



Hind Rectifiers Limited

Registered Office

Address : Lake Road, Bhandup (W), Mumbai - 400078.
Tel. : +91-22-49601775
Email : corporate@hirect.com / marketing@hirect.com
CIN : L28900MH1958PLC011077
Website : www.hirect.com

Ref. No. HIRECT/SEC/2024-25/17

July 5, 2024

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 Symbol: HIRECT Type of Security: Equity

Sub: Annual Report for the financial year 2023-24 and Notice convening the 66th Annual General Meeting, etc.

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 2023-24 along with the Notice convening the 66th Annual General Meeting scheduled to be held on Thursday, August 1, 2024 at 12:30 PM IST through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

The notice convening the 66th AGM, forming part of Annual Report is being sent to the members by email whose email addresses are registered with the Company/Depository participant(s)/RTA. The Annual Report is also uploaded on the website of the Company at www.hirect.com. The details such as the 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 Thursday, July 25, 2024 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 66th AGM of the Company scheduled to be held on Thursday, August 1, 2024.

Kindly acknowledge and take the same on record.

Thanking you,

Yours Faithfully,

For Hind Rectifiers Limited

Meenakshi Anchlia
Company Secretary & Compliance Officer
Membership No. A30545

Encl: As above





HIND RECTIFIERS LIMITED

Lake Road, Bhandup (W), Mumbai - 400 078 Tel.: +91 22 4960 1775

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **66th Annual General Meeting ("AGM")** of the members of **HIND RECTIFIERS LIMITED** will be held on **Thursday, August 1, 2024 at 12:30 pm 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, 2024, together with reports of the Board of Directors and Auditors thereon.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended March 31, 2024 together with the reports of the Board of Directors and the Auditors thereon, as circulated to the members and presented to the meeting, be and are hereby considered and adopted."

2. **To declare a dividend on equity shares for the financial year ended March 31, 2024.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a dividend at the rate of Rs. 1.20 (Rupees One and Twenty Paise only) per equity share of Rs. 2 (Rupees Two) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024."

3. **To appoint a director in place of Mrs. Akshada Nevatia (DIN: 05357438), who retires by rotation and, being eligible, offers herself for re-appointment.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mrs. Akshada Nevatia (DIN: 05357438), who retires by rotation under Article 171 and 172 of the Articles of Association of the Company, and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

4. **Ratification of Remuneration to Cost Auditors**

To consider and, if thought fit, to pass 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, re-appointed by the Board of Directors on the recommendation of the Audit Committee, as cost auditors to conduct the audit of the cost records of the Company for the financial year 2024-25, being Rs. 80,000 (Rupees Eighty Thousand only) plus applicable tax, be and is hereby ratified and confirmed."

**Hind Rectifiers Limited**

“RESOLVED FURTHER THAT the Board of Directors of the Company 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.”

5. Appointment of Mr. Vishal Pachariwala (DIN: 07244575) as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT Mr. Vishal Pachariwala (DIN: 07244575), who was appointed as an Additional Director (Non-Executive Independent) of the Company, with effect from May 28, 2024, by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee in terms of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company, who is eligible for appointment and who has consented to act as a Director of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions, if any, read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, and other applicable regulations of the SEBI Listing Regulations 2015, as amended from time to time, the appointment of Mr. Vishal Pachariwala (DIN: 07244575), who meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as a Non-Executive Independent Director of the Company for a term of five years commencing from May 28, 2024 to May 27, 2029 and who would not be liable to retire by rotation, be and is hereby approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

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

Place : Mumbai
Date : May 28, 2024

Meenakshi Anchia
Company Secretary

Registered Office:
Lake Road, Bhandup West
Mumbai 400078 Maharashtra
Tel No. +91 22-49601775
CIN: L28900MH1958PLC011077
E-mail: investors@hirect.com
Website: www.hirect.com

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by "COVID-19", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. The Company has engaged National Securities Depository Limited for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' and participation through 'VC' section which forms part of this Notice. The Board has appointed Mr. Mahesh Soni (Membership No. 3706), or failing him Ms. Sonia Chettiar (Membership No. 27582), partners of GMJ & Associates, Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
3. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hirect.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.
4. **Members holding share either in physical or dematerialized form, as on cut-off date, i.e. Thursday, July 25, 2024, may cast their votes electronically. The remote e-voting period commences on Saturday, July 27, 2024 (9:00 a.m. IST) and ends on Wednesday, July 31, 2024 (5:00 p.m. IST).** The e-voting module will be disabled by NSDL thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Thursday, July 25, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the special business of the Notice, is annexed hereto. Further, the relevant details pursuant to Regulation 36(3) of the SEBI Listing Regulations 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment and re-appointment at this AGM are also annexed. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
6. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories".

**Hind Rectifiers Limited**

7. Members may also note that the Notice of the 66th AGM and the Annual Report 2023-24 will also be available on the Company's website at <https://hirect.com/annual-report/>, websites of the stock exchanges, i.e. BSE and NSE, at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
8. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Adroit Corporate Services Private Limited at info@adroitcorporate.com, to receive copies of the Annual Report 2023-24. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details.

Physical Shareholders: For availing the investor services, send a written request in the prescribed forms to the RTA of the Company, Adroit Corporate Services Private Limited either by email to info@adroitcorporate.com or by post to RTA's address.

Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
Update of signature of securities holder	Form ISR-2
For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form SH-13
Declaration to opt out	Form ISR-3
Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
Form for requesting issue of duplicate certificate and other service requests for shares held in physical form	Form ISR-4

Demat Shareholders: Please contact your DP and register your email address and bank account details in your demat account, as per the process informed by your DP.

9. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM 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 AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
11. **Dividend for FY 2023-24:** The Board of Directors at its meeting held on May 28, 2024, has recommended a dividend of Rs. 1.20 per equity share.

The register of members and the share transfer books of the Company will be closed from Friday, July 26, 2024 to Thursday 1, 2024, both days inclusive. The dividend of Rs. 1.20 per share (i.e. 60%) on the equity shares of the Company of Rs. 2 each, if declared by the members at the AGM, will be paid subject to deduction of income tax at source ("TDS") within a week from the conclusion of AGM:

- (a) to all beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by NSDL and CDSL as of the close of business hours on Thursday, July 25, 2024;
- (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 Thursday, July 25, 2024.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14,

**Hind Rectifiers Limited**

2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf.

12. TDS on dividend

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to Income Tax Act, 1961 and the Finance Act, 2020, of the respective years. The shareholders are requested to update their PAN with the Depository Participants (DPs) (if shares held in dematerialized form) and the Company/Adroit Corporate Services Private Limited (if shares are held in physical form).

A resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to investors@hirect.com or info@adroitcorporate.com by 11:59 p.m. (IST) on Wednesday, July 31, 2024. Please note that non deduction is subject to the condition that the declaration submitted is correct and valid as per the Income Tax Act, 1961 and other relevant rules and regulations. Shareholders are requested to note that if the PAN is not correct/invalid/inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed under Sections 206AA or 206AB of the Income-tax Act, as applicable and in case of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.

Non-resident shareholders [including Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors ("FPIs")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F duly filed online in the Income Tax portal, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by e-mail to investors@hirect.com or info@adroitcorporate.com. Please note that deduction of TDS at beneficial rates as per treaty is subject to the condition that the documents submitted are correct and valid as per the Income Tax Act, 1961 and other relevant rules and regulations. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. (IST) on Wednesday, July 31, 2024.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

(i) For shares held in electronic form: to their Depository Participants ("DPs")

(ii) For shares held in physical form: to the Company/RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate;

Hind Rectifiers Limited

consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://hirect.com/shareholder-enquiries/> and on the website of the Company's RTA, Adroit Corporate Services Private Limited at <https://www.adroitcorporate.com/RandTServices.aspx>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

15. In terms of Regulation 40(1) of SEBI Listing Regulations 2015 as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Adroit Corporate Services Private Limited, for assistance in this regard.
16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
17. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making 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 opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://hirect.com/shareholder-enquiries/> or RTA's website <https://www.adroitcorporate.com/RandTServices.aspx>. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
18. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.
19. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://hirect.com/shareholder-enquiries/>.

20. Members are requested to note that dividends, if not encashed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/or shares available on www.iepf.gov.in. For details, please refer to Corporate Governance Report which is a part of this Annual report and contact to RTA of the Company.



21. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Companies Act, 2013.
22. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. August 1, 2024. Members seeking to inspect such documents can send an email to investors@hirect.com.

Compliance Certificate under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditors of the Company is available and accessible for inspection by the Members at <https://hirect.com/wp-content/uploads/Certificate-for-ESOP-2024.pdf>.

Compliance Certificate under Regulation 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditors of the Company is available and accessible for inspection by the Members at <https://hirect.com/wp-content/uploads/Certificate-for-Sweat-2024.pdf>.

23. 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 to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned depository participant and holdings should be verified from time to time.
24. Members are requested to address all correspondence, including dividend-related and IEPF matters, to RTA.

RTA Contact details:

ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit : Hind Rectifiers Limited]

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

Tel : +91 (0) 22 4227 0400 Fax : +91 (0) 22 2850 3748

Email : info@adroitcorporate.com Website : www.adroitcorporate.com

25. Due dates for transfer of unclaimed/unpaid dividends to the Investor Education and Protection Fund (IEPF) are as under:-

Dividend for the year	Dividend Declaration Date	Due Date of transfer to the IEPF
2018 – 2019	08.08.2019	07.08.2026
2019 – 2020	15.09.2020	14.09.2027
2020 – 2021	12.08.2021	11.08.2028
2021 - 2022	09.08.2022	08.08.2029

26. The Members can join the AGM 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 AGM through VC/OAVM will be made available for 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, Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Hind Rectifiers Limited

- 27. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
- 28. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. Thursday, July 25, 2024, may obtain the login ID and password by sending a request to evoting@nsdl.com. However, if he/she is already registered with NSDL for remote e-voting, then he/she can use his /her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. Thursday, July 25, 2024, may follow steps mentioned in the Notice under Instructions for e-voting.
- 29. The process and manner for e-voting and the process of joining meeting through video conferencing along with other details also form part of the Notice.

Instructions for e-voting and participation through VC

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

Type of shareholders	Login Method
	<p>3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p> <p>Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi /Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>



Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a verification code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

Hind Rectifiers Limited

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name, your registered address, etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

Step 2 : Cast your vote electronically and join Annual General Meeting on NSDL e-voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



Hind Rectifiers Limited

General Guidelines for Members

1. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to maheshsoni@gmj.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Sanjeev Yadav, Assistant Manager at evoting@nsdl.com

Process for those shareholders whose email IDs are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 investors@hirect.com or info@adroitcorporate.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), 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 investors@hirect.com or info@adroitcorporate.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1(A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.



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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investors@hirect.com.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Members who do not wish to speak during the AGM but have queries or seeking any information concerning the financial statement or any other matter of the Company are requested to send the same in advance at least two days 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.



Hind Rectifiers Limited

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 SEBI LISTING REGULATIONS 2015

Item No. 4

The Company is required to have its cost records audited by a cost accountant in practice. Therefore, the Board of Directors, at its meeting held on May 28, 2024, upon the recommendation of the Audit Committee has approved the re-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 2024-25 at a remuneration of Rs. 80,000 (Rupees Eighty Thousand only) plus applicable tax.

M/s. N. Ritesh & Associates possess the requisite experience in the field of cost audit and have submitted a certificate affirming their eligibility for appointment as cost auditors of the Company.

In making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee considered the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by 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, requires ratification by the members of the Company. Therefore, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the Directors or Key Managerial Personnel of the Company, nor their relatives have any financial or other interest in the resolution.

The Board recommends passing the resolution as set out in item no. 4 of this notice as an ordinary resolution.

Item No. 5

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 28, 2024, appointed Mr. Vishal Pachariwala (DIN: 07244575) as an Additional Director and also as Non-Executive Independent Director of the Company, for a term of five years commencing from May 28, 2024 to May 27, 2029, not liable to retire by rotation, subject to the approval of the Members by way of a Special Resolution.

Based on Mr. Vishal Pachariwala's skills, competence, and expertise in financial management, asset growth, strategic planning, leadership, revenue growth, profit maximization, process automation, efficiency improvement, market expansion, diversification, team leadership, strategic decision-making, and experience in guiding and leading management teams and developing governance practices, the Board, upon the recommendation of the Nomination and Remuneration Committee, has determined that his appointment would be beneficial to the Company.

Mr. Vishal Pachariwala is a Chartered Accountant with a post-graduation in Commerce from the University of Mumbai in 2012. He further pursued an MBA from the University of Tulane in 2014. With over 10 years of professional experience, his career highlights include expertise in financial management and strategic leadership. For a brief profile outlining his qualifications, experience, and expertise, please refer to Annexure of this notice.

The Company has received a written notice from a Member proposing Mr. Vishal Pachariwala's candidature for the office of Director, in accordance with Section 160(1) of the Companies Act, 2013.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations 2015. In terms of Regulation 25(8) of SEBI Listing Regulations 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge



his duties. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

He has also confirmed that he is not disqualified from being appointed as Director, in terms of the provisions of Section 164(2) of the Companies Act, 2013 and is not debarred to hold the office of a Director by virtue of any order passed by SEBI or any other authority and has given his consent to act as a Director of the Company. There is no inter se relationship between him and any other member of the Board and other Key Managerial Personnel of the Company.

In the opinion of the Board, Mr. Vishal Pacheriwala is a person of integrity, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with the provisions of the SEBI Listing Regulations 2015, each as amended, and is independent of the management of the Company.

The terms and conditions of his appointment are available for inspection by the Members at the Registered Office of the Company during business hours on all working days, until the last date of remote e-voting.

In compliance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and Regulations 17 and 25 of SEBI Listing Regulations 2015 and other applicable Regulations, the appointment of Mr. Vishal Pacheriwala as Non-Executive Independent Director is now being placed before the Members for their approval by way of a Special Resolution.

The Board recommends the Special Resolution as set out at item no. 5 in this Notice for approval of the Members.

Except Mr. Vishal Pacheriwala and his relatives, none of the Directors and Key Managerial Personnel of the Company, or their respective relatives are in any way concerned or interested, in the resolution as set out in this Notice.

