note 39 - PAYMENT TO AUDITORS (Excluding GST)

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
As Auditor	2.65	2.65
For Tax Audit	-	-
For Certification	0.20	0.04
For out of Pocket expenses	0.91	-
TOTAL	3.76	2.69

Note 40 - EARNINGS PER SHARE

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Profit after taxation as per Statement of Profit & Loss	1847.91	1179.08
Weighted Average Number of Equity Shares Outstanding	16563723	16563723
Basic and Diluted Earnings per Share (₹)	11.16	7.12

Note 41 - INTANGIBLE ASSETS UNDER DEVELOPMENT

During the year, the Company has incurred an expenditure of ₹ 388.89 lakhs on the development of various products and completed the development process of the products of ₹ 110.35 (including ₹ 79.74 Lacs incurred upto 31st March 2019) and the balance of ₹ 705.65 lakhs (including ₹ 347.37 lakhs incurred upto 31st March, 2019) related to the products still under development is clubbed under Intangible Assets under Development and ₹ 133.78 lakhs relating to project which has been discarded has been charged in the Statement of Profit and Loss under Other Expenses.

Note 42 - RESEARCH AND DEVELOPMENT

The recurring expenditure of ₹ 210.25 lakhs (Previous year ₹ 188.79 lakhs) and Capital Expenditure of ₹ 319.45 lakhs (Previous Year ₹ 314.25 lakhs) spent in Research and Development during the year have been debited to respective account.

Note 43 - 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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
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 44 - CONTINGENT LIABILITIES

Contingent Liabilities in respect of the following:

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
i. Claims against the company not acknowledged as debt		
Claims of Sales Tax disputed by Company	24.22	126.24
Claims of Income Tax disputed by Company	-	-
Claims of Excise disputed by the Company	-	154.71
ii. Guarantees excluding financial guarantees		
Guarantee given by the banks to the third parties on behalf of the company	1,638.61	1069.76
iii. Other money for which the company is contingently liable		
Letters of credit opened by the bankers of the Company in favour of the third parties	-	206.79
Letter of Credit discounted with bank	12.96	34.28

Note 45 - 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 ₹ 41.54 lakhs (Previous year ₹ 39.02 lakhs) and on account of Capital Purchase ₹ 323.46 lakhs (Previous year ₹ 572.27 lakhs)

Hind Rectifiers Limited
Note 46 - 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 lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Actuarial Gains/(Loss) on post-employment defined benefit plan	(25.05)	7.90
Tax on above	7.29	(2.30)
Net Other Comprehensive Income / (Loss)	(17.76)	5.60

Note 47 - FAIR VALUE HIERARCHY

Fair value hierarchy is not applicable to the company except in the case of Shares of Apna Sahakari bank Ltd and TJSB Sahakari 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 lakhs since the same are taken for loan.

Note 48 - 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 lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Employer's Contribution to Provident Fund	46.62	37.12
Employer's Contribution to Superannuation Fund	12.37	13.26
Employer's Contribution to Pension Fund	43.22	37.11

(b) Defined Benefit Plans:
(i) 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 2020	31st Mar 2019
Employee Attrition Rate	1% - 2%	1% - 2%
Discount rate(s)	6.55%	7.60%
Expected rate(s) of salary increase	4.00%	3.50%

(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
I. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year		
Funded	293.76	283.44
Non Funded	116.66	103.85
	410.42	387.29
2. Expenses Recognised in Profit and Loss Account		
<u>Current Service Cost</u>		
Funded	25.34	23.22
Non Funded	9.05	8.57
	34.39	31.79
<u>Interest Cost</u>		
Funded	19.77	18.99
Non Funded	4.02	3.22
	23.79	22.21
<u>Past Service Cost</u>		
Funded	(6.97)	-
Non Funded	-	-
	(6.97)	-
3. Recognised in Other Comprehensive Income		
<u>Actuarial (Gain)/ Loss</u>		
Funded	17.74	(10.36)
Non Funded	6.70	1.50
	24.44	(8.86)
4. Benefits paid		
Funded	19.77	21.53
Non Funded	0.27	0.48
	20.04	22.01
5. Present value of defined benefit obligation at the end of the year.		
Funded	329.87	293.76
Non Funded	136.16	116.66
	466.03	410.42
II. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	224.95	228.92
2. Adjustments to Opening Fair Value of Plan asset	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
Expected return on plan assets	16.77	17.07
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses		
Actual Return on plan assets in excess of the expected return	(0.61)	(0.96)
5. Contributions by employer (including benefit payments recoverable)	13.85	1.45
6. Benefits paid	(19.77)	(21.53)
7. Fair value of plan assets at the end of the year	235.19	224.95



