



HIND RECTIFIERS LIMITED

TRANSCRIPT OF THE 65TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, AUGUST 23, 2023 AT 11:00 AM (IST) THROUGH VIDEO CONFERENCING

Pradeep Goyal, Chairman

Good Morning Ladies and Gentleman!

I have great pleasure welcoming you all to the 65th Annual General Meeting of your Company. I hope and pray all of you are safe and in good health. It's my privilege to introduce the members of the Board and the Senior Management Team present with us today, who are joining us.

Shri Vandana Shah, Chairman of the Audit Committee, Nomination & Remuneration Committee, Shri Parimal Merchant, Chairman of Stakeholders Relationship Committee. Unfortunately Shri Pawan Goliyan could not attend the meeting today. We also have with us Mr. Suramya Nevetia, Managing Director & CEO, Shri V. K Bhatia, Director of the Company, Mrs. Akshada Nevetia and Mrs. Ashlesha Bodas, Directors who are also present in the meeting. Mr. A. K. Nemani, CFO, Mr. Anil Metha, Joint CFO, Ms. Meenakshi Anchlia, Company Secretary, Statutory Auditors and Secretarial Auditors also present in the meeting. Meenakshi do we have the requisite quorum for the meeting?

Meenakshi Anchlia, Company Secretary

Yes sir. We have over 47 members present for the Annual General Meeting and can commence the proceedings of the meeting.

Pradeep Goyal, Chairman

Ok thank you Meenakshi.

As informed by the Company Secretary we have enough quorums of members participating through video conferencing. Accordingly, the meeting is properly constituted and I call this meeting to order. I request Meenakshi, the Company Secretary to read the arrangements made for the members at the 65th Annual General Meeting.

Over to you, Meenakshi

Meenakshi Anchlia, Company Secretary





HIND RECTIFIERS LIMITED

Good Afternoon Ladies and Gentlemen!

Welcome to the 65th Annual General Meeting of Hind Rectifiers Limited.

This meeting is being held through video conferencing in accordance with the circulars issued by the MCA, applicable provisions of the Companies Act and SEBI. The Company has enabled the members to participate in the 65th Annual General Meeting through the video conferencing facility.

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 a video conferencing facility who have not yet cast their vote by means of remote e-voting may vote through the e-voting facility provided at this Annual General Meeting.

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, 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 will also be submitted to the Stock Exchanges as per the requirements under the SEBI Listing Regulations.

The Register of Director's Shareholding, Register of Contracts, copies of Audited Financial Statements, etc. are available for inspection to the Members. As the AGM is being held through the VC facility, appointment of proxies with the members was not applicable, and hence the proxy register for inspection is not available.

Thank you very much! With this, I hand over to the Chairman Sir.

Pradeep Goyal, Chairman

Thank you Meenakshi!

Dear Shareholders, a warm welcome to Hind Rectifiers Ltd's AGM!

Thank you all for joining us!



HIND RECTIFIERS LIMITED

I would like to give you a brief about the performance of the company for the last year and a bit about the current year. After which you are welcome to pose your questions, which will be addressed by the Managing Directors & CEO or the Joint CFO.

Financial year 2022-23, the turnover of the company decreased from Rs. 372 crores to Rs. 359 crores EBITDA decreased from Rs. 22.5 crores to Rs. 15.35 crores in fiscal year 2022-23.

Profit before tax and exceptional items decreased from Rs. 11.16 crores to Rs. 2.08 crores in fiscal 2022-23.

Net profit after tax for the year decreased to Rs. (6.36) cr compared to Rs. 7.8 crores in fiscal 2021-22.

Profit during the year was adversely affected due to several factors primarily attributed to reduction in turnover, higher material cost ratio, scarcity of electronic components and increase of finance cost.

The Company is working very hard to improve the turnover and the material cost ratio and expects an improved performance in the current fiscal year 2023-24.

The Company's major business continues to be the Indian Railways with a strong legacy and brand image.

Although the primary customer continues to be Indian Railways, the Company is putting increased focus on developing new products for private rolling stock manufacturers and Industrial Sector by upgrading and expanding existing product lines, besides growth of new business for the European market through our marketing operations from Sweden.