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

Place : Mumbai
Date : May 28, 2024

Meenakshi Anchlia
Company Secretary

Annexure

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Pursuant to Regulation 36 of SEBI Listing Regulations 2015 and clause 1.2.5 of Secretarial Standard-2 on General Meetings)

(i) Mrs. Akshada Nevatia (DIN: 05357438)	
Date of first appointment on the Board	January 15, 2017
Date of Birth	August 21, 1987
Age	36 years
Qualifications, Experience and Expertise/Brief Resume or Profile	<p>Mrs. Akshada Nevatia has done Graduation in Psychology from S. P. College, Pune, and Masters in Clinical Psychology from Fergusson College, Pune. She has done Diploma in Family Managed Business from S. P. Jain Institute, Mumbai.</p> <p>Mrs. Nevatia began her career with five years at Darode Jog Properties in the Real Estate Industry before joining Hind Rectifiers Limited as Management Corporate from June 2015 to January 2017. Since January 2017, she has served as an Executive Director at Hind Rectifiers Limited. With over fourteen years of entrepreneurial experience, Mrs. Nevatia plays a pivotal role as an Executive Director within the Company. Her expertise spans Finance, Accounts, Banking, General Corporate Management, Corporate Governance, Leadership, Strategy Planning, Risk Management, and understanding the diverse needs and viewpoints of customers, partners, employees, governments, and other stakeholders.</p>
Number of Meetings of the Board attended during the financial year 2023-24	Three out of four
List of Directorship / Membership / Chairmanship of Committees of other Board as on March 31, 2024 (excluding Foreign Companies)	Directorship of other Board : Elventive Tech Private Limited Directorship of other listed entities: Nil Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil
Shareholding in Hind Rectifiers Limited as on March 31, 2024	5850 Equity Shares
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	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	The same has been given in the Corporate Governance Report part of the 66th Annual Report. Mrs. Akshada Nevatia's office as Director shall be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director : NA	
Skills and capabilities required for the role for which appointment is proposed and the manner in which the proposed appointee meets such requirements in the case of Independent Director : NA	
List of listed companies from which the new director / proposed appointee has resigned in the last three years : NA	



(ii) Mr. Vishal Pachariwala (DIN: 07244575)	
Date of first appointment on the Board	May 28, 2024
Date of Birth	December 31, 1988
Age	35 years
Qualifications, Experience and Expertise/Brief Resume or Profile	<p>Mr. Vishal Pachariwala is a Chartered Accountant with a post-graduation in commerce from the University of Mumbai, completed in 2012. He pursued an MBA in 2014 from the University of Tulane.</p> <p>With a professional career spanning more than 10 years, Mr. Pachariwala has extensive experience in:</p> <ul style="list-style-type: none"> • Financial Management & Asset Growth; • Strategic Planning & Leadership; • Revenue Growth & Profit Maximization; • Process Automation & Efficiency Improvement; • Market Expansion & Diversification; • Team Leadership & Development; etc. <p>Currently, he is the Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) at Binayak Tex Processors Limited. Additionally, he serves on the Board of several companies, including Valiant Glass Works Private Limited, Wintry Engineering and Chemicals Private Limited, Nandtex Dyeing and Printing Mills Private Limited, Balaji Tex Knitting Manufacturing Company Private Limited, and 3I Ventures Private Limited.</p>
Number of Meetings of the Board attended during the financial year 2023-24	It is proposed to appoint Mr. Vishal Pachariwala as an Independent Director for his first term on the Board and hence, this detail is not applicable.
List of Directorship / Membership / Chairmanship of Committees of other Board as on March 31, 2024 (excluding Foreign Companies)	<p>Directorship of other Board : 06 (Six) private companies</p> <p>Directorship of other listed entities: None</p> <p>Membership of Committees of other Board: None</p> <p>Chairmanship of Committees of other Board: None</p>
Shareholding in Hind Rectifiers Limited	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Not related to any Directors



Hind Rectifiers Limited

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 Annual General Meeting read with explanatory statement thereto, Mr. Vishal Pacheriwala is proposed to be appointed as an Independent Director. He will not be liable to retire by rotation and to hold office for a term up to May 27, 2029. He will be entitled for the sitting fees to attend the Board meeting, etc.

Remuneration last drawn: It is proposed to appoint Mr. Vishal Pacheriwala as an Independent Director for his first term on the Board and hence, this detail is not applicable.

Justification for choosing the appointee for appointment as Independent Director : Considering his extensive experience in financial management & asset growth, as well as strategic planning & leadership, the Board strongly recommends the appointment of Mr. Vishal Pacheriwala as an Independent Director.

Skills and capabilities required for the role for which appointment is proposed and the manner in which the proposed appointee meets such requirements in the case of Independent Director : As per the resolution at Item no. 5 of this Notice, read with the explanatory statement thereto.

List of listed companies from which the new director / proposed appointee has resigned in the last three years : NA



Hind Rectifiers Limited



ANNUAL REPORT

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2024

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**Hind Rectifiers Limited****Board of Directors**

Suramya Nevatia
Managing Director & CEO

Akshada Nevatia
Executive Director

Independent Director

Pradeep V. Goyal
Chairman of the Board

V. K. Bhartia

Vandan Shah

Ashlesha Bodas

Vishal Pachariwala
(Additional Director w.e.f. May 28, 2024)

Non-Executive Non-Independent

Parimal Merchant

Key Managerial Personnel

Suramya Nevatia
Managing Director & CEO

A. K. Nemani
Chief Financial Officer

Anil Mehta
Joint Chief Financial Officer

Meenakshi Anchlia
Company Secretary & Compliance Officer

Registrar And Transfer Agent

Adroit Corporate Services Private Limited
[Unit Hind Rectifiers Limited]
19-20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai 400059, Maharashtra

Bankers

ICICI Bank Ltd.
IDFC First Bank Ltd.
Standard Chartered Bank
TJSB Sahakari Bank Ltd.
Apna Sahakari Bank Ltd.
Saraswat Co-operative Bank Ltd.

Contents

Director's Report	05
Report on Corporate Governance.....	27
Management Discussion and Analysis.....	54
Independent Auditor's Report.....	57
Balance Sheet	68
Statement of Profit & Loss	69
Statement of Changes in Equity	70
Statement of Cash Flow	71
Note on Financial Statements	73

Statutory Auditors

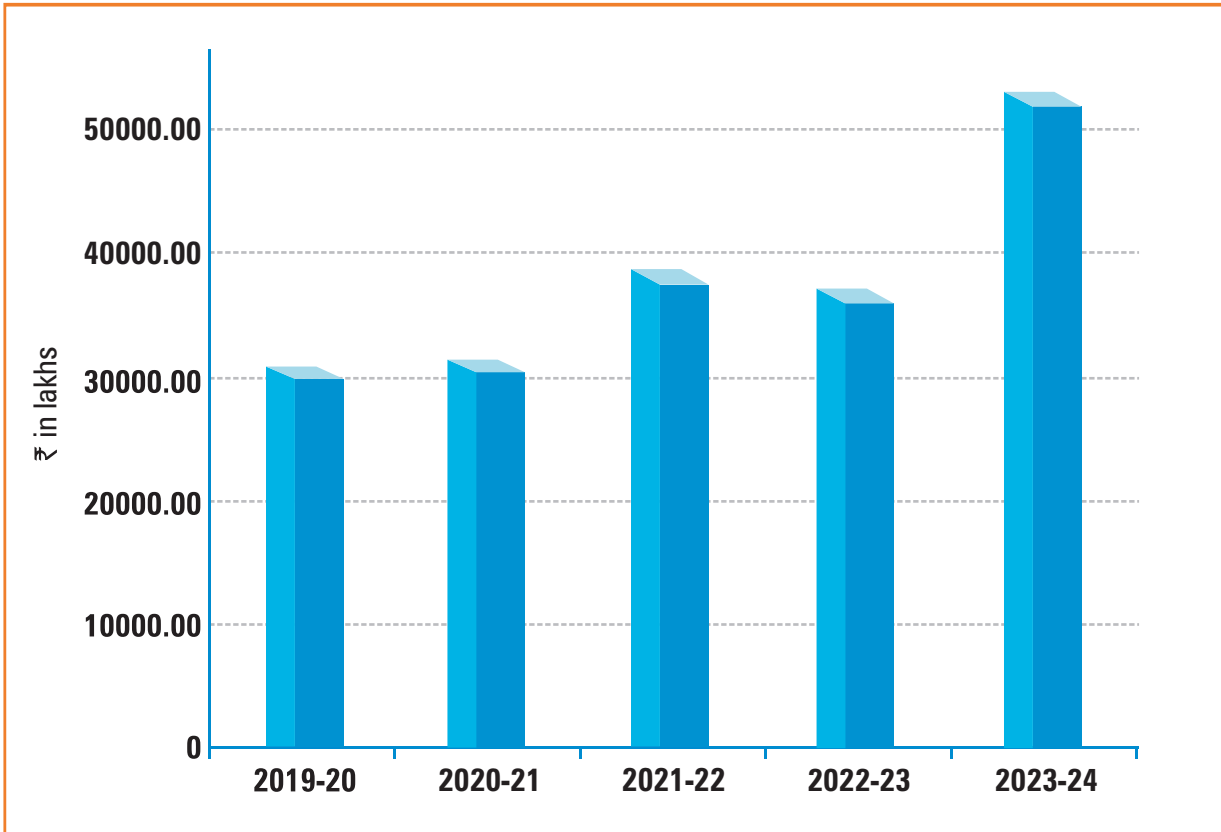
M/s GMJ & Co.
Chartered Accountants

Secretarial Auditors

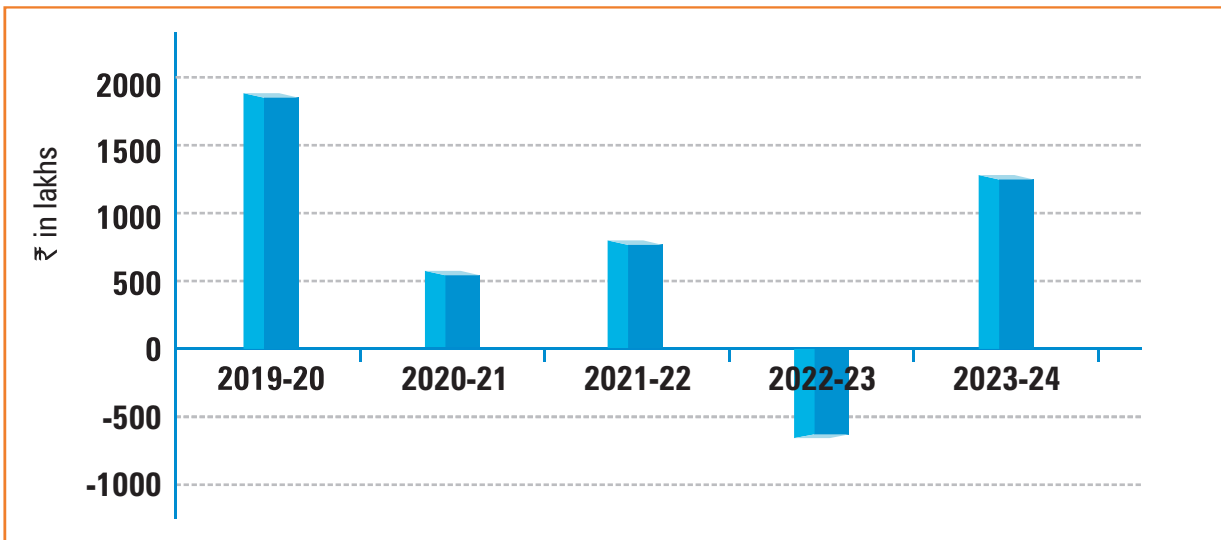
M/s GMJ & Associates
Company Secretaries



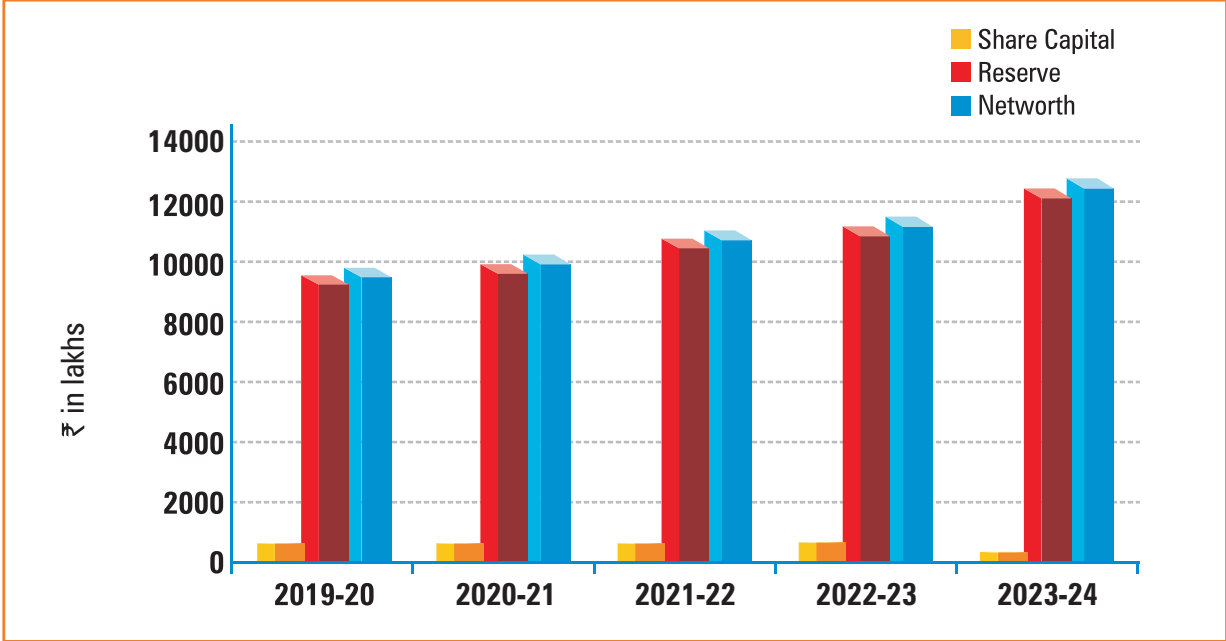
SALES



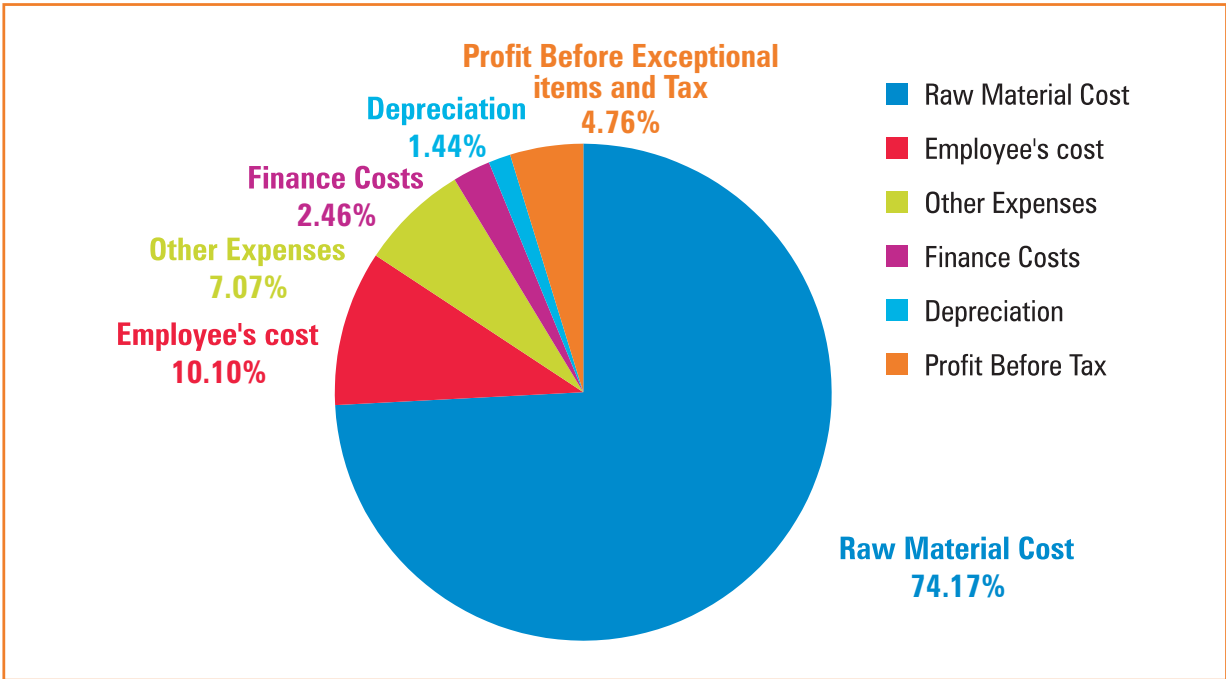
NET PROFIT AFTER TAX



NET WORTH



PERCENTAGE OF RUPEE SPENT DURING 2023 - 2024



HIGHLIGHTS

		2023-24	2022-23	2021-22	2020-21	2019-20	
INCOME :							
1	Net Operational Income	(₹ in lakhs)	51755.25	35909.94	37210.06	30509.71	29962.05
2	Profit before Finance Cost, Depreciation & Tax	(₹ in lakhs)	4485.37	1535.12	2253.45	1990.31	3762.96
3	Finance Cost	(₹ in lakhs)	1,272.63	812.96	688.13	871.54	731.63
4	Depreciation	(₹ in lakhs)	744.62	513.89	449.12	382.50	407.26
5	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lakhs)	2468.12	208.27	1116.2	736.27	2624.07
6	Exceptional Items	(₹ in lakhs)	(699.22)	(1,076.63)	–	–	–
7	Profit after Tax	(₹ in lakhs)	1,251.03	(636.29)	779.85	533.14	1847.91
EQUITY SHARE DATA :							
8	Sales & other Income per equity Share	(₹)	302	210	225	184	181
9	Earnings per share before exceptional item						
	- Basic	(₹)	11.39	2.66	4.71	3.22	11.16
	- Diluted	(₹)	11.35	2.64	4.68	3.22	11.16
10	Earnings per share after exceptional item						
	- Basic	(₹)	7.30	(3.84)	4.71	3.22	11.16
	- Diluted	(₹)	7.28	(3.84)	4.68	3.22	11.16
11	Book value of equity share	(₹)	72.66	65.24	64.86	60.23	57.74
12	Networth	(₹ in lakhs)	12452.95	11171.44	10743.95	9977.12	9563.82
13	Market Price :						
	a) High	(₹)	824.00	268.80	288.00	180.20	269.95
	b) Low	(₹)	193.05	152.90	116.95	108.50	89.00
14	Dividend	(%)	60	–	20	20	40
RATIO :							
15	PBT / Net Operational Income	(%)	4.77	0.58	3.00	2.41	8.76
16	Profit after Tax / Networth	(%)	10.05	(5.70)	7.26	5.34	19.32
17	Total Liabilities / Total Assets	Times	0.62	0.62	0.56	0.59	0.61
18	Total Debt / Equity	Times	1.08	0.94	0.70	0.84	0.94
19	Total Outside Liability / Total net worth	Times	1.66	1.62	1.29	1.42	1.54
20	Current Ratio	Times	1.21	1.23	1.46	1.40	1.38
21	PBDIT / Finance Costs	Times	3.52	1.89	3.27	2.28	5.14



CHAIRMAN'S STATEMENT

Dear Shareholders,

As I address you today, I am filled with a sense of immense pride and gratitude. This year marks a significant milestone in the history of Hind Rectifiers Limited – we have crossed the sought-after 500 Crore mark. This achievement stands as a testament to our unwavering commitment to excellence, innovation, and growth. The future of Hirect is incredibly bright and ambitious, with vast potential for continued success and expansion.