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(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
III. (a) Expense recognised in the Statement of Profit and Loss for the year		
<u>Current Service Cost</u>		
Funded	25.34	23.22
Non Funded	9.05	8.57
	34.39	31.79
<u>Past Service Cost</u>		
Funded	(6.97)	-
Non Funded	-	-
	(6.97)	-
<u>Interest Cost</u>		
Funded	19.77	18.99
Non Funded	4.02	3.22
	23.79	22.21
<u>Expected Return on plan assets</u>		
Funded	(16.77)	(17.07)
Non Funded	-	-
	(16.77)	(17.07)
<u>Components of defined benefit costs recognized in profit or loss</u>		
Funded	21.37	25.14
Non Funded	13.07	11.79
	34.44	36.93
(b) Included in other Comprehensive Income		
Actuarial (Gain) / Loss recognized for the period	24.44	(8.86)
Return on Plan Assets excluding net interest	0.61	0.96
Actuarial (Gain) / Loss recognized in OCI	25.05	(7.90)
IV. Net Asset/(Liability) recognised in the Balance Sheet		
1. Fair value of plan assets as at 31 March 2020		
Funded	235.19	224.95
Non Funded	-	-
	235.19	224.95
2. Present value of defined benefit obligation as at 31 March 2020		
Funded	329.87	293.76
Non Funded	136.16	116.66
	466.03	410.42
3. Amount recognised in Balance Sheet		
Funded	94.68	68.81
Non Funded	136.16	116.66
	230.84	185.47

Expected cashflows based on past service liability:

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
Within 1 year	79.51	48.27
1-2 year	45.62	45.46
2-3 year	21.22	41.99
3-4 year	36.39	18.89
4-5 year	43.44	31.94
Above 5 years	151.11	153.33

Sensitivity Analysis

(₹ In lacs)

Particulars	Year ended 31st Mar 2020	Year ended 31st Mar 2019
i. Discount rate Sensitivity		
Increase by 0.5%	388.08	335.03
Decrease by 0.5%	416.65	360.82
ii. Salary growth rate Sensitivity		
Increase by 0.5%	409.81	356.41
Decrease by 0.5%	394.95	338.29
iii. Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	332.42	348.21
W.R. x 90%	331.05	346.60

Note 49 - SEGMENT INFORMATION

As the revenue, from 'Components' segment was reduced to less than 10% in the year 2017-18 and the revenue, profits and assets continues to be less than 10% in the current financial year, hence the segment wise results is not given.

Note 50 - DIVIDEND

The Board of Directors have recommended a dividend of ₹ 0.80 Per equity share of ₹ 2/- each (Previous year ₹ 0.40 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 15th September, 2020.

Note 51 - 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 2020, no stock options has been granted by the company.

Note 52 - MISCELLANEOUS EXPENSES

Miscellaneous expenses under Other Expenses includes the Provision for Advance to Suppliers of ₹ 65.58 lakhs (Previous Year ₹ 98.99 lakhs) and CWIP written off of ₹ 133.78 lacs (Previous year ₹ 14.63 lakhs)

Hind Rectifiers Limited

Note 53 - 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 significant portion of these costs will be incurred in the next financial year and all will have been incurred within warranty period after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns during the warranty period for all products sold.

Note 54

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 applicability of Ind AS 116: Leases in the current financial year and determined that 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 55 - 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

2. Executive Director

a) Mrs. Akshada Nevatia

3. 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

ii. Non Independent Non Executive Director

a) Mr. Pawan Golyan

b) Mr. Vandan Shah

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 (appointed as AGM w.e.f 01st July 2019)

Note : Mr. S K Nevatia, Mrs. Akshada Nevatia, Mr. Suramya Nevatia, Mr. Saurabh Nevatia and Mrs. Bharti Nevatia are related to each other.

II. Disclosure in respect of material transactions with related parties during the year ended 31st March, 2020 (₹ In lacs)

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	Loan Received / Deposits received				
	Deposits refunded by Mr. Suramya Nevatia	-	1.50	-	1.50
2	Loan Repaid / Deposits Given				
	Nil	-	-	-	-
3	Income				
	Sale	2.30	-	-	2.30
	Force Motion Technology	(0.30)	-	-	(0.30)
4	Expenditure				
i.	Remuneration				
	Mr. S K Nevatia	-	157.57	-	157.57
		-	(145.08)	-	(145.08)
	Mrs. Akshada Nevatia	-	62.46	-	62.46
		-	(29.14)	-	(29.14)
	Mr. Suramya Nevatia	-	73.65	-	73.65
		-	(28.63)	-	(28.63)
	Mr. Saurabh Nevatia	-	-	90.27	90.27
		-	-	(57.94)	(57.94)
	Mrs. Bharti Nevatia	-	-	8.68	8.68
		-	-	-	-
	Mr. Anil Kumar Nemani	-	31.94	-	31.94
		-	(28.19)	-	(28.19)
	Ms. Meenakshi Anchlia	-	9.59	-	9.59
		-	(8.40)	-	(8.40)
ii.	Directors Sitting Fees				
	Mr. Binod Kumar Patodia	-	0.88	-	0.88
		-	(0.05)	-	(0.05)
	Mr. Parimal Merchant Pawan	-	1.50	-	1.50
		-	(0.48)	-	(0.48)
	Mr. Kumar Golyan	-	0.33	-	0.33
		-	-	-	-
	Mr. Pradeep Goyal	-	1.72	-	1.72
		-	(0.42)	-	(0.42)
	Mr. Vandan Shah	-	0.58	-	0.58
		-	(0.30)	-	(0.30)
	Mr. Vijay Kumar Bhartia	-	2.47	-	2.47
		-	(0.65)	-	(0.65)
iii.	Rent				
	Mr. Suramya Nevatia	-	1.95	-	1.95
		-	(3.60)	-	(3.60)
	Mr. Saurabh Nevatia	-	-	4.20	4.20
		-	-	(4.80)	(4.80)
iv.	Purchase				
	Force Motion Technology	431.45	-	-	431.45
		(249.35)	-	-	(249.35)