Industrial business is likely to increase during the growth anticipated in various international and domestic projects in the power sector and also infrastructure development planned by the Government of India. The Company has received additional approval and certifications from aerospace and defense organizations which is likely to bring additional revenue in the coming years.

I am also pleased to inform you all that during the year, our latest and biggest manufacturing plant at Sinnar has commenced commercial production.

Something about the current year 2023-24, the Company has already declared the results of the quarter ended June 2023. Profit before Tax for the quarter is Rs. 2.62 crores



HIND RECTIFIERS LIMITED

as against the last year's loss of Rs. 3.21 crores and immediately preceding quarter loss of Rs. 3.25 crores.

I now handover the proceeding back to the Company Secretary and I thank you once again for sparing your valuable time to attend this meeting.

Meenakshi Anchlia, Company Secretary

Thank you, Sir!

The Statutory Auditor GMJ & Company and the Secretarial Auditor have expressed an unqualified opinion in their respective audit reports for the financial year 2022-23. There were no qualifications, observations or adverse comments on the financial statements and matters which have any material impact on the functioning of the Company. The Statutory Auditor's report on the financial statement is available on page no 61 of the Annual Report. The Secretarial Auditor's report is enclosed as annexure A to the board's report on page number 16 of Annual Report. Thank you! With this I hand it over to the Chairman Sir.

Pradeep Goyal, Chairman

Friends! The Notice of the 65th Annual General Meeting and the Annual Report containing audited financial statements for the year ended March 31, 2023 and Board's and Auditor Reports have been sent by electronic mode to those members whose email 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 has been taken read along with the auditor's report and the entire Annual Report.

We will now take up the resolutions as set forth in the notice. Accordingly, I will now only read out the resolutions.

The following items of the ordinary resolutions are to be considered at this meeting:

Item number 1: Adoption of financial statement of the Company and Director's report and Auditor's report for the financial year ended March 31, 2023.

Item number 2: Appointment of Director Mr. Pawan Golyan, who retires by rotation and being eligible, offers himself for reappointment.

Item number 3: Rectification of remuneration to Cost Auditors.

Item number 4: Appointment of Mr.Parimal Merchant as Non Executive Director of the Company.



HIND RECTIFIERS LIMITED

There are three special resolutions.

Item Number 5: Re-Appointment of Mr. Suramya Nevatia as a Managing Director and CEO, a KMP and approval of remuneration.

Item number 6: Approval of payment of managerial remuneration to Mr. Suramya Nevatia, Managing Director and CEO, the KMP.

Item number 7: Approval of payment of managerial remuneration to Mrs. Akshada Nevatia, Executive Director.

All the text of the resolutions along with the explanatory statements is provided in the notice circulated to the members. The e-voting facility will be activated for the members who are participating in this meeting and have not already voted through remote e-voting. The facility will remain active for an additional 15 minutes after the meeting. And now I request Meenakshi, the Company Secretary, to start the QA session.

Over to you Meenakshi

Meenakshi Anchlia, Company Secretary

Thank you, Sir!

Some shareholders registered for the Q & A session or to express their views. I will call the pre-registered shareholders to come up one by one. Members are requested to unmute their microphone before speaking, and also enable a webcam, if they wish to appear on the video. Please mention your name, folio number and the location from where you are joining. To avoid repetition, the Board will respond to all the questions at the end. Once you have asked your question, you can switch to watch the proceedings. Now, I request Vasudha Vikas Dakwe to unmute and proceed with the questions.

Vasudha Vikas Dakwe

Can you hear me?

Meenakshi Anchlia, Company Secretary

Yes Madam. Please go ahead. We can hear you.

Vasudha Vikas Dakwe

Board of the Directors and my fellow shareholders, myself Vasudha from Thane

I would like to congratulate our company secretary for sending me the soft copy of the report well in advance which itself is very clear and transparent.



HIND RECTIFIERS LIMITED

I would like to ask what our attrition rate is. Secondly I would like to ask how many women workers are there in our company in percentage.

With this I support all the resolutions, thank you very much and wish the company all the best for the coming financial years and my best wishes for all the festivals coming in the month of Shravan and Bhandrapada.

Thank you very much!