When Hirect was founded in 1958, our visionaries embarked on a journey to shape the future of power electronics. Over the decades, we have not only adapted to rapid technological advancements but have also thrived amidst disruptive forces. Our strategic expansion, diversification of our portfolio, and unwavering focus on research and development have positioned us as leaders in our field. In June, we furthered our commitment to innovation by inaugurating a new R&D office in Hyderabad, which will enhance our capabilities and drive future growth.

This year also holds a personal significance for me. It will be my last year as Chairman and Director of the Board. It has been a profound honor to witness and be a part of Hirect's remarkable journey. Seeing the company grow to such incredible heights and knowing the resilience and strength we have built together fills me with immense satisfaction.

This year will also be the last year of Mr. Bhartia on the Board. He retires after being with the company for 17 years as Chairman of the Audit Committee and an Independent Director. His contributions have had a tremendous impact on developing a strong governance framework, ensuring financial integrity, and fostering a culture of transparency and accountability within the organization. His leadership and insights have been invaluable, and his presence will be greatly missed.

I would like to extend my heartfelt thanks to our shareholders for their patience, support and trust over the years. I am deeply grateful to our dedicated employees, both past and present, whose hard work and commitment are the driving forces behind our success. Your dedication has been instrumental in making Hirect what it is today.

Thank you for being an integral part of this incredible journey. As I step down, I am confident that Hirect will continue to soar to new heights under the dynamic and visionary leadership of the Management Team, driven by the same spirit of innovation and excellence that has brought us this far.

Warm regards,

Pradeep Goyal
Chairman, Hind Rectifiers Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors present the 66th Annual Report together with the Audited Financial Statement for the year ended March 31, 2024.

(₹ in lakhs)

FINANCIAL RESULTS	Year ended 31.03.2024	Year ended 31.03.2023
Revenue from Operation	51755.25	35909.94
Other Income	61.02	25.96
Total Revenue	51816.27	35935.90
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	4485.37	1535.12
Less: Finance Cost	1272.63	812.96
Profit / Loss before Depreciation and Tax	3212.74	722.16
Less : Depreciation	744.62	513.89
Profit / (Loss) before Exceptional Item	2468.12	208.27
Exceptional Items	(699.22)	(1076.63)
Profit / (Loss) before Tax	1768.90	(868.36)
Less : Provision for Taxation - Current	48.12	—
Deferred	469.75	(232.07)
Profit / (Loss) after taxes	1251.03	(636.29)
Other Comprehensive Income (Net of Tax)	4.22	11.41
Total Comprehensive Income for the year	1255.25	(624.88)

OPERATIONS

Turnover of the Company during the year 2023-24 was ₹ 51,755.25 lakhs as compared to ₹ 35,909.94 lakhs in the year 2022-23. Profit before interest, depreciation, and tax was ₹ 4485.37 lakhs compared to ₹ 1535.12 lakhs.

The Company's financial performance has improved substantially during the financial year 2023-2024. The Company is continuously putting efforts to achieve better performance. New plant at MIDC Sinnar which started commercial production w.e.f. March 2023 has also contributed to the growth of the Company.

To reduce the employees cost Company introduced Voluntarily Retirement / Compensation scheme for Bhandup Plant under which 75 employees opted for the same & compensation payment of Rs. 699.22 lakhs are shown as exceptional items. By way of this all the matters between Registered Trade Union and the Company have been settled. Considering the high labour cost the production activity at Bhandup is minimized.

Interest cost has gone up because of start of commercial production of Sinnar Plant, loan for VRS / compensation scheme, increases production & Company's decision to pay faster to vendor to get better material price.

The Company continues to focus on the development of new products for Railways and also for other applications. With increased Electric Locomotive production and electrification of routes and Modernization of Railway facilities, Demand from Railways is expected to be good. Considering the growth anticipated in various international and domestic projects in power sector and also infrastructure planned by Govt. of India, Demand from industrial sector is likely to be good.

Although the primary customer continues to be Indian Railways, however, 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.

Hind Rectifiers Limited

The Company has healthy order bookings for the financial year 2024-25. The Company intends to incorporate three subsidiaries (Sweden, France and UAE) to leverage the growth opportunities in the international market.

No material changes and commitments have occurred after the close of the year under review till the date of this Report which affect the financial position of the Company. The Company did not undergo any change in the nature of its business during the financial year 2023-24.

The Board of Directors during the reporting period approved the proposal for closure of Dehradun plant with immediate effect. After due consideration, it has been determined that it is no longer suitable for the future growth plan of the Company. The said closure does not have any material or adverse effect on the operations of the Company.

DIVIDEND

The Board of Directors is pleased to recommend a dividend of ₹ 1.20 (subject to deduction of tax) per equity share of the face value of ₹ 2/- each (@ 60%), payable to those shareholders whose names appear in the Register of Members as on the Book Closures.

The dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 205.65 lakhs.

As per the prevailing provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders at the applicable rates. For details, shareholders are requested to refer to the Notice of Annual General Meeting.

The Board of Directors has decided to retain the entire amount of profit for the financial year 2023-24 appearing in the statement of profit and loss.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2024 was ₹ 3,42,75,720. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights except allotted shares under HIRECT Employees Stock Option Plan – 2018 (ESOP 2018).

None of the Directors of the Company hold instruments convertible into equity shares of the Company as on March 31, 2024.

Shareholders approved issuing 1,350,000 sweat equity shares to Mr. Suramya Nevatia, Managing Director & CEO, on January 1, 2023. Out of it, 550,000 shares were allotted in the previous financial year 2022-2023. The validity of this shareholders resolution under Regulation 32(4) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 was twelve months from the date of passing the said resolution. The remaining 800,000 shares could not be allotted due to the expiration of the resolution's validity period and were lapsed on December 31, 2023. Therefore, disclosure pertaining to sweat equity as required under Section 54 of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital Debenture) Rules, 2014 is not applicable.

Compliance Certificate under Regulation 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, issued by the Secretarial Auditor regarding the expiration of the resolution for issuance of sweat equity shares and confirming no shares were issued during the reporting period, is available for inspection by the Members at <https://hirect.com/wp-content/uploads/Certificate-for-Sweat-2024.pdf>.

EMPLOYEES' STOCK OPTION SCHEME

With a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability, the Company grants share-based benefits to eligible employees under the ESOP Scheme.

The Company's Employees Stock Option Scheme, viz. 'HIRECT Employees Stock Option Plan - 2018' or 'ESOP 2018', was approved by the members of the Company in the 60th Annual General Meeting on August 13, 2018, for 250,000 options convertible into an equal number of equity shares.

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

The exercise price shall be based on the market price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the date of a meeting of the Committee on which grant is to be made. The maximum term of the options granted under the scheme shall be five years from the date of grant. The scheme contemplates a new issue of shares by the Company ("Primary Shares"). There is neither change in the scheme nor variation in terms of options. The scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the financial year 2023-24, no any stock options were granted under the ESOP Scheme. However, 6,350 options lapsed. Please refer to Note 65 in the financial statement for further details.

During the financial year, a total of 19457 stock options were vested while 13882 shares were allotted by the Nomination and Remuneration Committee. The offer price was Rs. 85 (including a face value of Rs. 2). By exercise the options, total Rs. 11,79,970 were realized. A total of 13882 shares arose as a result of the exercise of options during the financial year under review. The Company received listing and trading approval from BSE and NSE on March 20, 2024 and the above equity shares of the Company are listed and admitted to dealings on the Stock Exchanges from March 21, 2024.

The details of the ESOP 2018, including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website, at <https://hirect.com/wp-content/uploads/Disclosures-for-ESOP-2024.pdf>.

Compliance Certificate under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditor of the Company is available and accessible for inspection by the Members at <https://hirect.com/wp-content/uploads/Certificate-for-ESOP-2024.pdf>.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

BOARD OF DIRECTORS

During the year, the Members approved the following appointment and re-appointment of Directors at the 65th AGM held on August 23, 2023:

- (i) Re-appointment of Mr. Suramya Nevatia (DIN: 06703910) as Managing Director & CEO, effective August 17, 2023, till August 16, 2026.
- (ii) Appointment Mr. Parimal Merchant (DIN: 00201962) as a Non-Executive Director, effective August 12, 2023, till August 11, 2028. His second tenure as an Independent Director was completed on August 11, 2023.

Mr. Pawan Golyan (DIN: 00356807), a Non-Executive and Non-Independent Director who served the Company since his appointment in 1998, ceased his position on the Board effective November 30, 2023, in accordance with Section 167(1)(b) of the Companies Act, 2013. Mr. Golyan was absent from all Board meetings held during the twelve months commencing from November 11, 2022. The Board acknowledges his valuable contributions and guidance throughout his tenure and expresses its sincere appreciation.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Akshada Nevatia (DIN: 05357438), Executive Director of the Company is liable to retire by rotation at the upcoming Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the Annual General Meeting.

The Board at its meeting held on May 28, 2024 and on the recommendation of Nomination and Remuneration Committee has approved the appointment of Mr. Vishal Pacheriwala (DIN: 07244575) as an additional director designated as Independent Director w.e.f. May 28, 2024 to hold office upto the date of the ensuing Annual General Meeting. The Board recommends the appointment of Mr. Pacheriwala as an Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. May 28, 2024 for the approval of the Members at the ensuing Annual General Meeting. The Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of Mr. Pacheriwala. The Company has received requisite notice in writing under Section 160 of the Companies Act, 2013.

Hind Rectifiers Limited

The notice of the Annual General Meeting (AGM) sets out details of the above appointment and re-appointment including brief profile.

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

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

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company.

In the Board's opinion, the Independent Directors possess high repute, integrity, the relevant expertise and experience in their respective fields and fulfill all the conditions of independence specified in the Companies Act, 2013 and SEBI Listing Regulations 2015 and adhere to the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Additionally, the Independent Directors have complied with Section 150 and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, by including their names in the Indian Institute of Corporate Affairs' data bank for Independent Directors.

During the year under review, the Non-Executive Directors had no material pecuniary relationships or transactions with the Company beyond sitting fees and reimbursement of reasonable expenses, if any, incurred for attending meetings.

In terms of Section 149 of the Companies Act, 2013 and SEBI Listing Regulations 2015, Mr. Pradeep Goyal, Mr. V. K. Bhartia, Mr. Vandan Shah, Mrs. Ashlesha Bodas and Mr. Vishal Pachariwala are the Independent Directors of the Company.

The Board and Committees' composition, category of Executive & Non-Executive Directors, familiarization program and other related information are detailed in the Corporate Governance Report, which forms part of this report.

KEY MANAGERIAL PERSONNEL

Mr. Suramya Nevatia, Managing Director & CEO, Mr. A.K. Nemani, Chief Financial Officer, Mr. Anil Mehta, Joint Chief Financial Officer and Ms. Meenakshi Anchlia, Whole Time Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company. During the year under review, there were no changes in the Key Managerial Personnel of the Company.

Mr. A. K. Nemani's current tenure as Chief Financial Officer (CFO) is going to expire on June 19, 2024. The Board, on the recommendation of the Nomination and Remuneration Committee, has approved his reappointment as CFO effective June 20, 2024.

BOARD MEETINGS

The Board met four times during the financial year. The meeting details are provided in the Corporate Governance report that forms part of this report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

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.

There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016, before the National Company Law Tribunal or any other court.

There was no instance of one-time settlement with any bank or financial institution.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability confirms that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed, and there are no material departures;
- (ii) 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 of the Company for that period;
- (iii) 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;
- (iv) They have prepared the annual accounts on a going concern basis;
- (v) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, individual directors, etc. in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations 2015. The Board was highly satisfied with evaluation process and their performance except attendance matter.

The Board conducted a self-evaluation process seeking input from all Directors on criteria such as board composition, effectiveness of processes, information, overall 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.

The Board reviewed individual director performance based on criteria such as preparedness, contribution to discussions, and meaningful input during board and committee meetings. Independent Directors were evaluated by the entire Board excluding the director being assessed.

In the separate meetings of Independent Directors, the performance of each Director, the Board as a whole, Committees of the Board, Chairman and Managing Director & CEO of the Company, and the flow of information were evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

At the board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

SUBSIDIARY, JOINT VENTURE, OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture, or Associate Companies as on March 31, 2024.

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS

The particulars of loans, guarantees, and investments as per Section 186 of the Companies Act, 2013 by the Company, have been disclosed in the financial statement. For details, please refer to note no. 6 forming part of the financial statement.

Hind Rectifiers Limited

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. Disclosure in Form AOC-2 in terms of Sections 134 and 188 of the Companies Act, 2013 for material-related party transactions is annexed as Annexure D and forms an integral part of this report. All related party transactions are mentioned in the notes to the financial statement.

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

The Board-approved policy on Related Party Transactions is available on the Company's website at <https://hirect.com/policies/>.

VIGIL MECHANISM / WHISTLEBLOWER POLICY

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

During the year under review, no complaint was received by the Company. The 'Vigil Mechanism/Whistleblower Policy' is available on the website of the Company viz. <https://hirect.com/policies/>.

BOARD DIVERSITY

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

NOMINATION AND REMUNERATION POLICY

The Company has the appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions from governance and management.

The details of Nomination and Remuneration Committee are available in the Corporate Governance Report that forms part of this Annual Report.

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. <https://hirect.com/policies/>.

We affirm that the remuneration paid to the Directors is accordance with the Nomination and Remuneration Policy of the Company.

The salient features of the policy are:

- (i) It acts as a guideline for matters relating to appointment and re-appointment of directors, Key Managerial and Senior Management Personnel;
- (ii) It contains guidelines for determining qualifications, positive attributes of directors, and independence of a director;
- (iii) It lays down the criteria for Board Membership, etc.