Note : Figures in brackets represents previous years figures



Hind Rectifiers Limited

III. Balances Receivable / Payable with Related Parties (₹ In lacs)

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	Trade Payables				
	Force Motion Technology	87.46 (74.44)	- -	- -	87.46 (74.44)
2	Trade Receivables				
	Force Motion Technology	-	-	-	-
3	Other Current Financial Liabilities				
	Salary and Other Accrued Expenses				
	Salary Payable to Mr. S K Nevatia	-	11.03	-	11.03
	Salary Payable to Mrs. Akshada Nevatia	-	17.97	-	17.97
	Salary Payable to Mr. Suramya Nevatia	-	16.46	-	16.46
	Salary Payable to Mr. Saurabh Nevatia	-	-	4.37	4.37
	Salary Payable to Mrs. Bharti Nevatia	-	-	0.81	0.81
	Salary Payable to Mr. Anil Nemani	-	3.87	-	3.87
	Salary Payable to Ms. Meenakshi Anchlia	-	0.74	-	0.74
	Rent payable to Mr. Suramya Nevatia	-	(0.27)	-	(0.27)
4	Rental Security deposits				
	Deposit given to Mr. Suramya Nevatia	-	(1.50)	-	(1.50)

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. SK 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 56 - 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 it's 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.

(i) 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
As at 31 March 2020		
Expected loss rate	-	30.97%
Gross carrying amount of doubtful Trade Receivables	-	1,437.41
Loss allowance provision during the year *	-	148.80
As at 31 March 2019		
Expected loss rate	-	24.28%
Gross carrying amount of doubtful Trade Receivables	-	1,220.60
Loss allowance provision during the year	-	189.90

* 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 ₹ 148.80 lacs is after subtracting the balance in provision account as on 31st March 2019 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 lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Balance as at beginning of the year	296.41	814.17
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	148.80	189.90
Amounts written back during the year	-	707.66
Balance at end of the year	445.21	296.41

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 it's 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 lacs)
31-Mar-20	USD	+5%	(2.34)
	USD	-5%	2.34
	EURO	+5%	(2.53)
	EURO	-5%	2.53
31-Mar-19	USD	+5%	3.44
	USD	-5%	(3.44)
	EURO	+5%	0.02
	EURO	-5%	(0.02)

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 lacs)
31-Mar-20	USD	+5%	-
	USD	-5%	-
	EURO	+5%	(2.07)
	EURO	-5%	2.07
31-Mar-19	USD	+5%	-
	USD	-5%	-
	EURO	+5%	(3.90)
	EURO	-5%	3.90

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

- 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.
- Exposure of the company to commodity and commodity risks faced by it throughout the year.
 - Total exposure of the company to commodities in ₹ 1537.21 Lacs
 - Exposure of the company to various commodities :

Commodity Name	Exposure towards the particular commodity (₹ In lacs)	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	1,414.91	307.09 MT	N/A		N/A		N/A
2. Aluminium	122.29	47.85 MT	N/A		N/A		N/A
TOTAL	1,537.21	354.94 MT					

- 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 loans taken 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 floating rate borrowings, as follows:



Hind Rectifiers Limited

Particulars	Currency	Increase/ Decrease in basis Points	Effect on profit before tax (₹ In lacs)
31-Mar-20	INR	+50	(25.70)
	INR	-50	25.70
31-Mar-19	INR	+50	(20.63)
	INR	-50	20.63

(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 bank 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 curve 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 lacs)

As at 31 March 2020	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
(a) Non Derivative financial instruments						
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						
Micro and small enterprises	-	212.78	-	-	-	212.78
other than micro and small Enterprises	-	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
Total	-	12,149.32	1,127.02	382.42	18.25	13,677.01

(₹ In lacs)

As at 31 March 2019	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
(a) Non Derivative financial instruments						
Long term borrowings	-	-	1,327.08	322.78	24.35	1,674.20
Short term borrowings						
Cash Credit Facilities	-	4,190.94	-	-	-	4,190.94
Trade payables						
Micro and small enterprises	-	153.59	-	-	-	153.59
other than micro and small Enterprises	-	3,132.92	-	-	-	3,132.92
Other financial liabilities						
Deposits from dealers and agents	-	-	-	-	19.76	19.76
Current maturities of long-term debt	-	499.20	-	-	-	499.20
Interest accrued on borrowings	-	1.62	-	-	-	1.62
Provision for Processing Fees	-	16.54	-	-	-	16.54
Unclaimed / Unpaid dividends	-	8.20	-	-	-	8.20
Creditors for Capital Supplies / Services	-	85.21	-	-	-	85.21
Provision for Bonus	-	32.09	-	-	-	32.09
Salary & Other Accrued Expenses	-	151.82	-	-	-	151.82
Other Payables	-	11.86	-	-	-	11.86
Total	-	8,283.99	1,327.08	322.78	44.11	9,977.95

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period

(₹ In lacs)

Particulars	31 March 2020	31 March 2019
Cash Credit Facilities	351.88	1,819.61
Total	351.88	1,819.61