Meenakshi Anchlia, Company Secretary

Thank you Vasudha Ma'am! May I request the next shareholder Mr. Rajendra Jamnadas Seth to kindly ask the questions?

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok Sir. So the next shareholder is Mr. Mahesh Kumar Bubna.

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok Sir. So we will move to the next one Mr. Anil Babubhai Mehta.

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok Sir. So we will move to the next one Ms. Lekha Satish Shah.

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok. Mr. Satish Jayantilal Shah.

NSDL Tech Support



HIND RECTIFIERS LIMITED

Same Ma'am, the person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok. Mr. Dhaval Pankaj Kumar Sheth

Dhaval Sheth

Hello, Good Morning Everyone. Can you listen me Ma'am?

Meenakshi Anchlia, Company Secretary

Yeah. Good Morning Sir! Yes, you are audible.

Dhaval Sheth

Just, I have one question, both our Bhandup and Dehradun plants are currently shut down. We want to know the total land parcel of this plant and also approximately monetize value for both the plant. That's it.

Meenakshi Anchlia, Company Secretary

Ok. Thank you, Sir! The next shareholder is Sanjiv Dhiresbhai Shah.

Sanjiv Dhiresbhai Shah

I am audible.

Meenakshi Anchlia, Company Secretary

Yes Sir.

Sanjiv Dhiresbhai Shah

Hi Everyone! My question is to our MD. As the company is doing well in terms of profitability even in the last year due to the phantom share we have given to MD for his technical collaboration with the company and if we remove that non-cash expense the company has done very good. My question is this year also we have to incur that salary cost for giving the one more tranche of five lakhs fifty thousand shares so they are converting this year or next year so we can find the calculation about the profitability. My question to Mr. Suramya is that, in our company we try to develop and connect with the Investor Relation Officer or the CFO or yourself but somehow we are not able to talk to anybody about the Company. It's just AGM to AGM. We can know what the development is there. While I read some news you have given interview to some newspaper that we are having hundred engineers in R&D so I would like to know in



HIND RECTIFIERS LIMITED

this forum that what kind of product development is doing in that you have mentioned that some fifty eight products are under development so my question is that as a shareholder and investor we want to know more about what company is planning or your vision because you are a technical brain that is why the company has given you the phantom share and you should also give that knowledge to the shareholder even to the minority shareholder so that they can visualize where the company is going from where to where and third is we have started exporting to Europe we come to know that through a linked in post by one of our employee and even on our company Hind Rectifiers linkedin account that we have exported transformers to Europe so this is good achievements so why we are informing through stock exchanges certain things where company has achieved certain things. Third question my is what is the future as Indian Railways are doing so fantastically well in terms of capex, there are so many Vande Bharat trains coming up, what kind of power product goes into Vande Bharat trains. Can you explain that? Third thing we are reading that we are doing some Electric Vehicle Charging EV station or some product for EV. Can you explain that or just it's a thinking process going in the company for that equipment and please explain in detail about your vision for the company for near future of 5 to 6 years. Also my request to the board that we should appoint an Investor Relation person in our company where there is any query regarding or anything that we come to achieve. Now SEBI has also done mandatory that if there is a material order or something good contract we have done we should publish to stock exchanges so that's my request. In today's world every company is having IR Dept. Even if it's a small company, but we are not waiting for people. We come to know from outside or from social media that company has achieved this and that so that is my request. Second, regarding our Bhandup unit as we are coming to know that it is a valuable land so what is the approximate monetized value for that you should inform us and your plan to when are we going to monetize that land?

Thank you!

Meenakshi Anchlia, Company Secretary

Thank you Sir! May I request the next shareholder Mr. Yajat Fenil Shah to ask the questions?

Mr. Yajat Fenil Shah

Hello! Am I audible?

Meenakshi Anchlia, Company Secretary

Yes Sir.



HIND RECTIFIERS LIMITED

Mr. Yajat Fenil Shah

Firstly, I would like to congratulate you guys on a great set of numbers and recently over the past two quarters we have greatly improved our gross margins so I just have one question going forward is this sustainable and will the margins will grow? Now that we are going to high end products, that would be my one and only question.