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(1) of the Companies Act, 2013, the CSR provisions will be applicable to companies that fulfill any of the following criteria during the immediately preceding financial year: (i) Net worth of Rs. 500 crore or more; or (ii) Turnover of Rs. 1000 crore or more; or (iii) Net profit of Rs. 5 crore or more. Further, Rule 3(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, was omitted by a notification issued by the MCA on September 20, 2022.

As of March 31, 2023, the Company did not achieve a net profit of five crores, in accordance with Section 135(5) and Rule 2(h) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. Consequently, CSR provisions are not applicable for the financial year 2023-24. Nevertheless, the Company actively engages in voluntary skill development programs for apprentices under the Apprentices Act, 1962, and the National Apprenticeship Promotion Scheme (NAPS).

The Corporate Social Responsibility Policy is available on the Company's website at <https://hirect.com/policies/>.

AUDIT COMMITTEE

The details pertaining to the Audit Committee are included in the Corporate Governance Report, which is a part of this report. During the year all the recommendations made by the Audit Committee were accepted by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI Listing Regulations 2015, the Management Discussion and Analysis is annexed and forms part of this report.

CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and the SEBI Listing Regulations 2015. A separate section on corporate governance, along with a certificate from the statutory auditors confirming compliance is annexed and forms part of this report.

STATUTORY AUDITORS

In order to enable the statutory auditors of the Company to effectively perform the audit procedures envisaged under various regulatory requirements, M/s GMJ & Co, Chartered Accountants (Firm Registration Number: 103429W) was appointed as the statutory auditors of the Company for a term of five consecutive years at the 64th AGM (2022).

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

The Auditors' Report does not contain any qualifications, reservations, adverse remarks, or disclaimers. The report is enclosed with the financial statement in this Annual Report.

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

The Statutory Auditor was present at the last Annual General Meeting held on August 23, 2023.

COST AUDITORS

The Company maintains cost records and undergoes cost audits in accordance with Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

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 Auditors to audit the cost accounts of the Company for the financial year 2024-25. The Company has received the written consent that the appointment will be in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed there under. The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of the Company.

The remuneration of the Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Companies Act, 2013 and the rules there under. Requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 66th Annual General Meeting of the Company.

The Cost Audit Report contains no qualifications, reservations, adverse remarks, or disclaimers.

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 (Peer Review Number: 647/2019), to undertake the Secretarial Audit

Hind Rectifiers Limited

of the Company for the financial year 2024-25. The Company has received written consent from GMJ & Associates confirming that the appointment is in accordance with the applicable provisions of the Companies Act, 2013, and the rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified from being appointed as the Secretarial Auditors of the Company.

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

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

During the financial year under review, the Secretarial Auditors did not report any matter under Section 143(12) of the Companies Act, 2013; therefore, no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

SECRETARIAL STANDARDS

The Company has implemented a proper system to ensure compliance with all applicable and mandatory Secretarial Standards issued by the Institute of Company Secretaries of India. This system is adequate and operates effectively.

INTERNAL FINANCIAL CONTROLS

The establishment of an effective corporate governance and internal control system is essential for sustainable growth and long-term improvements in corporate value. Accordingly, the Company works to strengthen these structures. The Company believes that a strong internal control framework is an important pillar of corporate governance.

The scope of audit activities is broadly guided by the annual audit plan approved by top management and the Audit Committee. The Internal Auditors prepare regular reports on the review of internal systems and procedures and monitor the actions to be taken.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal financial control system and suggests improvements to strengthen it.

Based on the procedures for internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors, statutory auditors, cost auditors, and secretarial auditors, including the audit of internal financial controls and the reviews conducted by the management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24.

The Company has adopted policies and procedures to ensure the orderly and efficient conduct of its business. These include adherence to various policies, safeguarding of assets, prevention and detection of fraud, ensuring accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures.

The Company's internal control systems are designed to be commensurate with the nature of its business, the size and complexity of its operations. The internal financial controls pertaining to the financial statements are considered adequate.

RISK MANAGEMENT

The Company has in place a Risk Management Policy approved by the Board of Directors. This policy establishes a robust framework for identifying and assessing various risks including operational, strategic, financial, regulatory, and human resource risks. It also ensures the establishment of adequate risk management infrastructure to address these risks effectively. The Audit Committee provides oversight on financial risks, controls, and cybersecurity. Major risks identified by different business units and functions are systematically managed through ongoing mitigating actions. The risk management framework undergoes regular reviews, and the Management consistently monitors the development and implementation of the risk management policy.

Furthermore, the Company has established a robust internal audit function that systematically reviews and ensures the sustained effectiveness of internal financial controls.

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 applicable laws, rules, and regulations, as well as upholding the highest standards of business ethics. In recognition of this commitment, the Board of Directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This Code aims to address ethical issues and foster a culture of accountability and integrity.

LISTING

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company maintains regular 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 the Central Depository Services (India) Limited (CDSL). The Company has been allotted ISIN No. INE835D01023.

Therefore, shareholders are encouraged to take full advantage of this and lodge their holdings with Depository Participants (DPs) where they maintain their Demat Accounts to convert their holdings into electronic form.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure B and forms an integral part of this Annual Report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, in terms of the first provision of Section 136(1) of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company secretary to email ID investors@hirect.com, whereupon a copy would be sent.

PREVENTION OF SEXUAL HARASSMENT

The Company maintains a zero-tolerance policy towards sexual harassment in the workplace and has adopted a policy aligned with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, and its associated Rules. This policy covers all employees, including permanent, contractual, temporary, and trainees. Internal Complaints Committees have been established to address complaints related to sexual harassment promptly and effectively.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- (i) Number of complaints pending at the beginning of the year – NIL
- (ii) Number of complaints received during the year – NIL
- (iii) Number of complaints disposed of during the year – NIL
- (iv) Number of cases pending at the end of the year – NIL

During the period, no cases of child labour, forced labour, involuntary labour, or discriminatory employment were reported. The Company is committed to providing a safe and conducive work environment to all its employees and associates.

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. There has been no change in the nature of the Company's business, nor has there been any revision in the financial statements.

**Hind Rectifiers Limited**

ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is accessible on the Company's website at <https://hirect.com/annual-returns/>.

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, all unpaid or unclaimed dividends are mandated to be transferred by the Company to the IEPF, established by the Central Government, after the completion of seven years.

Furthermore, as per the Rules, shares for which dividends have not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority.

Members are requested to claim any unclaimed or unpaid dividends by sending a written request to the Company at investors@hirect.com or to the Company's Registrar and Share Transfer Agent, Adroit Corporate Services Private Limited, at info@adroitcorporate.com or to by post to their address:

Adroit Corporate Services Private Limited
[Unit : Hind Rectifiers Limited]
19-20, Jafferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Andheri (East),
Mumbai – 400059, Maharashtra

Members can find details of the Nodal officer appointed by the Company under the provisions of IEPF at <https://hirect.com/shareholder-enquiries/>.

ENERGY, TECHNOLOGY, AND FOREIGN EXCHANGE

Information on the conservation of energy, technology absorption, foreign exchange earnings and outgo is provided as per the requirements of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014. This information is annexed as Annexure C and forms an integral part of this report.

SAFETY, ENVIRONMENTAL CONTROL, AND PROTECTION

The Company recognizes the importance of environmentally clean and safe operations. Its policy mandates conducting operations in a manner that ensures the safety of all individuals involved and compliance with environmental regulations.

The Company has implemented all necessary measures for safety, environmental control, and protection across all its plants.

ACKNOWLEDGMENT

The Directors sincerely appreciate the assistance and cooperation received from banks, Government authorities, customers, vendors, and investors during the year under review.

The Directors wish to express their appreciation for the efficient and loyal services rendered by each and every employee. It is through their whole-hearted efforts that the Company's overall performance has been made possible. The Directors look forward to the long-term future with confidence.

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2024

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO
DIN: 00008370 DIN: 06703910

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

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

(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, minutes 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, 2024**, 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, minutes, forms and returns filed and other records maintained by **HIND RECTIFIERS LIMITED** for the Financial Year ended on March 31, 2024 according to the provisions of:

- i. The Companies Act, 2013 ("the Act"); and 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the Audit period);
 - (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit period);
 - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the Audit period)
- vi. We have also examined compliance with the applicable clauses of the following:
 - a) Secretarial Standards issued by the Institute of Company Secretaries of India.
 - b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Hind Rectifiers Limited

Further, the Company being engaged in developing, designing, manufacturing and marketing of Electronic, Electrical and Electro-Mechanical Equipment, 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. mentioned above, to the extent applicable.

We report having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

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

We further report that:

1. The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors that took place during the period under review.
2. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
3. Adequate notices are given to all the Directors to schedule the Board Meetings, Board Committee Meetings and wherever necessary consent for shorter notice was given by Directors, 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 Company had following specific events:

1. The Nomination and Remuneration Committee of the Company at their meeting held on March 29, 2023 approved vesting of 19457 options (effective date was June 10, 2023) to the eligible employees under HIRECT Employees Stock Option Plan- 2018. Further, the Nomination and Remuneration Committee of the Board of Directors of the Company has in accordance with the terms of HIRECT Employees Stock Option Plan-2018, allotted 13882 Equity Shares of face value ₹ 2/- each at their meeting held on February 8, 2024 to the eligible employees of the Company who exercised their vested options under this scheme.
2. The Board noted the cessation of Mr. Pawan Golyan (DIN: 00356807) (Non-Executive & Non-Independent Director) from the Board w.e.f. November 30, 2023 as he was absent from all the meetings of the Board of Directors held during a period of twelve months commencing from November 11, 2022.

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

For GMJ & ASSOCIATES

Company Secretaries

ICSI Unique Code P2011MH023200

CS MAHESH SONI

PARTNER

Membership No: F3706

Certificate of Practice No.:2324

UDIN: F003706F000465772

Peer Review Certificate No.: 647/2019

Place : Mumbai

Date : May 28, 2024

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



ANNEXURE

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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**

Company Secretaries

ICSI Unique Code P2011MH023200

CS MAHESH SONI

PARTNER

Membership No : F3706

Certificate of Practice No. : 2324

UDIN: F003706F000465772

Peer Review Certificate No.: 647/2019

Place : Mumbai

Date : May 28, 2024

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

SECRETARIAL COMPLIANCE REPORT OF HIND RECTIFIERS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

To,
HIND RECTIFIERS LIMITED
Lake Road,
Bhandup (West),
Mumbai - 400078.

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **HIND RECTIFIERS LIMITED** (hereinafter referred as "the listed entity"), having its registered office at Lake Road, Bhandup West, Mumbai – 400 078. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on **March 31, 2024** complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

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 exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended March 31, 2024 ("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");

The specific Regulations whose provisions and the circulars / guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit period)
- (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
- (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Company during the Audit period)

Based on our examination, we hereby state that, during the Review Period:

- I. (a) The listed entity has complied with the provisions of the above Regulations and circulars / guidelines issued thereunder.
- (b) The listed entity was not required to take any action with regard to the submissions in the previous reports.
- II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019 was not applicable to the Company during the Review Period.
- III. We hereby report that during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observation / Remarks by PCS
1	<u>Secretarial Standard</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	None
2	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI 	Yes	None
3	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents / information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s) / section of the website 	Yes	None
4	<u>Disqualification of Director:</u> None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity	Yes	None
5	<u>Details related to Subsidiaries of listed entities have been examined w.r.t.:</u> (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA NA	The Company does not have any material subsidiaries The Company does not have material as well as other subsidiaries.

Hind Rectifiers Limited

Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observation / Remarks by PCS
6	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	None
7	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year & during the financial year as prescribed in SEBI Regulations	Yes	None
8	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) The listed entity has provided details, detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee, in case no prior approval has been obtained.	Yes NA	No such case was reported during the Review period
9	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None
10	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
11	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued thereunder.	Yes	None
12	<u>Additional Non-compliances, if any:</u> No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	Yes	None



Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficiency or effectiveness with which the management has conducted the affairs of the listed entity.

For GMJ & ASSOCIATES

Company Secretaries

ICSI Unique Code P2011MH023200

CS MAHESH SONI

PARTNER

Membership No: F3706

Certificate of Practice No.: 2324

UDIN: F003706F000465739

Peer Review Certificate No.: 647/2019

Place : Mumbai

Date : May 28, 2024

ANNEXURE "B" TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary during the financial year 2023-24 and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for the financial year 2023-24 (₹ In lakhs)	% increase in Remuneration in the financial year 2023-24 as compared to financial year 2022-23	The ratio of remuneration of each Director, CEO, CFO & CS to median remuneration of employees
1	Pradeep Goyal Chairman of the Board and Non-Executive & Independent Director	2.75	(31.25)	0.43
2	Suramya Nevatia ^ Managing Director & CEO (KMP)	174.78	(84.64)	27.18
3	Akshada Nevatia Executive Director	46.21	Nil	7.19
4	Pawan Golyan# Non-Executive Director	–	–	–
5	V. K. Bhartia Non-Executive & Independent Director	0.50	(83.33)	0.08
6	Parimal Merchant* Non-Executive Director	2.75	(8.33)	0.43
7	Vandan Shah Non-Executive & Independent Director	2.25	(25.00)	0.35
8	Ashlesha Bodas Non-Executive & Independent Director	0.25	(75.00)	0.04
9	Anil Kumar Nemani Chief Financial Officer (KMP)	12.76	(57.80)	1.98
10.	Anil Mehta ^^ Joint Chief Financial Officer (KMP)	38.08	–	5.92
11.	Meenakshi Anchlia Company Secretary (KMP)	20.42	48.29	3.18

^ The remuneration includes incentives.

Mr. Pawan Golyan ceased to be a Director effective November 30, 2023.

* The second tenure of Mr. Parimal Merchant as an Independent Director ended on August 11, 2023. He has been appointed as a Non-Executive Director effective August 12, 2023.

^^ Details were not provided as he was not employed or appointed throughout the financial year 2022-23.



- (ii) The median remuneration of employees (excluding managerial personnel) of the Company during the financial year was ₹ 6.43 lakhs. This median remuneration figure is based on remuneration paid from April 1, 2023, to March 31, 2024
- (iii) In the financial year, there was an increase of 3.54% in the median remuneration of employees (excluding managerial personnel).
- (iv) There are 425 permanent employees (excluding workers) on the rolls of the Company as on March 31, 2024.
- (v) The average percentage increase in the salaries of employees (excluding managerial personnel) in the financial year 2023-24 was 3.54%. This average increase in the remuneration of employees, other than the managerial personnel, is in line with the industry practice.
- (vi) It is affirmed that the remuneration is in accordance with the Company's remuneration policy.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2024

Pradeep Goyal	Suramya Nevatia
Chairman	Managing Director & CEO
DIN: 00008370	DIN: 06703910

ANNEXURE "C" TO THE DIRECTORS' REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies Act (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2024

I CONSERVATION OF ENERGY

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

Regenerative back to back setup development is completed which will generate substantial saving in the power consumption.

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

II TECHNOLOGY ABSORPTION, ADOPTION, INNOVATION

(i) Efforts in brief made towards technology absorption

- Successfully completed the customer type testing of Traction Converter for railways
- Successfully completed the commissioning and field trials of Hotel Load Converter for railways
- Successfully completed the design, development, internal testing and External Lab type testing of Hirect Power supply
- Successfully completed, delivered and commissioned SIC Rectifiers
- Successfully completed the customer type testing and commissioning of Inverter for Vande Bharat Train application
- Successfully completed the customer type testing of Pantry for Vande Bharat Train
- Successfully completed the manufacturing and supply of Proto unit of CAB AC for defence

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

- With the development of several convertors and new rectifiers we have added more products in our portfolio.
- With the development of Hirect power supply our cost of various products will reduce.
- With the development of several invertors, battery chargers and HVAC systems we are able to enter new market which will increase business.