(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 lacs)

As at 31 March 2020	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
(a) Non Derivative financial instruments						
Investments	-	-	-	-	610.00	610.00
Trade Receivables	-	8,104.47	-	-	-	8,104.47
Cash and Cash Equivalents	-	148.92	-	-	-	148.92
Other Bank Balances	-	154.09	-	-	-	154.09
Loans	-	1.49	1.57	-	1.98	5.04
Other financial Assets						
Security Deposits	-	-	38.56	-	-	38.56
Retention Money	-	431.91	156.36	-	-	588.27
Fixed Deposits with Banks (EMD)	-	-	-	-	-	-
Earnest Money Deposits	-	848.84	33.16	-	-	882.00
Interest Income Accrued	-	10.18	-	-	-	10.18
Provision for Doubtful Amounts	-	(37.24)	-	-	-	(37.24)
Total	-	9,662.66	229.65	-	611.98	10,504.29

(₹ In lacs)

As at 31 March 2019	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
(a) Non Derivative financial instruments						
Investments	-	-	-	-	10.00	10.00
Trade Receivables	-	6,325.73	-	-	-	6,325.73
Cash and Cash Equivalents	-	25.19	-	-	-	25.19
Other Bank Balances	-	144.95	-	-	-	144.95
Loans	-	0.83	1.39	0.50	3.78	6.50
Other financial Assets						
Security Deposits	-	-	53.44	-	-	53.44
Retention Money	-	-	207.56	-	-	207.56
Fixed Deposits with Banks (EMD)	-	-	13.15	-	-	13.15
Earnest Money Deposits	-	8.71	128.23	-	-	136.94
Interest Income accrued	-	5.80	-	-	-	5.80
Claims receivable	-	-	-	-	-	-
Total	-	6,511.21	403.77	0.50	13.78	6,929.26

Note 57 - 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 2020 and 31st March 2019 is as follows:



(₹ In lacs)

Particulars	As at 31st Mar 2020	As at 31st Mar 2019
Total Liabilities	14,689.07	10,638.97
Less: cash and cash equivalents	154.03	33.39
Adjusted net debt	14,535.04	10,605.58
Total equity	9,563.82	7,813.53
Adjusted net debt to adjusted equity ratio	1.52	1.36

Note 58

Previous year's figures are regrouped and rearranged wherever necessary.

Note 59

The Financial Statements were authorised for issue by the directors on 26th June, 2020.

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 : 26th June, 2020

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

Place : Mumbai
Date : 26th June, 2020



Traction Motor Division at Hind Rectifiers Limited //



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Hind Rectifiers Limited



HIND RECTIFIERS LIMITED

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E-mail: investors@hirect.com **Website:** www.hirect.com **CIN:** L28900MH1958PLC011077

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **62nd Annual General Meeting** of the Members of **HIND RECTIFIERS LIMITED** will be held on **Tuesday the 15th September, 2020 at 11:30 IST through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)**, to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2020, along with the Reports of the Board of Directors' and Auditors' thereon.
2. To declare a final dividend of ₹ 0.80 per Equity Share for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mr. Pawan Golyan (DIN: 00356807) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. RATIFICATION OF REMUNERATION TO COST AUDITORS

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountants, having Firm Registration Number R100675, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-21, being ₹ 50,000/- (Rupees Fifty Thousands only) plus applicable tax be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

5. APPOINTMENT OF MRS. ASHLESHA BODAS AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) Mrs. Ashlesha Bodas (DIN: 00935512), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to 25th June, 2025;

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Hind Rectifiers Limited

6. APPOINTMENT OF MR. SURAMYA NEVATIA AS A DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Suramya Nevatia (DIN: 06703910) who was appointed as an Additional Director and “Joint Managing Director & CEO (KMP)” of the Company w.e.f. 17th August, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors and being eligible, offer himself for the appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member signifying his intention to propose Mr. Suramya Nevatia’s candidature for the office of the Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. APPOINTMENT OF MR. SURAMYA NEVATIA AS THE JOINT MANAGING DIRECTOR & CEO (KMP)

To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded for the appointment of Mr. Suramya Nevatia (DIN: 06703910) as the Joint Managing Director & Chief Executive Officer (KMP) of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from 17th August, 2020 up to 16th August, 2023 upon the terms and conditions of appointment including the payment of remuneration, perquisites, commission and other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Suramya Nevatia subject to the same not exceeding the limits specified under the Companies Act, 2013 and Listing Regulations, 2015 or any statutory modification or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to revise the remuneration of Mr. Suramya Nevatia from time to time to the extent the Board of Directors may deem appropriate provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

