



TRANSCRIPT - HIND RECTIFIERS LIMITED AGM - 15TH SEPTEMBER 2020

Dear All,

With very heavy heart and grief, we inform you about the sad demise of our CMD Sh. S. K. Nevatia last night. He was the founder member of the Company and we have no words for him. We observe this two-minute silence. Then we have warm-up after two minutes.

Okay, Thank You, Everybody.

The Board has appointed Sh. Pradeep Goyal as Chairman of the Board. We request Chairman Sir to start the meeting.

Thank you.

I think it's a very, very sad day in the history of our Company. Shri Nevatiaji was the Life of this Company. He started it and brought it to such a great height. Taking the legacy forward is going to be a real challenge for all of us. The Board has put me in his shoes, which I'm not sure how well I will be able to fill in those shoes, but I assure you of one thing that I will make every effort do not let down the Board has reposting me to carry the legacy of Sh. Nevatia. On behalf of the Board members, I have sincere condolences to the entire family, the Nevatia family, and I request the Good Lord to give him speed and give him his rightful place in his award and give the strength to his family members to bear this immense loss that they have gone through. I'm sure all the Board members echo my words, with that; I would like to take on the formal agenda of the AGM. Life has to go on the circle of life and we have to continue doing our responsibility to the best of our ability.

Friends, the Company has already declared the results of the last quarter which ended on Jun 30, 2020. We are all aware that the Company has made a profit of Rs. 52.95 lacs against the last year of Q1 Rs 734.19 lacs.

The performance of the quarter was adversely affected mainly due to the complete shutdown of all the plants in the month of April 2020 and partial operations were resumed in the month of May 2020 at Nashik and Dehradun plants only. In the month of Jun 2020, Nashik and Dehradun plants were operating at full capacity, however, the Mumbai Plant continued under shut down.





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Mumbai plant started operations with 10% manpower in the first week of June 20 and 30% in the first week of September 20. To get the best possible despatch from the Mumbai plant, employees who are directly involved in the production were mainly attending office. However, most of the other persons also attend the office based on the work requirement. All other employees are working from home.

Railways continue to be the largest customer in the year 2019-20 as well as in the current year. The majority of the Railway Offices were almost closed in the month of April and May and some Railways were working, the attendance was very poor. Although some of the Railway employees started attending office in the month of June and July, the movement was very slow. Due to the shutdown of Railway offices and also the absenteeism, the collections of our recoveries were adversely affected, which resulted in a very high cost of interest for our company. The collection has improved in some of the railways has started from August 2020 but still, it is an issue with the Railways. New order bookings in the current year, as well as approval of the new product, has been very severally affected.

Now almost all the Railways offices are open and their employees have also started attending office and accordingly the approval of our new products and finalization of tender is taking place. In view of the suspension of the trains, the Railways have curtailed the budgets which may affect the overall performance of the Company in this year.

Considering the present conditions and various feedbacks from the Railways, the Company's turnover is likely to increase very marginally. However, profit may remain under pressure. As the situation of Covid-19 is changing rapidly, the actual result may differ from what we have estimated presently.

To expand the business, the Company has signed an agreement with MIDC for allotment of land at Sinnar in the Nashik District and has paid Rs. 3.72 crores for the same. The Company is targeting to start production at Sinnar from 1st October 2021. However, the major operations there will be seen from 2022 to 2023 onwards.

Friends, as we all aware the Railways have not operated since long and their financial condition also is a little tricky, so we are hoping for the best. We are expecting good orders which are required for the engines. So we are optimistic but in a cautious manner. It's a wait and what situation. Our present situation of orders looks good. And we hope that if we continue that way.

Thank you very much for attending this meeting.



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I wish to introduce my colleagues on the Board. We actually have Sh. Vijay Bhartia, who has been a long-standing member of the Board. We have Sh. Vandan Shah, Sh. Parimal Merchant, Mrs. Ashlesha Bodas, Sh. Suramya Nevatia and we have Executive Director Mrs. Akshada Nevatia. The other Board members Mr. Pawan Golyan and Mr. Patodia have not joined the meeting today.

I, have great pleasure in welcoming you all to the 62nd Annual General Meeting of your Company. The meeting is being held through video conferencing and other audiovisual means because of Corona Virus Pandemic and lock-down. This is in compliance with this circular issued by the Ministry of Corporate Affairs, the Government of India and the Securities and Exchange Board of India.

The Company has taken all feasible steps to ensure that the stakeholders are provided an opportunity to participate in the Annual General Meeting and vote.

I would like to declare that the required quorum for this meeting is present. Now call the meeting to order and begin the proceedings of the 62nd Annual General Meeting of your Company.

As per Companies Act, 2013, no resolution will be passed by a show of hands and in place thereof e-voting will be conducted for those members who have not exercised e-voting and are present at the meeting through audiovisual means.

Your Company has appointed Mr. Mahesh Soni, Partner, GMJ & Associates, Company Secretaries as Scrutinizer to conduct the e-voting process in fair and transparent manner.

Kindly note that the results of the remote e-voting and e-voting of the poll will be announced as per the provisions of the Companies Act, 2013 and Listing Regulations. The same will be displayed on the website of the Company and will also, be sent to the Stock Exchanges.

Mr. A. K. Nemani, CFO, Ms. Meenakshi Anchlia, Statutory Auditors, and Secretarial Auditors are also present at the meeting.