(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 - Nil
- The year of import - NA
- Whether the technology has been fully absorbed - NA
- If not fully absorbed, areas where absorption has not taken place, and reasons thereof - Nil

(iv) Expenditure incurred on Research and development

(₹ In lakhs)

Particulars	2023-24	2022-23
Capital	607.50	514.89
Recurring	819.81	692.12
Total	1427.31	1207.01
Total R&D expenditure as % of net operational income	2.76	3.36



III Foreign exchange earnings and outgo

(₹ In lakhs)

Particulars	2023-24	2022-23
Foreign exchange earned		
1. Export of goods on FOB Basis, Commission and Service charges	656.62	824.56
Foreign exchange used		
1. Raw materials, stores, and spare parts, capital goods, and other products	4542.80	3686.52
2. Expenditure in foreign currency	203.12	207.42

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2024

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO
DIN: 00008370 DIN: 06703910

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 did not enter into any contract, arrangement, or transaction with its related parties during the financial year 2023-24 that was not in the ordinary course of business or not at arm's length.

The Company has laid down policies and processes/procedures so as to ensure compliance with the subject, sections in the Companies Act, 2013 and the corresponding Rules and SEBI Listing Regulations 2015.

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

Mr. Saurabh Nevatia, CEO of Nashik Plant, is related to Mr. Suramya Nevatia, Managing Director & CEO (KMP), and Mrs. Akshada Nevatia, Executive Director of the Company.

(b) Nature of contracts / arrangements / transactions

Mr. Saurabh Nevatia is employed as a regular senior employee of the Company. His remuneration is paid in accordance with his role. The remuneration paid to him has been approved by the members in the 64th Annual General Meeting as a related party transaction.

(c) Duration of the contracts / arrangements / transactions

Mr. Saurabh Nevatia has been a regular employee of the Company since 1988.

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

A total remuneration of ₹ 90.27 lakhs was paid to Mr. Saurabh Nevatia during the financial year 2023-24.

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

The Board approved the said transactions as on May 26, 2022.

(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 2023-24, which were not in the ordinary course of business.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2024

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO
DIN: 00008370 DIN: 06703910

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 the ethical, legal, and business expectations and at the same time fulfills its social responsibilities. It also focuses on the need to provide a sustainable competitive return for its investors.

The Board endeavors to achieve this first, by leveraging the resources at its disposal and fostering an environment for the growth and development of human resources. The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. Second, the Board has institutionalized best management practices to bring about an atmosphere of accountability. Systems are in place for strategic planning, risk management, financial plans, and budgets, the integrity of internal controls and reporting, and communications guidelines with an emphasis on transparency and full disclosure of 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, investors, regulators, employees, and vendors and earns respect from society at large. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate, and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company has a strong legacy of fair, transparent, and ethical governance practices. The Company emphasizes fairness and transparency to all stakeholders. Shareholders can communicate any grievance to the Company Secretary's office through a dedicated mail Id. The Stakeholders Relationship Committee oversees the redressal of these complaints. The Annual General Meeting is another forum where they can interact with the Board.

CORPORATE ETHICS

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

BOARD OF DIRECTORS

As on March 31, 2024, the Board has seven Directors. Chairmanship of the Board is a non-executive position (Independent Director) and separate from that of the Managing Director & CEO. There are two Executive Directors and the remaining five Directors are Non-Executive Directors. Out of the two Executive Directors, one is the Managing Director & CEO - KMP (Promoter of the Company) and the other is an Executive Director (Woman Director and member of the Promoter Group). One Director is a Non-Independent Non-Executive Director. The remaining four Non-Executive Directors are Independent Directors including one Woman Director.

The Board, in its meeting held on May 28, 2024, appointed Mr. Vishal Pacheriwala as an Independent Director effective May 28, 2024, subject to the approval of members at the 66th Annual General Meeting. As of May 28, 2024, there are eight directors on the Board.

The composition of the Board is in compliance with the requirements of Regulation 17 of the SEBI Listing Regulations 2015 read with Sections 149 and 152 of the Companies Act, 2013.

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.

Hind Rectifiers Limited

Name of the Director	Expertise in the specific functional area
Mr. Pradeep Goyal	Industrialist, Manufacturing domain, Business Management and Administration, significant background in technology, anticipate technological trends, Risk Management, Governance, Leadership, Strategic Development and Financial Reporting
Mr. Suramya Nevatia	Production, Operation and Management, Strategic Development, and Implementation Management, Performance Review and Marketing Management, Planning and Risk Management, Governance and Leadership
Mrs. Akshada Nevatia	Entrepreneur, Finance, Accounts and Banking, General Corporate Management, Corporate Governance and Leadership, Strategy Planning, Risk Management, Understanding of the needs and viewpoints of customers, partners, employees, governments, and other stakeholders
Mr. V. K. Bhartia	Organizational and Business Management, Accounts-Finance, capital allocation, and financial reporting processes, Principal Executive Officer, Manufacturing, Marketing, Governance and Leadership, Strategy Planning and Risk Management
Mr. Parimal Merchant	Law, Capital Markets, Family Managed Business, Extend and create new Business Models, Governance and Leadership, Risk Management, Evaluate Corporate Strategy and Culture
Mr. Vandan Shah	Industrialist, Manufacturing domain and Strategy Planning, Risk Management, Exports, Experience in developing strategies to grow sales and enhance enterprise reputation, Business Administration, and Management including Financial Management, Governance and Leadership
Mrs. Ashlesha Bodas	Strategy Management, Risk Management, Business Development, Statutory and Legal Compliances, Governance and Leadership, Fundraising and Project Management
Mr. Vishal Pachariwala ^	Financial Management & Asset Growth, Strategic Planning & Leadership, Revenue Growth & Profit Maximization, Process Automation & Efficiency Improvement, Market Expansion & Diversification, Team Leadership & Development

^ Appointed as an Independent Director (Additional Director) w.e.f. May 28, 2024.

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 (being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the SEBI Listing Regulations 2015) across all the companies in which they are directors. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2024 have been made by the Directors. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors of the Company serves as Independent Director in more than seven listed companies and where any Independent Director is serving as whole-time director in any listed company, such Director is not serving as Independent Director in more than three listed companies. All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the SEBI Listing Regulations 2015.

The minutes of the meetings of the Board and all the Committees are placed before and noted by the Board. The recommendations of the Committees are submitted to the Board for approval. All the recommendations made by all the Committees during the financial year under review were accepted by the Board. The Chairmen of the Board and all the Committees were present in the last AGM held on August 23, 2023.

The Company does not have any pecuniary relationship with any of the Non-Executive Directors.

The details of the Board's composition, director categories, shareholding of directors, number of directorships held in other companies, and memberships/chairmanships of committees in other companies are given below.

Name of the Director, DIN and Date of Appointment	Category of Director	Directorship in other Listed Companies and Category of Directorship (as on 31.3.2024)	No. of Directorships in other Indian Companies (as on 31.03.2024) excluding Hind Rectifiers Limited		No. of Board Committee positions in other Indian Public Companies (as on 31.03.2024) excluding Hind Rectifiers Limited		Shareholding in the Company as on 31.03.2024
			Public	Private	Member	Chairman	
Mr. Pradeep Goyal DIN 00008370 (28.03.2008)	Independent Non-Executive Director (Chairman of the Board)	Pradeep Metals Limited (Chairman and Managing Director) Uniphos Enterprises Limited (Non-Executive Independent Director)	2	3	2	2	NIL
Mr. Suramya Nevatia ^ DIN 06703910 (17.08.2020)	Non-independent Executive and Promoter Director (Managing Director & CEO KMP)	–	0	2	0	0	2574768
Mrs. Akshada Nevatia DIN 05357438 (15.01.2017)	Non-Independent Executive Director and member of Promoter Group	–	0	1	0	0	5850
Mr. V. K. Bhartia DIN 00019810 (18.04.2007)	Independent Non-Executive Director	–	0	1	0	0	NIL
Mr. Parimal Merchant# DIN 00201962 (07.02.2013)	Non-Executive Director	–	0	3	0	0	NIL
Mr. Vandan Shah DIN 00759570 (15.01.2017)	Independent Non-Executive Director	Hercules Hoists Limited (Non-Executive Independent Director)	1	4	2	1	50655
Mrs. Ashlesha Bodas DIN 00935512 (26.06.2020)	Independent Non-Executive Director	–	0	10	0	0	NIL
Mr. Vishal Pacheriwala* DIN: 07244575 (28.05.2024)	Independent Non-Executive Director	–	0	6	0	0	Nil

Hind Rectifiers Limited

^ Reappointed as a Managing Director & CEO w.e.f. August 17, 2023.

The shareholders at the 65th AGM held on August 23, 2023, appointed Mr. Parimal Merchant (DIN: 00201962) as a Non-Executive Director, effective August 12, 2023, till August 11, 2028. His second tenure as an Independent Director was completed on August 11, 2023.

* Appointed as an Independent Director (Additional) w.e.f. May 28, 2024.

Note:

1. Directorship in companies registered under the Companies Act, 2013 or any earlier enactments, excluding companies under Section 8 of the Companies Act, 2013 and foreign Companies.
2. Only covers membership/chairpersonship of Audit Committee and Stakeholders Relationship Committee of public limited companies.
3. In the committee details provided, every chairmanship is also considered as a membership.
4. Maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and SEBI Listing Regulations 2015.

During the year under review, the Board noted the cessation of Mr. Pawan Golyan (DIN: 00356807), a Non-Executive & Non-Independent Director w.e.f. November 30, 2023 as he was absent from all the meetings of the Board of Directors held during a period of twelve months commencing from November 11, 2022.

INDEPENDENT DIRECTORS

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations 2015 and Section 149(6) of the Companies Act, 2013 read along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations 2015, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

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

Mr. V. K. Bhartia, Independent Director has already attended the age of seventy-five; therefore, the members have passed the special resolution in the 60th Annual General Meeting held on August 13, 2018.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors of the Company met on May 26, 2023 and February 8, 2024.

The attendance record for the meetings of the Independent Directors held during the financial year 2023-24 is provided below.

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

*Appointed as a Non-Executive & Non-Independent Director w.e.f. August 12, 2023.

The Independent Directors were highly satisfied with the overall functioning of the Board and its various committees, which displayed a high level of commitment and engagement. They also appreciated the exemplary leadership of the Chairman of the Board and its committees in upholding and following the highest values and standards of corporate governance.

The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board, Managing Director & CEO taking into account views of Executive & Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board, leadership strengths and weaknesses, governance, compliance, succession planning, etc.

PERFORMANCE EVALUATION

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

The evaluation of Independent Directors is done by the entire Board which includes fulfillment of the independence criteria as specified in the Companies Act, 2013 and SEBI Listing Regulations 2015 and their independence from the management.

The performance was evaluated through a structured questionnaire, discussion, and evaluation process. The Directors have expressed their satisfaction with the evaluation process and are highly satisfied with the performances of Chairman of the Company, Board as a whole, Committees, flow of information and all the Directors except attendance matter.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Chairman, the Board, Board Committees, and Executive/Non-Executive/Independent Directors, etc. The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se Board members, effective participation, domain knowledge & competency, compliance with code of conduct, vision & strategy, integrity, and maintenance of confidentiality, independence of behavior and judgment, initiatives, leadership, corporate governance practices, etc. which is in compliance with applicable laws, regulations, and guidelines.

BOARD MEETING

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

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

During the financial year 2023-24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations 2015, has been placed before the Board for its consideration.

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

The Board members are expected to rigorously prepare for, attend and participate in Board and applicable Committee meetings. Each member is expected to ensure their other current and planned future commitments do not materially interfere with their responsibilities with us. Every Board member can suggest the inclusion of additional items in the agenda.

Hind Rectifiers Limited

The Board of Directors met four times during the financial year 2023-24 i.e. on 26.05.2023, 8.08.2023, 4.11.2023, and 8.02.2024. The necessary quorum was present for all the meetings.

The details of the attendance of Directors at Board meetings held during the financial year 2023-24 and at the last AGM held on August 23, 2023 are as follows.

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

* Ceased to be a Director, effective November 30, 2023.

RELATIONSHIP BETWEEN DIRECTORS

There are no inter-se relationships between the Board members except Mr. Suramya Nevatia and Mrs. Akshada Nevatia are 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 backed by comprehensive background information. During the financial year 2023-24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations 2015, has been placed before the Board for its consideration. The Board is routinely presented with all the information mentioned in the SEBI Regulations and the Companies Act, 2013 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 and Committee meetings and advises the Board on Compliance and governance.

FAMILIARIZATION PROGRAMME

At the time of appointing a director, the company issues a formal letter of appointment that outlines, among other things, the role, functions, duties, responsibilities, disclosure requirements, and confidentiality expected from him as a Director of the Company. The director is also provided with detailed explanations regarding the compliances required under the Companies Act, 2013, SEBI Listing Regulations 2015, and other relevant acts, rules, and regulations. To familiarize the newly appointed Director with the company's operations, the Managing Director & CEO and Executive Director conduct a personal discussion. Additionally, they inform the Director about key company policies and codes, including the Code of Conduct for Board members and the Code of Conduct for regulating, monitoring, and reporting trading activities by designated persons.

All Board members of the Company are accorded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views, and updates on the Company and Sector.

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

The above initiatives help the Director to understand the Company, its business, and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company. Details of the familiarization program imparted to the Independent Directors are available on the website of the Company at <https://hirect.com/policies/>.

CONFLICT OF INTERESTS

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

INSIDER TRADING CODE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'. The same is available on the Company's website at <https://hirect.com/policies/>.

Ms. Meenakshi Anchlia, Company Secretary & Compliance Officer is the 'Compliance Officer' in terms of this Insider Trading Code.

COMMITTEES OF THE BOARD

For better corporate governance, to promote transparency, and to enhance the credibility of the Company's financial disclosures, the Board has constituted committees that comply with the requirements of the SEBI Listing Regulations 2015, and the Companies Act, 2013. Details of the Board's committees and other related information are as follows.

AUDIT COMMITTEE

The Audit Committee comprises three Directors with a majority of 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. The CEO Nashik Plant, Chief Financial Officer and Joint Chief Financial Officer of the Company are permanent invitees to the Audit Committee meeting. The Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee. The CFO and Joint CFO assist the Committee in the discharge of its responsibilities.

The previous Annual General Meeting of the Company was held on August 23, 2023, and was attended by the Chairman of the Audit Committee.

The Audit Committee met four times during the year i.e. on 26.05.2023, 8.08.2023, 4.11.2023 and 8.02.2024. The maximum gap between any two meetings was less than one hundred and twenty days. All the decisions at the Audit Committee meetings were taken unanimously.

The composition of the Audit Committee and the attendance of its members at the meetings held during the financial year 2023-24 are given below.

Hind Rectifiers Limited

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. Vandan Shah, Chairman	Independent Non-Executive	4	4
Mr. Pradeep Goyal	Independent Non-Executive	4	4
Mr. Parimal Merchant	Non-Executive	4	4
Mr. Suramya Nevatia	Managing Director & CEO	2	2

1. Mr. Parimal Merchant ceased to be the Chairman of the Audit Committee effective August 9, 2023. His designation changed from Independent Director to Non-Executive Director effective August 12, 2023
2. Mr. Vandan Shah has been appointed as Chairman of the Audit Committee w.e.f. August 9, 2023.
3. Mr. Suramya Nevatia ceased to be a member of the Audit Committee w.e.f. August 9, 2023.

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

The primary objective of the Audit Committee is to monitor and provide effective supervision of the financial reporting process, internal financial control and Risk Management System, ensure accurate and timely disclosures, with the highest levels of transparency, integrity, and quality of financial reporting. The Committee reviews with the management, the annual financial statement and auditors' report thereon before submission to the Board for approval.