Meenakshi Anchlia, Company Secretary

Ok Sir. Thank you Sir! May I request the next shareholder Vimal Kumar Agrawal to kindly ask the questions?

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok Sir. The next shareholder is Hari Ram Chaudhari.

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok Sir, the next shareholder is Rohit Vinod Ohri.

Rohit Vinod Ohri

Hi Team, I have already sent the list of the questions, Meenakshi Ji and Suramya, if you all can answer them one by one I will be very happy if you all can do that, Thank you! Thanks a lot!

Meenakshi Anchlia, Company Secretary

Ok Sir. Thank You Sir! The next shareholder is Smita Bharat Shah.

NSDL Tech Support

The person with the said name is not connected in the meeting.

Meenakshi Anchlia, Company Secretary

Ok Sir. The last is Rajat Setiya. We have already received the questions from Rajat Setiya.



HIND RECTIFIERS LIMITED

NSDL Tech Support

Rajat Sir, you can speak.

Rajat Setiya

You can hear me?

Meenakshi Anchlia, Company Secretary

Yes Sir

Rajat Setiya

So that's what I wanted to say. I have already shared the list of questions over email. Could you please refer those questions?

Meenakshi Anchlia, Company Secretary

Yes Sir.

Rajat Setiya

Thank you.

Meenakshi Anchlia, Company Secretary

Ok Sir. Thank You! Thank you for all the questions. With that I will hand over to MD & CEO Sir.

Suramya Nevatia, Managing Director & CEO

Thank you Meenakshi! I hope you can hear me. Meenakshi, Is my audio clear?

Meenakshi Anchlia, Company Secretary

Yes Sir, clear

Suramya Nevatia, Managing Director & CEO

Great! So thank you to all the shareholders for all your questions. I will start by addressing the questions that we have received just now and then I will get to all the questions we received on email.

So firstly the attrition rate in the Company is about twelve to fourteen percent which is just slightly below the industry attrition rate going on in the market today. The women employees are at eleven percent. Questions regarding land size, I will come to it,



HIND RECTIFIERS LIMITED

because I have addressed received in the email as well. The set next question was regarding sweat equity. Yes, we will do the balance one in this financial year. Investors Relations activities were being conducted continuously until the end of 2019. In 2020, due to Covid, we stopped the investor relation and public relations.

We will be restarting it soon and you will have chance to interact more frequently.

R&D people, we have yes about just a little under 100 now and the projects are all live, we are exporting to Europe and these are not material accomplishment, these are basically routine operations, if there is any significant material accomplishment then definitely it will be informed as per the new guidelines.

For Vande Bharat products we are in talks with multiple companies to supply battery chargers and transformers. We are presently not in the EV market & we are exploring, may be perhaps, and might do something in EV in the future and the next question regarding sustainability of margin. Yes, they are sustainable and we are looking to increase it as we go along.

So, these are all questions from today and now I will address the one we have received on email.

So, pertaining to the two assets we have Dehradun and Bhandup. Dehradun is at 12,600 sq. m. and Bombay is 20,000 sq. m. we have not asserted the value of these land parcels yet and although Dehradun we are looking to monetize now, so we are in talks with valuers as we speak. But Bombay is not on the horizon, at least not immediately.

The next question is so we received an overwhelming number of questions, I have consolidated them into different pockets and try to answer as many or almost all of them. Few points regarding R&D. We do not have any TOT for R&D at the moment. Everything we are doing we are doing in-house at any given point of time we have between 20-25 live projects as on the date we have 23. These are all primarily for railways and some for industrial and some for aerospace and defense.

Very specific question was asked regarding TCAS and Signaling. So, TCAS stands for "Train Collision Avoidance Systems" and other products in signaling. Yes, there has been a lot of noise around this product for the past many years but we are working on something which is even more advanced and we have already pitched it to the railway authorities and hopefully they should start implementing, if not this year, then by next year.



HIND RECTIFIERS LIMITED

The new segments that we have launched are rotating machines which include different types of motors and blowers, the Hvac segments and communication equipment for railways. We received a lot of questions regarding aerospace and defense, unfortunately at this time we cannot respond on any of these questions, because we have signed NDAs with either the defense agencies or with the customers but yes we have received the certifications and we have received approvals. So, we are eligible to supply and as soon as we start commercial activity we will be intimating the stock exchanges.