By order of the Board of Directors
For **Hind Rectifiers Limited**

Place : Mumbai
Date : 17th August, 2020

Meenakshi Anchia
Company Secretary

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, SEBI Listing Regulations, 2015, SEBI and MCA Circulars, the Annual General Meeting of the Company is being held through VC / OAVM. The deemed venue for the Annual General Meeting shall be the Registered Office of the Company.
2. The explanatory statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Listing Regulations, 2015 in respect of the special business under item no. 4 to 7 of the accompanying notice is annexed hereto.
3. Details of Directors retiring by rotation/seeking appointment/re-appointment at this Meeting are provided in the "Annexure" to the Notice.
4. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the MCA, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors, who were appointed in the Annual General Meeting, held on 8th September, 2017.
5. Pursuant to the provisions of the Companies Act, 2013 a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this Annual General Meeting is being held pursuant to the MCA Circulars through VC/OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for the appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
6. Institutional/Corporate members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to maheshsoni@gmj.co.in with a copy marked to helpdesk.evoting@cdslindia.com.
7. The attendance of the Members attending the Annual General Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The Members can join the Annual General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the Annual General Meeting without restriction on the account of first come first-served basis.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.hirect.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the Annual General Meeting) www.evotingindia.com.
10. Book Closure and Dividend: The Register of Members and the Share Transfer Books of the Company will be closed

Hind Rectifiers Limited

from 9th September, 2020 to 15th September, 2020 both days inclusive. The dividend of ₹ 0.80 per share (i.e. 40 %) on the Equity Shares of the Company of ₹ 2/- each, if declared by the Members at the Annual General Meeting, will be made subject to deduction of income tax at source ('TDS') within a week from the conclusion of Annual General Meeting:

- (a) to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Tuesday, 8th September, 2020;
 - (b) to all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Tuesday, 8th September, 2020.
11. (i) Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-.
- The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.
- Shareholders will be able to download the TDS certificate from the Income Tax Departments website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- (ii) The aforesaid documents such as Form 15G/15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate, etc. can be sent at info@adroitcorporate.com on or before September 03, 2020 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/deduction received post September 03, 2020 shall not be considered.
 - (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Book Closure Date, and other documents available with the Company/Registrar and Share Transfer Agent.
 - (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
 - (v) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.
 - (vi) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.
12. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send a scanned copy of the following details/documents at info@adroitcorporate.com.
- a. A signed request letter mentioning your name, folio number, complete address and following details relating to a bank account in which the dividend is to be received:
 - i) Name and Branch of Bank and Bank Account type;
 - ii) Bank Account Number and type allotted by your bank after implementation of Core Banking Solutions; and
 - iii) 11 digit IFSC Code.



- b. self-attested scanned copy of canceled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c. self-attested scanned copy of the PAN Card; and
- d. self-attested scanned copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by the Members in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.

13. Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall despatch the dividend warrant/bankers' cheque/demand draft to such Members, upon normalization of postal services and other activities.
14. As per Regulation 40 of the Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent Adroit Corporate Services Private Limited.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at info@adroitcorporate.com in case the shares are held in the physical form, quoting their folio number. Further, Members may note that Securities and Exchange Board of India has mandated the submission of PAN by every participant in the securities market.
16. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at info@adroitcorporate.com in case the shares are held in physical form, quoting their folio number.
17. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
19. Registration of e-mail address permanently with Company/DP: Members are requested to register the e-mail address with their concerned DPs, in respect of electronic holding and with Registrar and Share Transfer Agent in respect of physical holding, by writing to them at info@adroitcorporate.com with details of folio number and attaching a self attested copy of PAN card.

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20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, as amended and the MCA Circulars, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the Annual General Meeting. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the Annual General Meeting will be provided by CDSL.
21. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before as well as during the Annual General Meeting. Any person who acquires shares of the Company and becomes a Member of the Company after the despatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, 8th September, 2020, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com.
22. The Chairman shall, at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the Annual General Meeting through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-voting module during the Annual General Meeting shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.
23. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the Annual General Meeting and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed, CDSL and Registrar and Share Transfer Agent and will also be displayed on the Company's website at www.hirect.com.
24. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the Annual General Meeting.
All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of Annual General Meeting. Members seeking to inspect such documents can send an email to investors@hirect.com.
25. Members seeking any information with regard to the accounts or any matter to be placed at the Annual General Meeting, are requested to write to the Company on or before Tuesday, September 8, 2020 through email on investors@hirect.com. The same will be replied by the Company suitably.
26. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has displayed the details of unpaid and unclaimed dividends lying with the Company as on 8th August, 2019 (date of the previous Annual General Meeting) on the website of the Company viz. www.hirect.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
27. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 4th September, 2019. Details of shares transferred to the IEPF Authority are available on the website of the Company viz. www.hirect.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.



- (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned Members/investors are advised to visit the website iepf.gov.in for lodging claim for refund of shares from the IEPF Authority.

28. Due dates for transfer of unclaimed/unpaid dividends for the financial year 2012-13 and thereafter to the Investor Education and Protection Fund (IEPF):

Dividend for the year	Dividend Declaration Date	Due Date of transfer to the IEPF
2012 – 2013	12.08.2013	11.08.2020
2013 – 2014	14.08.2014	13.08.2021
2018 – 2019	08.08.2019	07.08.2026

29. Members holding shares in physical form are requested to notify immediately any change in their address and bank mandates to the Registrar and Transfer Agent (RTA) of the Company at the address given below and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants.