The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors, the statutory auditors, and the cost auditors. The Committee ensures an effective and independent internal audit function, which works to provide assurance regarding the adequacy and operation of internal controls and processes intended to safeguard the Company's assets, effective and efficient use of the Company's resources and timely & accurate recording of all transactions. The Committee discusses with the Statutory Auditor, the key observations related to the financial statement for the relevant period. The Committee provides an independent channel of communication for the internal auditors and the statutory auditors. The Committee further reviews the processes and controls including compliance with laws, Insider Trading Codes, Whistle Blower Policy, Management's discussion and analysis of the financial condition and results of operations, recommends the appointment of internal auditors and secretarial auditors, reviews and recommends audit fees, reviews & approves related party transactions, grants omnibus approvals from time to time, take note the disclosures by promoters under Regulation 31(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, etc.

The Committee, to carry out its responsibilities efficiently and transparently, relies on the Management's financial expertise and that of the internal and statutory auditors. The Management is responsible for the Company's internal control over financial reporting and the financial reporting process. The statutory auditors are responsible for performing an independent audit of the Company's financial statement in accordance with the applicable legal framework.

NOMINATION AND REMUNERATION COMMITTEE

The powers, role, charter, and terms of reference of the Nomination and Remuneration Committee cover the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations 2015, besides other terms as referred by the Board.

The purpose of the Nomination and Remuneration Committee is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening, and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and determine the role and capabilities required for Independent Directors.

The Nomination and Remuneration Committee has the overall responsibility of approving and evaluating the compensation plans for Executive Directors and Senior Management. The Nomination and Remuneration Committee reviews and

recommends to the Board for its approval, the salary, incentives, compensation, other benefits, etc. for the Executive Directors and Senior Management.

The Committee is working as a compensation committee under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for HIRECT Employees Stock Option Plan-2018 (ESOP 2018). The Committee carries out evaluation of the performance of the Board and reviews the evaluation's implementation and compliance.

The Committee met one time during the year i.e. on 08.02.2024.

The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting of the Company held on August 23, 2023.

The composition of the Committee and the attendance of its members at the meeting held during the financial year 2023-24 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. Vandan Shah, Chairman	Independent Non-Executive	1	1
Mr. Pradeep Goyal	Independent Non-Executive	1	1
Mr. Parimal Merchant ^	Non-Executive	1	1

^ The designation was changed from Independent Director to Non-Independent Non-Executive Director, effective August 12, 2023.

The Company Secretary acts as the secretary to the Committee.

NOMINATION AND REMUNERATION POLICY

The policy lays down a framework in relation to the remuneration of Directors, Key Managerial Personnel, and senior management personnel of the Company. The key objectives would be:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel, and Senior Management Personnel; and
- To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel, and Senior Management Personnel, etc.

This policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites, allowances, incentives, commission. The Committee evaluates and approves the adequacy of the compensation plans, policies, programs and succession plans for the Company's executive directors, KMP and Senior Management including identifying persons to be appointed to positions of KMP and Senior Management in accordance with identified criteria and to recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee has formulated a Remuneration Policy for Directors, KMPs, and other employees of the Company and the same is available on Company's website at <https://hirect.com/policies/>.

REMUNERATION OF DIRECTORS

The appointment and remuneration of Directors are governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company.

The remuneration of the Managing Director & CEO and the Executive Director comprises salary, perquisites, allowances, contributions to provident fund, retirement benefit funds, incentives, commission, 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 legal framework.

Hind Rectifiers Limited

Non-Executive Directors do not draw any remuneration from the Company except the sitting fees for attending the meetings of the Board/Committee. The Non-Executive Directors are paid sitting fees of Rs. Twenty-Five Thousand for attending each meeting of the Board, Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee. The Board reviews the performance of Independent Directors.

The details of remuneration/sitting fees paid to the Directors of the Company during the financial year 2023-24 are as under.

(₹ in lakhs)

Name of the Director	Salary	Benefits	Bonus / Commission / Stock Options	Sitting Fees	Total
Mr. Pradeep Goyal	–	–	–	2.75	2.75
Mr. Suramya Nevatia ^	28.50	146.28	–	–	174.78
Mrs. Akshada Nevatia	18.00	28.21	–	–	46.21
Mr. Pawan Kumar Golyan#	–	–	–	–	–
Mr. V. K. Bhartia	–	–	–	0.50	0.50
Mr. Parimal Merchant	–	–	–	2.75	2.75
Mr. Vandan Shah	–	–	–	2.25	2.25
Mrs. Ashlesha Bodas	–	–	–	0.25	0.25

^ The remuneration includes incentives.

Ceased to be a Director, effective November 30, 2023.

Mr. Suramya Nevatia and Mrs. Akshada Nevatia are entitled to remuneration comprising salary, perquisites, incentives, benefits, etc., as per the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations 2015, and resolutions passed by the shareholders in the respective Annual General Meetings and postal ballots.

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

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

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

A brief profile and other particulars of the Director seeking appointment/re-appointment are given in the notice of the 66th Annual General Meeting and forms part of the Report.

The Board has adopted the policy on Board Diversity and the same is available on the website of the Company at <https://hirect.com/policies/>.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The role, responsibilities, constitution and the broad terms of reference of the Stakeholders Relationship Committee of the Company are in accordance with provisions of the SEBI Listing Regulations 2015 and the Companies Act, 2013.

The Committee has been constituted to strengthen investor relations and to inter-alia, resolve the grievances of security holders including complaints related to the non-receipt of annual reports, non-receipt of declared dividends, issues concerning de-materialization, general meeting, review of measures taken for the effective exercise of voting rights by shareholders, various services being rendered by the Registrar & Transfer Agent, review of the various measures and

initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/annual reports/statutory notices by the shareholders of the Company, IEPF matters, etc. The Committee reviews the annual audit report submitted by the Registrar and Transfer Agent's independent auditors on the annual internal audit conducted on the Registrar and Transfer Agent operations as mandated by SEBI including the mechanism of investor grievance redressal, compliances stipulated by SEBI, and other matters concerning the functioning of the Registrar and Transfer Agent.

The Stakeholders Relationship Committee comprises three Directors. Ms. Meenakshi Anchlia is the Company Secretary and Compliance Officer of the Company. The Board has appointed Ms. Meenakshi Anchlia as the Nodal Officer to ensure the compliance with the IEPF rules. Her contact details are given below.

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

Phone : 022 - 49601775

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 Chairman of the Stakeholders Relationship Committee attended the last Annual General Meeting of the Company held on August 23, 2023.

The following table shows the nature of complaints received from the shareholders during the financial year 2023-24.

Nature of complaints	No. of complaints received during the financial year 2023-24	No of complaints resolved during the financial year 2023-24
Non-receipt of Dividend	Nil	Nil
Non-receipt of Annual Report	Nil	Nil
Non-receipt of Share Certificate	Nil	Nil
Other*	1	Nil

* This complaint has been resolved after March 31, 2024.

The above table includes complaints received from SEBI SCORES.

The Stakeholders Relationship Committee examines and redresses complaints by shareholders and investors. The status of complaints is reported to the entire Board. The Stakeholders Relationship Committee meets twice in a financial year to review shareholder grievances.

The Stakeholders Relationship Committee met two times during the financial year i.e. on 26.05.2023 and 4.11.2023.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the meeting held during the financial year 2023-24 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. Parimal Merchant, Chairman ^	Non-Executive	2	2
Mr. Pradeep Goyal	Independent Non-Executive	2	2
Mr. Suramya Nevatia	Non-Independent Executive	2	2

^ The designation was changed from Independent Director to Non-Independent Non-Executive Director, effective August 12, 2023.

Hind Rectifiers Limited
RISK MANAGEMENT COMMITTEE

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

The roles and responsibilities of the Risk Management Committee include the following:

The Committee shall meet at least twice 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; to evaluate risks related to cyber security; any other functions as may be necessary or required under the SEBI Listing Regulations 2015, etc.

Mr. Parimal Merchant (Chairman), Mr. Suramya Nevatia, and Mr. A. K. Nemani were the members of the Risk Management Committee. The Risk Management Committee met one time during the financial year i.e. on 8.08.2023. Mr. Parimal Merchant and Mr. Suramya Nevatia attended this meeting. The previous Annual General Meeting of the Company was held on August 23, 2023 and was attended by the Chairman of the Risk Management Committee.

The Board in its meeting held on August 8, 2023, decided to dissolve the Risk Management Committee as its functions will be performed by the Audit Committee and Board of Directors.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
63rd AGM	31.03.2021	12.08.2021	4:00 pm (IST)	The meeting were held through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
64th AGM	31.03.2022	9.08.2022	2:30 pm (IST)	
65th AGM	31.03.2023	23.08.2023	11:00 am (IST)	

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

63rd AGM		
Sr. No.	Subject matter of the special resolutions	Status of implementation
NIL		

64th AGM		
Sr. No.	Subject matter of the special resolutions	Status of implementation
1.	Re-appointment of Mrs. Akshada Nevatia as an Executive Director and approval of remuneration	Implemented

65th AGM		
Sr. No.	Subject matter of the special resolutions	Status of implementation
1.	Re-appointment of Mr. Suramya Nevatia as a Managing Director & CEO (KMP) and approval of remuneration	Implemented
2.	Approval of payment of Managerial Remuneration to Mr. Suramya Nevatia, Managing Director & CEO (KMP)	Implemented
3.	Approval of payment of Managerial Remuneration to Mrs. Akshada Nevatia, Executive Director	Implemented

No extraordinary general meeting of the members was held during the financial year 2023-24.

POSTAL BALLOT

During the financial year 2023-24, the Company sought the approval of the shareholders by way of postal ballot, through a notice dated February 8, 2024, for the payment of managerial remuneration to Mr. Suramya Nevatia, Managing Director & CEO (DIN: 06703910) for current tenure of his appointment i.e. till 16th August, 2026.

The Board of Directors had appointed Mr. Mahesh Soni (Membership No. 3706), failing him Ms. Sonia Chettiar (Membership No. 27582), partner of GMJ & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner.

The voting period for remote e-voting commenced on Friday, March 29, 2024 at 9.00 a.m. (IST) and ended on Saturday, April 27, 2024 at 5.00 p.m. (IST). The report on the result of the postal ballot through remote e-voting for approving the aforementioned resolution was provided by the Scrutinizer on Monday, April 29, 2024.

The details of e-voting on the aforementioned resolution(s) are provided below.

Description of the Resolution: Approve the payment of Managerial Remuneration to Mr. Suramya Nevatia, Managing Director & CEO (DIN: 06703910) for current tenure of his appointment i.e. till 16th August, 2026.

Votes in favour of the Resolution(s)			Votes against the Resolution(s)			Invalid Votes	
Number of Members Voted	Number of valid Votes cast (shares)	% of total number of valid votes cast	Number of Members Voted	Number of valid Votes cast (shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (shares)
99	8511242	99.99%	9	577	0.01%	Nil	

The special resolution was passed with the requisite majority on April 27, 2024.

Procedure for Postal Ballot : The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and applicable Circulars issued by the Ministry of Corporate Affairs and SEBI from time to time.

The Company had engaged the services of National Securities Depository Limited (NSDL) for providing remote e-voting facilities to the Members, enabling them to cast their vote electronically and in a secure manner.

Hind Rectifiers Limited

MEANS OF COMMUNICATION

The unaudited quarterly/half-yearly financial results are announced within forty-five days of the end 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 SEBI Listing Regulations 2015. 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. Annual General Meeting and postal-ballot related notices are published in Business Standard (English newspaper) and Mumbai Lakshdeep (local language (Marathi) newspaper) within due course.

The financial results 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, corporate governance reports, financials, and other relevant information of interest to the investors / public.

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

The Company facilitates ongoing dialogue with its internal stakeholders through the following communication channels.

Employee satisfaction surveys, employee engagement activities for improvement in employee engagement, appreciation circulars and messages from management, corporate social initiatives, welfare initiatives for employees, online updates for conveying topical development, helpdesk facility, health & safety initiatives including health checkups, counseling from professional to employees, etc.

NOMINATION

Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. SH-13 to the Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly. Form No. SH-13 can be obtained from the Registrar and Transfer Agent or downloaded from the Company's website under the 'Investor Relations' section at <https://hirect.com/shareholder-enquiries/>.

GENERAL SHAREHOLDER INFORMATION

AGM : 66th Annual General Meeting for the financial year 2023-24 is scheduled to be held on Thursday, August 1, 2024 at 12:30 pm (IST). The Company is conducting the meeting through video conference and other audio-visual means pursuant to the MCA and SEBI Circulars. For details, please refer to the notice of this Annual General Meeting.

Remote e-voting dates : From Saturday July 27, 2024 (9:00 am IST) to July 31, 2024 (5:00 pm IST)

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

DIVIDEND PAYMENT DATE

If the final dividend recommended by the Board of Directors is approved at the 66th Annual General Meeting to be held on Thursday, August 1, 2024, payment of the dividend will be made within a week from the conclusion of the Annual General Meeting.

The Company has adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of applicable laws. The Dividend Distribution Policy of the Company is available on the Company's website at <https://hirect.com/policies/>.

BOOK CLOSURE

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 26, 2024 to Thursday, August 1, 2024 both days inclusive, for annual closing and determining the entitlement of the members to the final dividend for the financial year 2023-24.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

The Annual Reports are emailed to Members and others entitled to receive them. The Annual Report is also available on the Company's website at <https://hirect.com/annual-report/>.

The Notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. However, Members desiring a physical copy of the Annual Report for the financial year 2023-24, may either write to us or email us at investors@hirect.com, to enable the Company to dispatch a copy of the same. Please include details of Folio No./DP ID and Client ID and holding details in the said communication.

WEBSITE

Comprehensive information about the Company, its business and operations, and investor information can be viewed at the Company's website at www.hirect.com. The "Investor" section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholding patterns, etc.

FINANCIAL YEAR

The Company follows April to March as its financial year. The financial results for each quarter have been declared within the time prescribed in the SEBI Listing Regulations 2015. The details for the forthcoming financial year 2024-25 are as follows.

Financial Year 2024-25	April 1, 2024 to March 31, 2025
Financial reporting for the quarter ended June 30, 2024	On or before August 14, 2024
Financial reporting for the quarter ended September 30, 2024	On or before November 14, 2024
Financial reporting for the quarter ended December 31, 2024	On or before February 14, 2025
Financial reporting for the year ended March 31, 2025	Audited Results on or before May 30, 2025

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 dividends are available on the website of the Company viz. <https://hirect.com/shareholder-enquiries/>.

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, shares on which the dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming

**Hind Rectifiers Limited**

due to be so transferred. Upon transfer of such shares, all benefits (like a bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Due dates for transfer of unclaimed/unpaid dividends to the Investor Education and Protection Fund (IEPF) are given in the notes of AGM Notice. The corresponding shares will become eligible to be transferred to the IEPF on the dates mentioned therein.

In order to educate the shareholders and with an intent to protect their rights, the Company encourages the shareholders to claim their unclaimed dividends/shares before it is transferred to the IEPF. Shareholders may note that both the unclaimed dividends and corresponding shares transferred to the IEPF, including all benefits accruing on such shares, if any, can be claimed from the IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

During the reporting period, the Company was not required to transfer any shares or dividends that were unclaimed for seven consecutive years, in accordance with the Rules.

During the year, the Company received applications from shareholders for claiming shares and dividend from the IEPF.

DISCLOSURE RELATING TO UNCLAIMED SUSPENSE ACCOUNT

In accordance with the requirements of Regulation 34(3) and Part F of Schedule V of the SEBI Listing Regulations 2015, the Company reports the following details in respect of equity shares lying in the suspense account.

Particulars	Number of Shareholders	Number of Equity Shares
The aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the financial year 2023-24	4	7875
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the financial year 2023-24	Nil	Nil
Less: Number of shares transferred to Investor Education and Protection Fund (IEPF) during the financial year 2023-24	Nil	Nil
The aggregate number of shareholders and outstanding shares in the suspense account at the end of the financial year 2023-24	4	7875

The voting rights on these shares will remain frozen till the rightful owner claims the shares.

