



**HIND RECTIFIERS LIMITED**

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Ref. No. HIRECT/SEC/2020-21/35

14<sup>th</sup> August 2021

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

**National Stock Exchange of India Limited**  
"Exchange Plaza" 5<sup>th</sup> Floor, C-1, Block 'G'  
Bandra Kurla Complex,  
Bandra (East) Mumbai 400 051

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

**Sub: Transcript of 63<sup>rd</sup> Annual General Meeting of Hind Rectifiers Limited**

Dear Sir/Madam,

Please find enclosed the transcript of the 63<sup>rd</sup> Annual General Meeting of the Company held on Thursday, August 12, 2021 at 4:00 pm IST. This will also be available on the Company's website [www.hirect.com](http://www.hirect.com).

This is for your information and records.

Thanking you,

Yours Faithfully,

For **Hind Rectifiers Limited**

*Meenakshi*

**Meenakshi Anchlia**

**(Company Secretary & Compliance Officer)**



Encl: As above





**HIND RECTIFIERS LIMITED**

**HIND RECTIFIERS LIMITED**

**TRANSCRIPT OF THE 63<sup>RD</sup> ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON THURSDAY, THE 12<sup>TH</sup> AUGUST 2021 AT 4:00 PM (IST) THROUGH VIDEO CONFERENCING**

**Chairman:** Good Afternoon Ladies and Gentlemen!

I have great pleasure in welcoming you all to this 63<sup>rd</sup> Annual General Meeting of your Company.

I hope all of you and your loved ones are safe during this tough time. I am confident that all of you are vaccinated or in the process so that we can emerge out of this pandemic stronger and return back to our normal lives.

Let me introduce you to the members of the Board and senior management present with us today who are joining us from different locations. Mr. V. K. Bhartia, chairman of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee. Mr. Suramya Nevatia, Managing Director & Chief Executive Officer, Mr. Parimal Merchant, Mr. Vandan Shah, Mrs. Akshada Nevatia and Mrs. Ashlesha Bodas are the other members of our Board.

I am not sure Mr. Pawan Golyan has joined, I Don't see him, I think there was an episode in the family so he was not able to join so will excuse him from the meeting.

Along with us are Mr. A. K. Nemani, CFO, Ms. Meenakshi Anchlia, Company Secretary, Statutory Auditors and Secretarial Auditors were also present in the meeting.

Meenakshi, is the quorum available for the meeting?

I can't hear you, you are on mute.

**Company Secretary:** Yes, sir, the quorum is present. You can start the meeting.

**Chairman:** Thank you, Meenakshi. Since we are a sufficient quorum of members participating through video conferencing. The meeting is properly constituted, and I call this meeting to order. I request Meenakshi, our Company Secretary to read the arrangements made for the members at the 63<sup>rd</sup> Annual General Meeting. Over to you Meenakshi.

**Company Secretary:** Thank You, Sir. Good Afternoon Ladies and Gentlemen! Welcome to the 63<sup>rd</sup> Annual General Meeting of Hind Rectifiers Limited.





## HIND RECTIFIERS LIMITED

This meeting is being held through the video conferencing in accordance with the circulars issued by the MCA and SEBI. The Company has enabled the members participate at the 63<sup>rd</sup> AGM through the VC, as due to the pandemic we are unable to arrange the physical meeting for the shareholders.

In accordance with the provisions of the Companies Act and the SEBI Listing Regulations, the members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting facility and e-voting at the Annual General Meeting.

Members joining the meeting through video conferencing facility who have not yet cast their vote by means of the remote e-voting may vote through the insta-poll e-voting facility provided at this AGM.

The members who have cast their vote by remote e-voting prior to the meeting shall not be casting their vote once again.

The Board of Directors has appointed Mr. Mahesh Soni, Partner of the GMJ & Associates as the scrutinizer for this meeting. Based on the report of the scrutinizer, the combined results of remote e-voting and the e-voting done at the meeting today will be announced and displayed on the website of the Company and it will also be submitted to the stock exchanges as per the requirements of SEBI.

The Register of Director's Shareholding, register of contracts, copies of Audited Financial Statements, etc. are available for inspection to the members.

I now request chairman sir, to address the shareholders. Chairman sir.

**Chairman:** Thank you! Meenakshi.

**Chairman speech:** I will quickly update the shareholders on the operations of the last year. The Companies operations were impacted in the early part of the financial year 2020-21 due to the shutdown following the lockdown imposed by the Government of India during the first wave of COVID 19 pandemic. Operations of all plants were suspended in the last week of March 2020. Nashik and Dehradun Plants started the partial operations in the month of May 2020. Both the plants started to work with full capacity in the second week of June 2020.

Mumbai plant started operations with 10% manpower from the first week of June 2020 to August 2020. To get the best possible despatch from Mumbai plant, employees who were directly involved in production were mainly attending the work. However, other persons also attended the office based on the work requirement. All other employees





## HIND RECTIFIERS LIMITED

were working from home. Mumbai Plant started full operations with all safety precautions from October 2020 and put the services the customer to their satisfaction.