Some questions regarding finance, this year we are repaying 9.72 crore of the loan and next year we expect an additional may be expect about 10 crore of additional loan next year.

Some questions regarding marketing, the industry size for locomotives is about 1200 locos every year it changes year to year but 1200 needs to be an average, the competition is similar there is no increase nor any decrease it just the same companies that we are competing, the market is big enough to accommodate all of us. The order booked as on 1st August is 470 crore.

Some questions regarding margins. Yes, as I mentioned, yes we are expecting to sustain this margin and also improve as we gradually get newer product segments.

The question regarding Sweden's operation, has it affected us due to pandemic and slowdown? On the contrary Sweden office has performed exemplarily well and they have recorded the highest order booking this year.

We had questions regarding OTIF & global shortage of semiconductor devices. That was a big challenge for us last year when turnover was held up but we have overcome those obstacles, it is easier now and our OTIF is as good as ever.

Some questions regarding imports, so we have 14% of import, our cash conversion is from 75 to 90 days. Specific question regarding Project 5 and Project 2 from last year's annual report. Project 5 refers to Sinner which is now complete and Project 2 refers to Propulsion, which is now being complete in another two months.

Some words of Spector's I have picked up, from the Chairman statement regarding employees and how we are growing as a Team of Professionals.

So I would like to highlight that we have firstly appointed new auditors who are really helping us to streamline our activities from the professional side of things and within the employees itself we are professionalizing a lot. We have a new CMO with us and he is accredited widely for getting this breakthrough in aerospace and defence, apart from



HIND RECTIFIERS LIMITED

that we have a new supply chain head who is helping us to overcome these supply chain issues and ensure that the OTIF is, you know, as per the standards.

We have new plant heads for Sinnar and as well as Satpur and previous plant head now a VP of operations. So now we are actually growing a team continuously and looking to hire more and more qualified professional people. So with that I believe almost all questions have been answered.

I'll just take a quick scan. Yes, the cyclicity of our business, presently we are in recovery and expansion both. I believe that takes care of all the questions that are proposed to us. So, Meenakshi Ma'am back to you.

Meenakshi Anchlia, Company Secretary: Thank you Sir! Now we can move on. Chairman Sir. Sir, you are on mute.

Pradeep Goyal, Chairman: Thank you, Suramya. That was very exhaustive questions & answers and you handled it extremely well. Shareholders, the Board of Directors have appointed Mahesh Soni, Practicing Company Secretary as a Scrutinizer to supervise the e-voting process. Further, I hereby authorize Meenakshi, the Company Secretary to declare the result of voting and place the result on the website of the company at the earliest. The resolution as set forth in the notice shall be deemed to be passed today subject to the receipt of the requisite number of votes and now declare the proceedings of the Annual General Meeting as completed.

As mentioned earlier the e-voting facility will continue to be available for 15 minutes after this meeting. On behalf of the Board of Directors and Management of Hind Rectifiers, I convey sincere thanks to all members for attending and participating in this meeting. Stay healthy and safe, take care. Thank you very much once again!

Meenakshi Anchlia, Company Secretary: Thank you Sir! Scrutinizer Mahesh Soni Sir

Mahesh Soni, Scrutinizer: Good Morning!

Meenakshi Anchlia, Company Secretary: Good Morning Sir! So, we can start e-voting at the AGM and after 15 Minutes we can conclude this meeting.

Mahesh Soni, Scrutinizer: Ok, Thank you!

Meenakshi Anchlia, Company Secretary: Thank you so much all of you.

Pradeep Goyal, Chairman: We can log off now, right?



HIND RECTIFIERS LIMITED

Meenakshi Anchlia, Company Secretary: Yes Sir we can.

Pradeep Goyal, Chairman: Thank you all! Thank you very much!

Anil Mehta, Joint CFO: Thank you Sir! And thank you Ma'am

NSDL Tech Support: Ma'am the meeting is concluded. Can we end the meeting now?

Meenakshi Anchlia, Company Secretary: Yes sir you can conclude the meeting and for a 15 Minutes window will be open for shareholders' voting purpose.