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 the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. CDSL and NSDL, respectively for the financial years 2023-24 and 2024-25.

Address of Stock Exchanges**BSE Limited**

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

Tel: +022 6654 5695

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Maharashtra, India

Tel: +(022) 26598100-14 / 66418100

STOCK CODE / SYMBOL

BSE Limited : 504036

National Stock Exchange of India Limited : HIRECT

Demat ISIN : INE835D01023

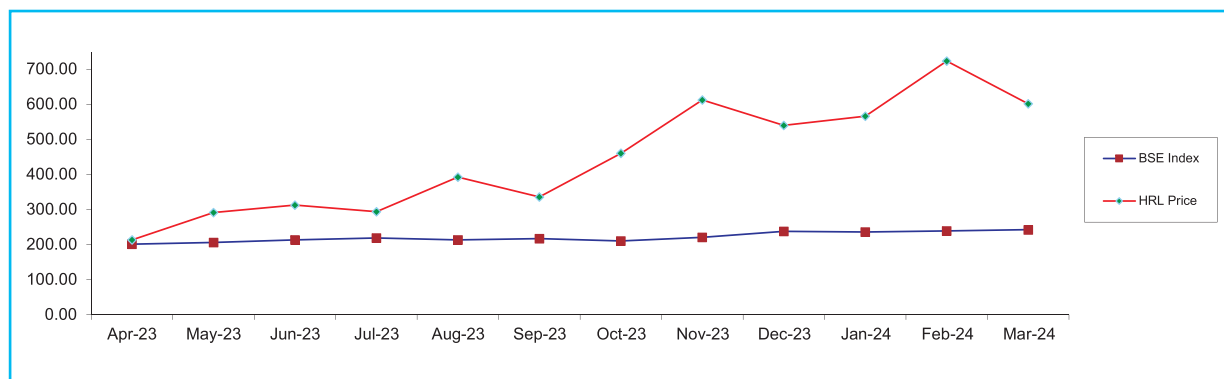


MARKET PRICE DATA

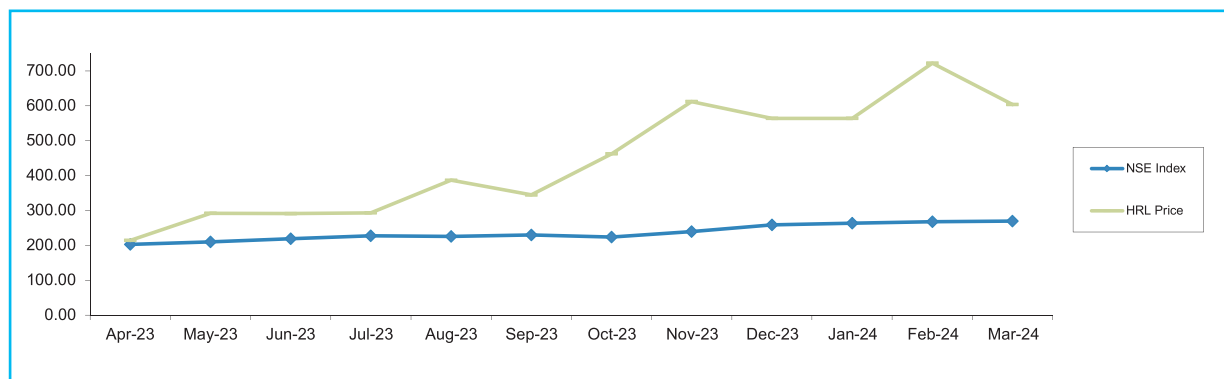
The monthly high and low market price of equity shares of Hind Rectifiers Limited during the financial year 2023-24 are as follows.

Month	BSE		NSE	
	High	Low	High	Low
April 2023	219.00	193.45	219.80	193.05
May 2023	322.00	205.05	321.95	210.55
June 2023	327.75	276.70	329.10	277.00
July 2023	315.00	272.10	319.00	276.00
August 2023	394.95	298.35	394.70	294.30
September 2023	384.80	335.50	386.00	337.00
October 2023	495.90	333.60	497.45	333.00
November 2023	714.55	460.45	710.00	455.10
December 2023	644.70	505.15	644.95	523.00
January 2024	628.95	517.00	633.00	512.05
February 2024	747.00	531.80	747.95	534.10
March 2024	815.35	552.60	824.00	551.00

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX



Hind Rectifiers Limited

The Company's shares have not been suspended from trading.

The Company has appointed the below-mentioned agency as Registrar and Transfer Agent.

ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit: Hind Rectifiers Limited]

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

Andheri (East), Mumbai – 400059 Maharashtra

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

Email : info@adroitcorporate.com

Website : www.adroitcorporate.com

Shareholders should note that all investor-related activities are attended to and processed at the office of the Company's RTA.

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations 2015, as amended from time to time, the transfer, transmission, and transposition of securities shall be effected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to the Suspense Escrow Demat account on submission of necessary documentation.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Registrar and Transfer Agent, for assistance in this regard.

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares. Shareholders holding shares in dematerialized mode have been requested to register their email address, bank account details, nomination details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. Shareholders may contact the RTA at info@adroitcorporate.com and also at investors@hirect.com.

We have provided various details for the shareholders on our website, at <https://hirect.com/shareholder-enquiries/>.

Shareholders holding more than 1% of the shares as on March 31, 2024

The details of public shareholders holding more than 1% of the equity as on March 31, 2024 are as follows.

Name of Shareholder*	No. of Shares	% (percentage of holding)
BTR Industries Ltd	2400000	14.00
Cassini Partners LP Managed by Habrok	492347	2.87
Habrok India Master LP	360145	2.10
Sanjiv Dhiresbhai Shah	351433	2.05
Niraj Bajaj (Trustee of Om Pratisthan)	300000	1.75
Sunaina Kejriwal	213180	1.24
Mukul Mahavir Agrawal	213026	1.24
Veena K Jagwani	188000	1.10
Niraj Bajaj	179553	1.05

* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

Shareholding Pattern as on March 31, 2024

Category	No. of shares held	% of Shareholding
Promoters and Promoter Group	7548856	44.05
Directors and their relatives	53575	0.31
Mutual Funds	750	0.00
Banks / Financial Institutions	2250	0.01
Foreign Portfolio Investors	987410	5.76
Investor Education and Protection Fund	226160	1.32
Non-Resident Indians	124653	0.73
Resident Individuals & HUF	5423515	31.65
Key Managerial Personnel	2500	0.01
Foreign Companies	2400000	14.00
Others	368191	2.15
Total	17137860	100.00

**Hind Rectifiers Limited****Distribution of Shareholding as on March 31, 2024**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 100	7310	213996	1.25
101-500	1737	441271	2.57
501-1000	446	346312	2.02
1001-2000	302	449916	2.63
2001- 3000	129	337099	1.97
3001- 4000	52	188670	1.10
4001- 5000	32	147749	0.86
5001-10000	61	441236	2.57
10001-20000	30	460217	2.69
20001-50000	21	696890	4.07
50001 & Above	30	13414504	78.27
Total	10150	17137860	100.00

DEMATERIALIZATION OF SHARES

1,45,83,827 equity shares representing 85.10% of total equity share capital were held in dematerialized form with NSDL and CDSL as on March 31, 2024.

Status of Dematerialization of Equity Shares as on March 31, 2024

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	4,293	1,20,68,308	70.42
Central Depository Services (India) Limited	5,744	25,15,519	14.68
Total Dematerialized	10,037	1,45,83,827	85.10
Shares held in Physical form	113	25,54,033	14.90
Grand Total	10,150	1,71,37,860	100.00

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. 67 to the audited financial statement.

Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

Description of voting rights : All equity shares issued by the Company carry equal voting rights.

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 : Nil

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

Details relating to fees paid to the Statutory Auditors are given in note no. 40 to the financial statement. Consolidated financial statement is not applicable to the Company.

Particulars of Senior Management

The particulars of senior management as per Regulation 16(1)(d) of the SEBI Listing Regulations 2015 are as follows.

Name	Designation
Anil Kumar Nemani	Chief Financial Officer
Anil Manohar Lal Mehta	Joint Chief Financial Officer
Lalit Tejawani	Chief Marketing Officer
Saurabh Nevatia	CEO Nashik
Shailesh Jadhav	Assistant Vice President – Operations
B Brahmananda Reddy	Head Research & Development
Meenakshi Anchlia	Company Secretary & Compliance Officer
Peeti Sharma	Head Legal
Esha Vidhani	Head Human Resources

Agreements binding listed entities

Pursuant to Regulation 30A of the SEBI Listing Regulations 2015, no agreement has been entered or executed by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company during the financial year.

There are no agreements impacting management or control of the Company or imposing any restriction or creating any liability upon the Company.

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

The details of the number of complaints filed and disposed of during the year and pending as on March 31, 2024, are given in the Directors' report.

The Company has developed a system of keeping its employees educated about the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, SEBI Insider Trading Regulations, etc. through emails, presentations, and workshops.

Details of special resolution proposed to be transacted through postal ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Plant Locations

- i. Lake Road, Bhandup west, Mumbai - 400078 Maharashtra
- ii. Plot No.110 & 111, M.I.D.C., Satpur, Nashik - 422007 Maharashtra
- iii. Plot No. A-84, MIDC Malegaon, Sinnar, Nashik - 422113 Maharashtra

Compliance Officer

Ms. Meenakshi Anchlia, Company Secretary & Compliance Officer

**Hind Rectifiers Limited****Address for Correspondence****HIND RECTIFIERS LIMITED**

Lake Road, Bhandup (West), Mumbai - 400078

CIN : L28900MH1958PLC011077

E-mail : investors@hirect.com

Tel. No. +91 22 49601775

CREDIT RATING

The Company has obtained the following credit ratings during the financial year 2023-24.

(i) Credit Rating issued by CRISIL on June 30, 2023

CRISIL Ratings has revised its outlook on the long-term bank facilities of Hind Rectifiers Ltd (HRL) to 'Stable from 'Negative' while reaffirming the rating at 'CRISIL BBB-'. The short-term rating has been reaffirmed at 'CRISIL A3'.

Details are as under.

Total bank loan facilities rated	₹ 132 Crore
Long-term rating	CRISIL BBB-/Stable (Outlook revised from 'Negative')
Short-term rating	CRISIL A3 (Reaffirmed)

(ii) Credit Rating issued by CRISIL on January 18, 2024

CRISIL Ratings has reaffirmed its ratings on the bank facilities of Hind Rectifiers Ltd at 'CRISIL BBB-/Stable /CRISIL A3'.

Details are as under.

Total bank loan facilities rated	₹ 150.05 crore (Enhanced from ₹ 132 crore)
Long-term rating	CRISIL BBB-/ Stable (Reaffirmed)
Short-term rating	CRISIL A3 (Reaffirmed)

LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

COMPLIANCES WITH GOVERNANCE FRAMEWORK

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

Corporate Social Responsibility related information is detailed in the Directors Report, which forms part of this report.

RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company are in the ordinary course of business and on an arm's length basis. All the related party transactions are approved by the Audit Committee.

Transactions with related parties are disclosed in note no. 66 to the Annual Audited Financial Statement. The material-related party transaction as per the provisions of SEBI Listing Regulations 2015 and Section 188 of the Companies Act, 2013 is stated in AOC-2. The same is provided as Annexure to the Directors' Report.

The Board has approved a policy for related party transactions. The policy is available on the Company's website at <https://hirect.com/policies/>.

The Board has received disclosures from KMPs and Members of Senior Management relating to material, financial and commercial transactions where they and/or their relatives have personal interest.

DETAILS OF NON-COMPLIANCE

There were no instances of non-compliance on any matter related to the capital market during the last three financial years except the delayed appointment of the Independent Woman Director. No penalties or strictures were imposed on the Company by any Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three financial years except a fine of Rs. 4,30,000 paid to NSE on the delayed appointment of Independent Woman Director.

There were no material regulatory orders pertaining to the Company during the financial year 2023-24.

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. <https://hirect.com/policies/>. The Code of Conduct is applicable to all Directors and Senior Management. The members of the Board and Senior Management have submitted their affirmation on compliance with the code for the effective period. A declaration by the Managing Director & CEO affirming compliance with the Code of Conduct is appended to this report.

The Company respects human rights, prohibition of bribery and corruption, recognition of employees' freedom of association, and avoidance of conflict of interests.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The Company has adopted the policy on 'Determination of Materiality for Disclosures' and 'Archival and Preservation of Documents'. The said policies are available on the Company's website viz. <https://hirect.com/policies/>.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

DISCLOSURE OF ACCOUNTING TREATMENT

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

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

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

THE BOARD

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

SHAREHOLDERS RIGHTS

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

MODIFIED OPINION(S) IN AUDIT REPORT

There are no modified opinions in the audit report.

REPORTING OF INTERNAL AUDITORS

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

**Hind Rectifiers Limited**

The Company has complied with the corporate governance requirements as per Regulation 17 to 27 and website disclosure requirements as per Regulation 46(2) of the SEBI Listing Regulations 2015.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As required by SEBI, a quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconciling the total share capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited and held in physical form, with the issued and listed capital. The report in regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before the Board of Directors and available on the Company's website at <https://hirect.com/share-capital-audit-report/>.

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.

SECRETARIAL AUDIT

In terms of the Companies Act, 2013, the Company appointed M/s GMJ & Associates, Practicing Company Secretaries, (Peer Review Number: 647/2019) to conduct Secretarial Audit of records and documents of the Company for the financial year 2023-24. The Secretarial Audit Report is provided as Annexure to the Directors' Report.

AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO /CFO CERTIFICATION

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

Place : Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO
DIN: 00008370 DIN: 06703910

DECLARATION

I, Suramya Nevatia, Managing Director & CEO of Hind Rectifiers Limited hereby confirm that:

The Board of Directors of Hind Rectifiers Limited has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company.

The said Code of Conduct is available on the Company's website viz. www.hirect.com.

All the Board members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the year ended on March 31, 2024.

For and behalf of the Board of Directors
For Hind Rectifiers Limited

Place : Mumbai
Date : May 28, 2024

Suramya Nevatia
Managing Director & CEO
DIN: 06703910

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF HIND RECTIFIERS LIMITED

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Limited (hereinafter referred as 'the Company'), for the year ended 31 March, 2024 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). This report is required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company.

We state that compliance of conditions of corporate governance is the responsibility of the management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the 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.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from the Directors including Independent Directors of the Company. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the Directors and management and considering the relaxation granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paras C and D of Schedule V of the Listing Regulations 2015 subject to the following:

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency and effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **GMJ & Co.**
Chartered Accountants
FRN : 103429W

CA Madhu Jain
Partner

Place : Mumbai
Date : May 28, 2024

M. No. : 155537
UDIN: 241555 37BKCR QR4996



CEO AND CFO CERTIFICATION

The Board of Directors
Hind Rectifiers Limited
Mumbai, Maharashtra

Re: Compliance Certificate for the financial statements for the financial year 2023-24

We, Suramya Nevatia, Managing Director & CEO, A. K. Nemani, Chief Financial Officer and Anil Mehta, Joint Chief Financial Officer of Hind Rectifiers Limited, hereby certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2024 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and 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.
4. We have indicated to the auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) 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 : May 28, 2024

Suramya Nevatia
Managing Director & CEO
(DIN : 06703910)

A. K. Nemani
Chief Financial Officer

Anil Mehta
Joint Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (LODR) 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 (CIN: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, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

For GMJ & ASSOCIATES

Company Secretaries
ICSI Unique Code P2011MH023200

CS MAHESH SONI

PARTNER

Membership No: F3706

Certificate of Practice No.: 2324

UDIN: F003706F000465816

Peer Review Certificate No.: 647/2019

Place : Mumbai

Date : May 28, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company's major business continues to be with Indian Railways, with a strong legacy and brand image. Technology-based products for Locomotives & Coaches continue as a major strength of the Company's business operations.