Due to the shutdown of Railway offices and partially running of the passenger trains, Railway business in the coaches segment was affected severally.

Majority of the railway offices were almost closed in the month of April 2020 and May 2020 and only limited persons were attending the office due to which collection from railways was delayed and accordingly finance costs increased. However, the company did not face any liquidity crises.

Due to the restriction on movement of persons, approval of the new products and value engineering got delayed which affected the revenue as well as margins.

Margins were affected due to increased competition, unfavorable product mix & nominal increase in the revenue.

Net operational income (Net of GST) increased by only 1.83%. Profit before tax was Rs. Rs. 7.36 crores as against Rs. 26.24 crores in the previous year. Profit after tax was Rs. 5.33 crores as against the profit of Rs. 18.47 crores in the prior year.

Coming to the financial year 2021-22, the company has today already declared the results of the quarter ended Jun 30, 2021. Profit before tax for the quarter is Rs. 2.32 crores as against Rs. 0.50 crores of last year & immediately preceding quarter of Rs. 1.13 crores. Improved performance is achieved because of better product mix and monitoring of all costs.

Operations were partially affected even during this quarter because of the second lockdown. In view of the restrictions imposed by the State Government, the Company were calling only Production & Related persons to work by following all the safety norms whereas all other support staff like marketing, accounts, purchase were allowed to work from home.

Railway continues to be our largest customer. There were limited attendance by railway officials in the last few months also which has delayed the collection as well as approval of the new products. Now I am glad to inform you that the attendance in railway offices has improved with much better activity.

Passenger trains are running in a limited way about 50 to 60% of normal capacity which has affected the coach business. We do expect the increased no of passenger trains running from August to September 2021. In view of the suspension of the passenger trains, the Railways have curtailed the budgets of coach production which may affect the overall performance of the company.



## HIND RECTIFIERS LIMITED

To expand the business, the company has signed an agreement with MIDC for allotment of land at Sinnar in Nashik District and has paid Rs. 3.72 crore for the same. The Company is targeting to start production in Sinnar from April 2022 however major operations, there will be seen in fiscal year 2022-23.

The Company continues to focus to expand its products range by way of developing new products in-house.

To improve the performance, the Board of Directors at their meeting held on 10<sup>th</sup> June 2021, had decided to incorporate two subsidiary companies with the positive objectives

1. To leverage the growth opportunities in the service activities and to help the company in becoming more customer-focused.
2. Leverage the growth opportunities in the ecommerce business for B to B as well as for B to C business.

Considering the orders on hand, present conditions and various feedbacks from the railways, company's turnover is likely to increase by about 15 to 20% in the current year with the improved margin. As the situation of Covid-19 is changing rapidly actual result may differ from the estimation at present.

**Chairman:** The Notice of the 63<sup>rd</sup> Annual General Meeting and the Annual Report, containing the Audited Financial Statements for the year ended March 31, 2021 and Board's and Auditors' Reports, have been sent by electronic mode to those members whose e-mail addresses are registered with the company or depositories. These documents have also been made available on the company's website. Considering the above, the Notice is being taken as read.

Ravi Shah & Associates, our Statutory Auditors, have submitted the report for the financial statements for the year ended March 31, 2021. The Auditors' report does not contain any qualifications or modified opinion or adverse remarks. There being no qualifications, the entire report is not required to be read in this meeting and the Auditors' Report is being taken as read.

**Chairman:** In terms of the notice of the 63<sup>rd</sup> Annual General Meeting, the following items of ordinary resolutions are being considered at this meeting:

Item No. 1: Adoption of Accounts and Directors Report for the financial year ended 31<sup>st</sup> March 2021

Item No. 2: Declaration of dividend for the year ended March 31, 2021

Item No. 3: Appointment of director Mr. Suramya Nevatia, who retires by rotation and being eligible, offers himself for re-appointment.





## HIND RECTIFIERS LIMITED

Item No. 4: Ratification of remuneration to the cost auditors

Item No. 5: Re-Designation of Mr. Vandan Shah as an independent director

**Chairman:** The insta-poll e-voting facility will be activated for members who are participating in this meeting and have not already voted through remote e-voting. The insta-poll facility will remain active till fifteen minutes after the meeting.

**Chairman:** Now, I request Meenakshi, Company Secretary, to start the Q & A session.  
Meenakshi

**Company Secretary:** Thank you sir. Some shareholders registered for the Q & A session. I will call the pre-registered shareholders to come-up one-by-one. Members are requested to un-mute their microphone before speaking, and also enable Wecam, if they wish to appear on the video.

I am now commencing the question-answer session. I will take the name of the first shareholder and after the first shareholder completes his question, I will read the name of the second shareholder who will come on the screen.

The first shareholder we have today is Mr. Bimal Kumar Agarwal. I request Mr. Agarwal to start his question.