ADROIT CORPORATE SERVICES PRIVATE LIMITED [Unit: Hind Rectifiers Limited]

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

Tel: +91 (0) 22 42270400 Fax: +91 (0)22 28503748 Email: info@adroitcorporate.com

Website: www.adroitcorporate.com

30. Members holding shares in physical mode :
- are required to submit their Permanent Account Number (PAN) and bank account details to the Company/RTA, if not registered with the Company as mandated by SEBI.
 - are advised to register the nomination (Form SH-13) in respect of their shareholding in the Company.
 - are requested to register/update their e-mail address with the Company/RTA for receiving all communications from the Company electronically.
31. Members holding shares in electronic mode:
- are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their Demat accounts.
 - are advised to contact their respective DPs for registering the nomination.
 - are requested to register/update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
32. The Board of the Director of the Company has appointed Mr. Mahesh Soni or failing him Mrs. Sonia Chettiar, of M/s. GMJ & Associates, Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting, insta poll process and the voting process at the Annual General Meeting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
33. Instructions for attending the Annual General Meeting through VC/OAVM and remote e-Voting (before and during the Annual General Meeting) are given below:
- Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 8th September, 2020 may cast their vote by remote e-Voting. The remote e-voting period commences on Saturday, 12th September, 2020 at 9.00 a.m. (IST) and ends on Monday, 14th September, 2020 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The

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voting rights of the Members (for voting through remote e-Voting before/during the Annual General Meeting) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, 8th September, 2020.

- (ii) Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the Annual General Meeting and Members participating at the Annual General Meeting, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the Annual General Meeting. Members who have cast their vote by remote e-Voting prior to the Annual General Meeting will also be eligible to participate at the Annual General Meeting but shall not be entitled to cast their vote again.
- (iii) The Members should log on to the e-voting website www.evotingindia.com.
- (iv) Click on the "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is sent with this notice.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order to log in. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the Member id/folio number in the Dividend Bank details field as mentioned in the instruction (v).

- (ix) After entering these details appropriately, click on the "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the Company opts for e-voting through the CDSL platform. It is strongly recommended not to share your password with any other person and take the utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of Hind Rectifiers Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for



voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their votes using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from the respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES / THE RTA FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
- (iii) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above-mentioned shareholders.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Member will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/Members log in by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/Members login where the EVSN of Company will be displayed.
- (ii) Members are encouraged to join the Meeting through Laptops/IPads for better experience.
- (iii) Further, members will be required to allow the Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least two days prior to meeting mentioning their name, Demat account number/folio number, email id, mobile number at investors@hirect.com. The Members who do not wish to speak during the Annual General Meeting but have queries may send their queries in advance prior to the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investors@hirect.com. These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of questions and number of speakers, depending upon the availability of time as appropriate for smooth conduct of the Annual General Meeting.



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- (vi) Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER

- (i) The procedure for e-Voting on the day of the Annual General Meeting is the same as the instructions mentioned above for Remote e-voting.
- (ii) Only those members, who are present in the Annual General Meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Annual General Meeting.
- (iii) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Annual General Meeting.
- (iv) If any Votes are cast by the members through the e-voting available during the Annual General Meeting and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
- (v) Members who have voted through Remote e-Voting will be eligible to attend the Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.

INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- (i) Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) Alternatively, Non Individual members are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer's mail at maheshoni@gmj.co.in and to the Company's mail at investors@hirect.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under the help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

34. The Notice of AGM, the Director Report and the Corporate Governance Report were approved by the Board in the meeting held on 26th June 2020. The Board appointed Mr. Suramya Nevatia as an Additional Director in its meeting held on 17th August, 2020. Further, the Board was also appointed him as Joint MD & CEO (KMP) w.e.f. 17th August 2020. The appointment is subject to the approval of shareholders in this AGM. Therefore, the Notice of AGM, the Directors Report and the Corporate Governance Report were revised.



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors, at its meeting held on 26th June, 2020, on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants (Firm Registration Number: R100675), to conduct the audit of the cost records of the Company for the financial year 2020-21 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousands only) plus applicable tax.

M/s. N. Ritesh & Associates have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company.

Accordingly, ratification by the Members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

In view of complying with the requirement of Section 148 of the Companies Act, 2019 and the rules thereunder, the ratification of remuneration of the Cost Auditor for FY 2020-21, being a special business is unavoidable in nature. The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval by the Members of the Company.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and the Articles of Association of the Company, Mrs. Ashlesha Bodas (DIN: 00935512) as an Additional Director, to hold office as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 26th June, 2020.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires the approval of the Members.

Mrs. Ashlesha Bodas is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

The Company has also received a declaration from Mrs. Ashlesha Bodas that she meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under the Listing Regulations, 2015.

In the opinion of the Board, Mrs. Ashlesha Bodas fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations. Mrs. Ashlesha Bodas is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mrs. Ashlesha Bodas are provided in the Annexure to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings, issued by the Institute of Company Secretaries of India. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Copy of the letter of appointment of Mrs. Ashlesha Bodas setting out the terms and conditions of appointment are available for inspection by the Members at www.hirect.com.

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Mrs. Ashlesha Bodas is interested in the resolution set out at Item No. 5 of the Notice with regard to her appointment. Relatives of Mrs. Ashlesha Bodas may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

In view of complying with the requirement of Section 149, 152 and 161 of the Companies Act, 2013 and the rules thereunder, the appointment of Mrs. Ashlesha Bodas, being a special business is unavoidable in nature. The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6 and 7

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee has appointed Mr. Suramya Nevatia (DIN: 06703910) as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 and as per the Articles of Association, with effect from 17th August, 2020. He has also been appointed as "Joint Managing Director & CEO (KMP)" from that date. In terms of Section 161(1) of the Companies Act, 2013, Mr. Suramya Nevatia holds office only up to the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director.