Notice and Directors' Report: Let us proceed with the formal business of the meeting. Ladies and Gentlemen, the Notice dated 17th August 2020 convening this Annual General Meeting and a copy of the Annual Report of the financial year ended March 31, 2020, have already been circulated to the members of the Company electronically.



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With your permission, I shall take them as read.

Auditors' Report: The Auditors' Report on the financial statement and the Secretarial Audit Report of the Company for the Financial Year ended March 31, 2020, do not contain any qualification, reservation, adverse remark, or disclaimer. Accordingly, the reports are not required to be read out, as provided in the Companies Act, 2013.

We will go to Item No. 1: Adoption of Accounts and Directors Report.

I move an ordinary resolution for adoption of Audited Annual Accounts, Auditor's Report, and Director's Report.

I now invite the members to discuss the Report and the Accounts.

I would request the first speaker Mr. Kirti Shah. Will you please put him on for his question.

Mr. Kirti Gaurav Shah is not present at this moment. We will move on to the next speaker Ms. Vasudha Vikas Dakwe. Hello! Vasudha Madam is also not present at the moment. The next is Mr. Amit Luthra. Yeah, Mr. Amit, please go ahead and ask the questions.

Hello Everyone! This is Amit Luthra. Hope I am audible. Yes you are.

Hello Everyone! Good Morning. I know everybody's going through a difficult time. I wish the Company all the best. I got just a few queries if you can help me answer them. In the annual report, we talk about R & D spent and the new products that will help us grow the revenue next year. So can, you brief like, what are those new products, and what clients are working on? Secondly, if you can help us with a once a total, you know borrowing of the Company at this point, and what is the cost of the borrowing and Sir I think you just mentioned in your speech that the revenues will try to, you know, kind of a matchup as of last year but the profits could be on the lower end. Is it because of the product mix or is it because you know that revenue the margins in the existing products we are facing more competition so, what's the reason that even though we have the same revenue but lesser profits. And Sir, one last thing I have is just maybe a suggestion, you can think about it.

We have got, you know, we are increasing because of R & D cost and the new products and because of all the expansions we are adding or adding on more borrowings and more debts. Will it not be more helpful in the feasible to not pay the dividend till we have needs for the more borrowings? So instead of a dividend, we can conserve the cash and instead reduce the borrowing and debts. Thank you and all the best Sir!



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Good Morning again! You see these R & D expenditures. If you have seen the company has gone up substantively in the last three years. The main reason is basically the R & D, the Company has done. Okay. From there, you can say zero R & D for the means five years back; we have a very strong R & D team. There are the numbers of the product if you see this Annexure B of our Balance Sheet, it will go that way, it gives you the basic ideas. We have the plan in the near future, maybe two-three years we have almost all the products, which are required by Indian Railways or whether it is electrical products which can be been manufactured by us. Cost of borrowings basically, we have been upgraded continuously our rating by the rating agency. At present, it is around ten percent from up. It is nine and a half to ten and a half was from bank to bank. We are targeting it, bring it to nine and a half or below to that maybe by year. Okay! But due to this COVID and some adverse performance in the Q1, our rating has been due for up-gradation has not been done. So this may be, still, you may have to wait for getting the nine percent by, by end of the year, we just get the nine percent. This regarding profit, you rightly mentioned it is basically we have the number of the products and profits vary product to product. The main reason is basically, the product mix is basically this, and whatever you steps take some cost increases when the top line is not going up and costs slightly going up and product mix. So it will be something loud. Yes, we try to conserve the maximum funds, but all the shareholders will not support this. They say we want some money. Till we just keep in mind, whatever can be cost, the company has the plan to grow in the futures as may be much faster speed.

Thank you very much. Thank you Sir.

So, since we have no more questions and Nemani ji has adequately responded to the questionnaire we will proceed with the meeting items no. 2 is the declaration of dividend for the year ended March 31, 2020.

I now move to the Ordinary Resolution for declaration of dividend for the year ended March 31, 2020.

Item No. 3 is Re-appointment of the Director

I now move to the ordinary resolution for the Re-appointment of Mr. Pawan Golyan, who retires by rotation and is eligible to be reappointing.

Item No. 4: Ratification of Remuneration to Cost Auditors

I now move to the ordinary resolution for ratification of Remuneration to the Cost Auditors.



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Item No. 5: Appointment of Mrs. Ashlesha Bodas as an Independent Director

I now move the ordinary resolution to appoint Mrs. Ashlesha Bodas as an Independent Director.

Item No. 6 is the appointment of Mr. Suramya Nevatia as a Director

I move to the ordinary resolution to appoint Mr. Suramya Nevatia as a Director of the Company.

Item No. 7 is the appointment of Mr. Suramya Nevatia as the Joint Managing Director & CEO (KMP) of the Company

I now move to the special resolution to appoint Mr. Suramya Nevatia as Joint Managing Director & CEO (Key Managerial Personnel)

The Chairman thanked all and each shareholder on behalf of the Board to take the time out and attend this meeting. The Chairman thereafter ordered voting at the Meeting electronically by members who had not voted in remote e-voting and requested Mr. Mahesh Soni, Scrutinizer, to ensure an orderly conduct of the voting.

The Chairman announced that all the business set out in the Notice of this meeting had been concluded and a time period of 15 minutes would be available for voting at the meeting after which the Meeting will stand closed.