**Webex Team:** Mr. Bimal is not present at the meeting.

**Company Secretary:** Ok. So I will take the next one. The next is Abhijit Panda.

Abhijit Panda

**Webex Team:** Not present

**Company Secretary:** Ok. The third one is Yusuf Yunus Rangwala.

Yusuf Yunus Rangwala

**Webex Team:** Not present

**Company Secretary:** Ok. The next is Sharad Kumar Jivraj Shah.

Sharad Kumar Jivraj Shah

**Webex Team:** Not present

**Company Secretary:** Ok. The next is Surekha Shah.





**HIND RECTIFIERS LIMITED**  
Surekha Shah

**Webex Team:** Not present

**Company Secretary:** Ok. Vaibhav Badjatya,

Mr. Vaibhav Badjatya

**Webex Team:** Sir can speak, Vaibhav sir, Hello Vaibhav sir

**Vaibhav Badjatya:** Hello, Am I audible?

**Company Secretary:** Yes sir. You are very much audible.

**Vaibhav Badjatya:** Thank you for providing me the opportunity to speak. I had already sent my queries. List of questions through the mail. If you have it in front of you we can save time by going over it else if you want I can repeat it again. I would be glad if you going answer those point by point. It would be great. Shall I repeat or?

**Company Secretary:** We have already noted and circulated those questions to our management team. So should I call the next one?

The next speaker is Vasudha Vikas Dakwe. Vasudha Vikas Dakwe

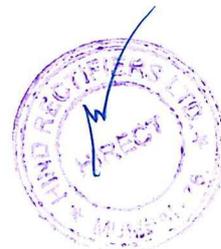
**Webex Team:** Not present.

**Company Secretary:** Now I request MD sir and CFO sir to reply.

**Chief Financial Officer:** I reply to the questions, whichever is left out can be covered by the MD. Coming to the first question of Vaibhav was, some of our products were in converter into Bombardier products & is taken over by the Alstom. How it is going to affect us?

See as on today the product lines of Alstom and Bombardier are basically different. Bombardier mainly caters to a Locomotive like propulsion system, Metro, etc. Whereas Alstom is making completely Locomotive. So these are two different things, so our business is not going to be affected by this.

Second question was Bombardier has won contracts for some of the products like RRTS etc. We are at presently not in that business, but definitely, we are talking with Bombardier with the other more business.





## HIND RECTIFIERS LIMITED

Capex expected for the new plant at Sinner is approximately Rs. 20 Cores plus & we do expect to ready this plant by March 2022.

The next question was about railways policy for tenders. See, today they have made the Reverse auction which is online bidding here dis-advantage is that everybody is going on reducing so prices are becoming more Competitive.

The remaining products is basically asking, we do have approx 85 to 90% of the products with the railway and mainly you can say Converter, Invertors that Constitute around 30%, transformer 30%. I can't disclose the exact data.

Product wise margin basically is a trade secret of the company. So that cannot be disclosed. Yes, we do monitor but it can't be disclose it.

The next question, was regarding Sweden office, yes we have taken Sweden office mainly to get into non-railway business which means there is no specific office but you can say any area which will take care of the entire Europe. So we have selected Sweden.

Pending order since today as on 1<sup>st</sup> August, 2021 is around Rs 330 crore.

Last question was regarding Gauranga, which we have already canceled three months back that was around Rs 50 Lakhs which we have provided 2 yrs back so that are not going smoothly so we decided not to incurred any additional expenses.

Vaibhav, I think I have taken all your questions.

**Vaibhav Badjatya:** Sir, if you permit like, I have one more question. Regarding the new plant which is coming up at Sinner, I wanted to ask like it will cater to mostly which kind of products and what will be the sale expected like once it reaches the optimal utilization levels, once it commissioned.

See it will initially take one year to get much more products but maybe after two- three years we expect more than 200 plus there only. We have all type of the products for the Railways applications, products that will be manufactured will be high rating of that converter and invertors etc. plus further new products we are entering into will also be there.

So, Meenakshi I think there is no one left so we can proceed ahead.

**Company Secretary:** Thanks, Sir. We can move on.

**Chairman:** Thank you, Meenakshi,





## HIND RECTIFIERS LIMITED

Thank you, Nemani Ji.

We are have covered all the business items as per the notice of 63<sup>rd</sup> Annual General Meeting before we conclude the meeting I would like to thank the entire Board of Directors for their continuous co-operation and contribution to the proceedings of the company's business, the valuable contribution provided is highly acknowledged by the management of Hind Rectifiers I would also like to place on record the assistants time to time provided by the bankers of our company and all the government bodies and

Statutory Bodies which is supportive of our company and all the employees who have contributed to the growth of our company and with that I once again say that insta-poll e-voting facility will continue to be available for fifteen minutes after this meeting.

So all the shareholder once again thank you very much for attending this meeting stay safe and Stay healthy continue to do your activity in a safe manner get vaccinated and with that, I would like to call this meeting concluded.

Thank you again for joining this meeting.

Thank You!