The Company has received a Notice under Section 160(1) of the Companies Act, 2013 from a Member signifying his intention to propose Mr. Suramya Nevatia's appointment as a Director.

The Board has also appointed Mr. Suramya Nevatia as the Joint Managing Director & CEO (KMP) of the Company for a period of three years from 17th August, 2020 up to 16th August, 2023, upon the terms and conditions hereinafter indicated, subject to the approval of the Members.

Mr. Suramya Nevatia, aged 31 years is presently designated as Chief Executive Officer (KMP) of the Company. He holds a bachelor's degree in Commerce from H. R. College of Commerce & Economics, Mumbai and MSC in Marketing Management from Aston University, Birmingham, U.K. He has also done Post Graduate Diploma in Family Managed Business from S.P. Jain Institute, Mumbai.

He has deep exposure in Marketing, Production, Operation and Management, Strategic Development and Risk Management. He has in-depth knowledge of the core business of the Company i.e. Electronic Equipments and Power Semiconductor devices.

He has been affiliated with the Company since 2011. He was designated as Chief Executive Officer w.e.f. 1st June, 2016 and from then the Company has gained from his visionary approach. Under his guidance and directions, the expansion plan of the Company was completed in the financial year 2017-18. Since then the Company has achieved major growth in turnover & profit.

Mr. Suramya Nevatia holds the Membership of Business Responsibility Committee of the Company.

It is proposed to seek Member's approval for the appointment of and remuneration payable to Mr. Suramya Nevatia as Joint Managing Director & CEO (KMP) of the Company, in terms of the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Broad particulars of the terms of appointment and remuneration payable to Mr. Suramya Nevatia are as under (w.e.f. 17th August, 2020):

1. Salary : ₹ 2,00,000/- p.m.
2. Benefits, Perquisites and Allowances :
 - a) House Rent Allowance ₹ 1,00,000/- p.m.
 - b) Special Allowance ₹ 1,60,000/- p.m.
 - c) Company's contribution to Provident Fund
 - d) Medclaim policy and/or reimbursement of medical expenses including hospitalization, nursing home and



- surgical charges for self and family whether incurred in India or abroad as per the Company's policy.
- e) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place subject to a ceiling of one month's basic.
 - f) Gratuity payable at a rate of half month's salary for each completed year of service.
 - g) Chauffeur driven Company's car
3. Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 read with Schedule V of Companies Act, 2013 as may be recommended by the Nomination and Remuneration Committee and approved by the Board.

Minimum remuneration : In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Joint Managing Director & CEO (KMP), the payment of salary, perquisites, and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

As the Joint Managing Director and CEO (KMP) Mr. Suramya Nevatia will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company shall from time to time in its absolute discretion determine and entrust to him, subject, nevertheless to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.

He will, to the best of his skill and ability, endeavor to promote the interests and welfare of the Company and to conform to and comply with the directions & regulations of the Company and also such orders and directions as may from time to time be given to him by the Board of Directors of the Company.

He shall at all times act in the best interests of the Company and all its stakeholders (including its minority shareholders) and keep the Board of Directors informed of any developments or matters that have materially impaired, or are reasonably likely to materially impair, the interests of the Company and/or any of its stakeholders.

The Joint MD & CEO (KMP) shall devote the whole of his time, attention and abilities to manage the business of the Company and shall use his best endeavour to promote its interest and welfare.

If at any time the Joint MD & CEO (KMP) ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Joint MD & CEO (KMP) and this Agreement with the Company shall stand terminated forthwith. Similarly, if at any time the Joint MD & CEO (KMP) ceases to be in the employment of the Company for any cause/reason whatsoever, he shall cease to be a Director of the Company.

The office of the Director designated as "Joint Managing Director & CEO (KMP)" maybe terminated by the Company or by him by giving the 3 (three) months prior notice in writing.

Mr. Suramya Nevatia satisfies all the conditions set out in Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The above explanatory statement together with Annexure thereto shall be construed to be memorandum setting out the terms of the appointment as specified under section 190 of the Companies Act, 2013.

Further, this special resolution is in accordance with the provisions of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual remuneration payable to Executive Directors, who are the promoter or the Member of the promoter group exceeds five percent of the net profit calculated as per Section 198 of Companies Act, 2013.

Mr. Suramya Nevatia is interested in the resolution as the same is for his own appointment. Mr. Sushil Kumar Rameshwarprasad Nevatia, Chairman and Managing Director and Mrs. Akshada Nevatia, Executive Director and their relatives may be deemed to be interested in the said resolution.

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None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

In view of complying with the requirement of Section 161, 196, 197, 198, 203 of the Companies Act, 2013 and the rules thereunder, the appointment of Mr. Suramya Nevatia, being a special business is unavoidable in nature. The Board accordingly recommends the Ordinary Resolution set out at Item No. 6 and Special Resolution set out at Item No. 7 of the Notice for the approval by the Members of the Company.

By order of the Board of Directors
For **Hind Rectifiers Limited**

Meenakshi Anchia
Company Secretary

Place : Mumbai
Date : 17th August, 2020

Annexure**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard-2 on General Meetings)

Name - Mr. Pawan Golyan (DIN: 00356807)	
Date of first appointment on the Board	24th March, 1998
Date of Birth	2nd July, 1958
Age	62 years
Qualifications, Experience and Expertise/Brief Resume	Mr. Pawan Kumar Golyan is a B. Com Graduate from Kathmandu University. He is the Chairman of Golyan Group and has worked across different business fields including finance, marketing and management for over 35 years. Today he leads a conglomerate with business interest across several industries.
Number of Meetings of the Board attended during the financial year 2019-20.	Two out of four
List of Directorship/ Membership/ Chairmanship of Committees of other Board as on 31st March, 2020 (excluding Foreign Companies)	Directorship of other Board : Nil Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil
Shareholding in Hind Rectifiers Limited as on 31.03.2020	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. S. K. Nevatia, Chairman and Managing Director (KMP) is the relative of Mr. Pawan Golyan.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and Conditions of appointment/re-appointment along with details of sitting fees sought to be paid and sitting fees last drawn by Mr. Golyan has been given in the Corporate Governance Report part of the Annual Report. Mr. Pawan Golyan's office as Director shall be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director	NA



Name - Mrs. Ashlesha Bodas (DIN: 00935512)	
Date of first appointment on the Board	26th June, 2020
Date of Birth	21st April, 1988
Age	32 years
Qualifications, Experience and Expertise/Brief Resume	Mrs. Ashlesha Bodas has done Graduation in Marketing Management and Masters in Business Administration from Symbiosis College, Pune. She has also done Masters in Family Managed Business Courses from S. P. Jain Institute, Mumbai. She has been associated with the Sharada Group as a Director and shareholder since 2017. Further, she is responsible for the overall strategy, management and business development of the construction business including general management of the office, admin and accounts, statutory compliances, Legal Compliances, customer and vendor management, fundraising for current projects as well as new business opportunities to improve cash flow.
Number of Meetings of the Board attended during the financial year 2019-20.	Nil (appointed w.e.f. 26th June, 2020)
List of Directorship/ Membership/ Chairmanship of Committees of other Board as on 31st March, 2020 (excluding Foreign Companies)	Directorship of Other Board : 1. Sharada Wind Power Pvt Ltd 2. Vivek Constructions Pvt Ltd 3. Sharada Ganesh Realtors Pvt Ltd 4. Sharada Erectors Pvt Ltd 5. Vivek Trading Pvt Ltd 6. Chandranitya Developers Pvt Ltd 7. Vishwakarma Developers and Consultants Pvt Ltd 8. Sharada Petroleum Pvt Ltd 9. Vivek Computers Pvt Ltd 10. Sharada Data Systems Pvt Ltd 11. Srujan Research and Planning Foundation 12. Sharada Institute of Information Technology Pvt Ltd Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil
Shareholding in Hind Rectifiers Limited as on 31.03.2020	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any Director/ Key Managerial Personnel
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	As per the resolution at Item No. 5 of the Notice convening, this Meeting read with explanatory statement thereto, Mrs. Ashlesha Bodas is proposed to be appointed as an Independent Director. She will not liable to retire by rotation and to hold office for a term up to 25th June, 2025. She will be entitled for the sitting fees to attend the Board meeting, etc.
Justification for choosing the appointee for appointment as Independent Director	Considering her vast experience, it is recommended by the Board to appoint Mrs. Ashlesha Bodas as Independent Director.



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Name - Mr. Suramya Nevatia (DIN: 06703910)	
Date of first appointment on the Board	17th August, 2020
Date of Birth	26th January, 1989
Age	31 years
Qualifications, Experience and Expertise/Brief Resume	Mr. Suramya Nevatia has done graduation from H. R. College of Commerce & Economics, Mumbai in 2009 and MSC in Marketing Management from Aston University, Birmingham, U.K. in 2010 with First class merit. He has also done Post Graduate Diploma in Family Managed Business from S.P. Jain Institute, Mumbai. He joined the Company in 2011. He was promoted as Chief Executive Officer w.e.f. 1st June, 2016. He is looking after and involving in all the operations and management of the Company. His function includes envisioning the Company's growth strategy and is responsible for the overall operations of the Company. He is the Promoter of the Company.
Number of Meetings of the Board attended during the financial year 2019-20.	Attended four meetings out of four as the Chief Executive Officer (KMP) of the Company.
List of Directorship/ Membership/ Chairmanship of Committees of other Board as on 31st March, 2020 (excluding Foreign Companies)	Directorship of other Board: Elventive Tech Private Limited (appointed as director w.e.f. 19th July, 2020) Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil
Shareholding in Hind Rectifiers Limited as on 31.03.2020	2016536 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. S.K. Nevatia, Mr. Suramya Nevatia and Mrs. Akshada Nevatia are related to each other.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and Conditions of appointment along with details of Remuneration sought to be paid as per the resolutions at Item no. 6 and 7 of the Notice convening this Meeting read with explanatory statement thereto. Remuneration last has drawn as Chief Executive Officer has been given in the Extract of Annual Return part of the Annual Report. Mr. Suramya Nevatia's office as Director shall be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director	NA