Although the primary customer continues to be Indian Railways, however, the Company is putting increased focus on developing new products for private rolling stock manufacturers, and the industrial sector by upgrading and expanding existing product lines. The Company has made strategic tie-ups in the railway and industrial sectors to grow in new sectors, applications, and also geographies. The Company's marketing operations in Sweden have successfully developed new business in the European and South American markets.

Industrial business is likely to be increased considering 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 been certified for aerospace standards, and registered with defence organizations, and which is likely to bring an additional revenue stream in coming years.

In terms of competition, there is a good mix of SMEs, large companies, and multinationals players in the market for our various product lines in the railway as well as industrial product segments.

INFRASTRUCTURE AND NEW PRODUCTS DEVELOPMENT

The Company has concentrated on the development of infrastructure for larger production volume for existing products and manufacturing facilities for new products like Propulsion Systems, Traction Motors, HVAC systems, Passenger Information, and Pantry systems.

Considering the addition of a new plant and products, the focus on securing approvals for plant and new products, and launching the new products will be a main focus for the Company.

OPPORTUNITIES AND THREATS

The Company has a strong brand and leadership position in the market for locomotives and railway coaches equipment along with the industrial rectification and pollution control equipment with updated technology.

While opportunities are emerging with new developments in the Railway segment backed by enormous resources of in-house R&D coupled with new manufacturing facilities, the Company can take lead considering the brand name and leadership position in the market, however, increased number of competitors and falling selling prices is a threat for existing product lines.

The Company being an established supplier and with the strong brand name in both industrial and railway sectors, market penetration for any new product is possible with existing and new customers.

Development of new products in a shorter period and competing with larger players, who have technology from their parent company, remains a challenge.

OUTLOOK

The government has aggressively increased Electric Locomotive production, electrification of new routes, and modernization of railway facilities which has increased market demand. There is growth potential to increase our market share of existing products, and introduce new products in a dynamically changing market.

Furthermore, railways have introduced more Distributed Power Rolling Stock (DPRS) like Vande Bharat Trains, and also private manufacturers of rolling stock for which the Company will have to adapt and develop new design of equipment as well.

RISK AND CONCERNS

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

Some product lines in the Industrial segment are also affected with the increased competition from the unorganized sector with shrinking margins. Delayed payment inflows from railways and other customers have led to increase in working capital and very conservative financial support from Banks for completion of development activities and expansion of business volume remain a matter of concern.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

The Company operates in a single segment i.e. engineering goods yet we have undertaken diversification of end products through intensive in-house R&D facilities for different applications and strategic associations.

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

Our specialized products for specific applications in Pollution control, Electroplating, and Electrochemical processes are well stabilized in the industrial segment. The Company has undertaken compliance to international standards for industrial range of products, like CE for Europe. Our capability of offering custom-built designs is an added advantage for our brand.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company continues to follow an effective system of internal control ensuring the accurate, reliable, and timely preparation of accounting information, securing the assets and interests of the Company with due compliance with various laws and regulations. Internal audits and checks are ongoing processes within the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's financial performance has improved during the financial year 2023-2024. The Company is continuously putting efforts to achieve better results with effective monitoring of operational costs.

Considering the plan of Indian Railway and improved inquiry from the industrial sector the Company expects further improved performance in the coming years.

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company recognizes that Human Resources are an extremely important and critical and long-term investment. The Company's top management honours the dignity of each individual irrespective of the position and highly values the feelings and emotions of the people. Industrial relations with the Union are cordial and peaceful. The Company has made all efforts to retain competent talent with a focus on training.

PERFORMANCE REVIEW

During the financial year ended March 31, 2024, revenue from operations increased to ₹ 51755.25 lakhs as against ₹ 35909.94 lakhs in the preceding year. The Profit after Tax for the financial year ended March 31, 2024 is ₹ 1251.03 lakhs as against loss after tax is ₹ 636.29 lakhs in the previous year.

Particulars	As at 31st March 2024	As at 31st March 2023	Change (%)	Reasons for change in ratios more than 25%
(a) Current Ratio (In Time)	1.21	1.23	(1.63)	—
(b) Debt-Equity Ratio (In Time)	1.08	0.94	14.89	—
(c) Debt Service Coverage Ratio (In Time)	1.60	0.92	73.91	The Debt Service coverage ratio increased due to increase in profitability during the year.
(d) Return on Equity Ratio (in %)	10.59	(5.81)	(282.27)	The return on equity (ROI) increased due to increase in net profit after tax during the year.

**Hind Rectifiers Limited**

Particulars	As at 31st March 2024	As at 31st March 2023	Change (%)	Reasons for change in ratios more than 25%
(e) Inventory turnover ratio (no. of days)	67	86	(22.09)	–
(f) Trade Receivables turnover ratio (no. of days)	55	69	(20.29)	–
(g) Trade payables turnover ratio (no. of days)	47	63	(25.40)	Trade payables turnover ratio reduced due to payment made to trade payables.
(h) Net capital turnover ratio (In Time)	14.36	10.51	36.63	The net capital turnover ratio increased due to increase in turnover during the year.
(i) Net profit ratio (In %)	2.42	(1.77)	(236.72)	The net profit ratio increased due to increase in net profit after tax during the year.
(j) Return on Capital employed (In %)	12.04	(0.26)	(4730.77)	The return on capital employed increased due to increase in profits during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2024

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO
DIN: 00008370 DIN: 06703910

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIND RECTIFIER LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Hind Rectifiers Limited ("the Company") which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements 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 are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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 the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Completeness of revenue in relation to determination of point of time when revenue should be recognized</p> <p>1. The Company has revenue from sale of products which includes finished goods and sale of services in the form of an AMC charges. The Company manufactures highly specialized machined finished goods as per specification provided by the customers and based on the schedules from the customers.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1. Obtained an understanding of the Company's sales process, including design and implementation of controls and tested the operating effectiveness of these controls. 2. Obtained an understanding of the Company's accounting policies pertaining to revenue recognition and assessed compliance with Ind AS 115 - Revenue from Contracts with Customers.

Hind Rectifiers Limited

Sr. No.	Key Audit Matter	Auditor's Response
	<p>2. The Company recognizes revenue from sale of finished goods at a point in time based on the terms of the contract with customers which varies for each customer. Determination of point in time includes assessment of timing of transfer of significant risk and rewards of ownership, establishing the present right to receive payment for the products, delivery specifications, timing of transfer of legal title of the asset and determination of the point of acceptance of goods by customer.</p> <p>3. Due to judgments relating to determination of point in time in satisfaction of performance obligations with respect to sale of products, this matter has been considered as key audit matter.</p>	<p>3. Evaluated the terms of customer contracts on sample basis to assess various performance obligations in the contract, the point in time of transfer of control and pricing terms.</p> <p>4. Performed testing on a sample basis sales invoices for identification of point in time for transfer of control and terms of contract with customers. Further, we performed procedures to test on a sample basis whether revenue was recognized in the appropriate period by testing shipping records, good inwards receipt of customer, sales invoice, etc. and testing the management assessment involved in the process, wherever applicable</p> <p>5. We assessed the disclosure is in accordance with applicable accounting standards.</p> <p>6. Performed various analytical procedures to identify any unusual sales trends for further testing.</p>
<p>2</p>	<p>Recoverability of trade receivables</p> <p>Trade receivables, forms a significant part of the financial statements. Customer contracts typically involve time consuming and complex conditions around closure of contracts, including technical acceptances. This generally leads to longer and significant time for realization of receivables. As a result of the above, management's assessment of recoverability of trade receivables, involves critical evaluation of all factors impacting recoverability, including impact of external environment such as capability of customers to pay.</p> <p>Management makes an impairment allowance for trade receivables on the basis of its assessment of recoverability of specific customers and on the basis of expected credit loss model for the remaining customers in accordance with Ind AS 109, Financial Instruments. For the purposes of impairment assessment, significant judgements and assumptions are made, including assessing credit risk, timing and amount of realization, etc. In view of above, we determined this to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>1. We obtained an understanding of the processes implemented by management to estimate impairment provision against trade receivables.</p> <p>2. We tested key controls (both design and operating effectiveness) over management's estimate of impairment loss on random sample basis.</p> <p>3. We obtained and tested the appropriateness of ageing of trade receivables with the underlying invoices on a sample basis using random sampling.</p> <p>4. We evaluated the impairment model adopted by management to estimate the expected credit loss and tested related computations. We corroborated management's estimates on the basis of past trends.</p> <p>5. We obtained, discussed and tested management assessment of impairment for specific customer balances with designated management personnel.</p> <p>6. We have circulated direct confirmations on a sample basis using statistical sampling. In case of non-receipt of such confirmations, alternate test procedures such as testing subsequent receipts and underlying documents have been performed.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders information, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our 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 obtained the other information and we have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

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 the Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the Standalone Ind AS Financial Statements and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 SAs 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 Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 Companies Act, 2013, we are also responsible for expressing our

Hind Rectifiers Limited

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 exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS 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 Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Ind AS Financial Statements 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- e. In our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company.
- f. On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- g. There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.
- h. With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.**
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.

- j. In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 as referred to Note 46 to the Standalone Ind AS Financial Statement.
 - ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses if any, on long term contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (d) The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.



Hind Rectifiers Limited

- (e) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023:

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

Further, for the periods where audit trail facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

UDIN: 24155537BKCRQE6976

for **GMJ & Co**

Chartered Accountants

FRN: 103429W

CA Madhu Jain

Partner

Membership No. 155537

Place : Mumbai

Date : May 28, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of "The Company" of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of the company's Property, plant and equipment and intangible assets:
 - (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties and/or lease agreements where immovable properties are taken on lease are held in the name of the Company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii) In our opinion and according to the information and explanations given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.
- v) The Company has not accepted deposits from public within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- 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.

Hind Rectifiers Limited

- vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of examination of records of the Company, no undisputed amounts payable in respect of provident fund, Employees' State insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2024 for a period more than six months from the date they became payable.
 - (b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31, 2024, there are no dues that have not been deposited on the account of dispute.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The company does not have dues to financial institution, government or debenture holders as at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) According to the information and explanations given to us by the management, the Company has obtained term loans from banks and Term loan taken from the banks are utilised for the purpose for which they were granted.
 - (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The Company does not have any subsidiary and hence reporting on clause 3(ix)(e) of the Order is not applicable.
 - (f) The Company does not have subsidiaries or joint ventures and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon. The Company has issued Equity shares during the year to its employees under its Employees Stock Options Plan Scheme.
- xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) According to the information and explanations given to us, there are no whistle blower complaints received by the company during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to information and explanations given us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details



- of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by Ind AS 24, Related Party Disclosures specified under section 133 of the Act read with the relevant rules issued thereunder.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, the company has not entered any non-cash transactions with its directors or persons connected to its directors and hence, provisions of section 192 of the Companies act, 2013 are not applicable to the company.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable..
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 to the Companies Act, 2013 pursuant to any project. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order are not applicable for the year.

UDIN: 24155537BKCRQE6976

for GMJ & Co

Chartered Accountants

FRN: 103429W

CA Madhu Jain

Partner

Membership No. 155537

Place : Mumbai

Date : May 28, 2024

Hind Rectifiers Limited

ANNEXURE – ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hind Rectifiers Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

(Referred to in paragraph 2(l) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hind Rectifiers Limited of even date)

We have audited the internal financial controls over financial reporting of “Hind Rectifiers Limited” (“the Company”) as of March 31, 2024, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 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 its 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 issued by the Institute of Chartered Accountants of India.

UDIN: 24155537BKCRQE6976
for **GMJ & Co**
Chartered Accountants
FRN: 103429W

CA Madhu Jain

Partner

Membership No. 155537

Place : Mumbai

Date : May 28, 2024



Hind Rectifiers Limited

BALANCE SHEET AS AT 31ST MARCH 2024

(₹ In lakhs)

Sr. No.	Particulars	Note No.	As at 31st Mar 2024	As at 31st Mar 2023
I.	ASSETS			
1	Non Current Assets			
a.	Property, Plant and Equipment	2	7,680.69	7,273.25
b.	Capital Work in Progress	3	816.05	687.41
c.	Intangible Assets	4	689.43	665.38
d.	Intangible Assets under Development	5	1,428.15	1,384.44
e.	Right to use leased asset	2A	591.95	13.86
f.	Financial Assets			
i.	Investments	6	12.75	12.75
ii.	Loans	7	0.24	0.12
iii.	Others	8	727.73	112.16
g.	Deferred tax Assets (net)	9	210.73	470.98
h.	Other Non Current Assets	10	49.51	51.69
			12,207.23	10,672.04
2	Current Assets			
a.	Inventories	11	9,671.89	9,244.24
b.	Financial Assets			
i.	Trade Receivables	12	8,915.81	6,756.11
ii.	Cash and Cash equivalents	13	32.70	12.56
iii.	Other Bank Balances	14	122.55	126.61
iv.	Loans	15	3.19	1.03
v.	Others	16	612.11	675.83
c.	Current Tax Assets (Net)	17	–	139.26
d.	Other current Assets	18	1,536.82	1,542.80
			20,895.07	18,498.44
3	Assets held for Sale	19	–	57.84
	TOTAL ASSETS		33,102.30	29,228.32
II.	EQUITY AND LIABILITIES			
1	Equity			
a.	Equity Share Capital	20	342.76	342.48
b.	Other Equity	21	12,110.19	10,828.96
			12,452.95	11,171.44
2	Liabilities			
	Non Current Liabilities			
a.	Financial Liabilities			
i.	Borrowings	22	2,334.87	2,433.38
ia.	Lease liabilities	2A	495.08	–
ii.	Other Financial Liabilities	23	9.50	20.25
b.	Provisions	24	518.33	520.51
			3,357.78	2,974.14
a.	Current Liabilities			
	Financial Liabilities			
i.	Borrowings	25	10,558.30	8,025.97
ia.	Lease Liabilities	2A	120.36	15.82
ii.	Trade Payables			
a.	total outstanding dues of micro and small enterprises	26	125.21	196.71
b.	total outstanding dues of creditors other than micro and small enterprises	26	4,603.15	5,114.96
iii.	Other Financial Liabilities	27	710.37	625.18
b.	Other Current Liabilities	28	722.45	834.94
c.	Provisions	29	353.05	269.17
d.	Current Tax Liabilities		98.68	–
			17,291.57	15,082.74
	TOTAL EQUITY AND LIABILITIES		33,102.30	29,228.32
	Corporate Information & Material Accounting Policies	1		

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

As per our report attached
For **GMJ & Co**
Chartered Accountant
(Registration No. 103429W)

CA Madhu Jain

Partner
Membership No. 155537

Place : Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors

PRADEEP GOYAL Chairman (DIN : 00008370)
SURAMYA NEVATIA Managing Director & CEO (DIN : 06703910)
A. K. NEMANI Chief Financial Officer
ANIL MEHTA Joint Chief Financial Officer
MEENAKSHI ANCHLIA Company Secretary

Place : Mumbai
Date : May 28, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ In lakhs)

Sr. No.	Particulars	Note No.	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
1	Income			
a.	Revenue from operations	30	51,755.25	35,909.94
b.	Other income	31	61.02	25.96
	Total income		51,816.27	35,935.90
2	Expenses			
a.	Cost of materials consumed	32	38,155.72	29,012.17
b.	Purchases of stock-in-trade		–	–
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	276.67	(1,055.37)
d.	Employee benefit expense	34	5,234.77	3,906.58
e.	Finance costs	35	1,272.63	812.96
f.	Depreciation and amortisation expense	36	744.62	513.89
g.	Other Expenses	37	3,663.74	2,537.40
	Total expenses		49,348.15	35,727.63
3	Profit / (Loss) before exceptional items and tax		2,468.12	208.27
4	Exceptional items		(699.22)	(1,076.63)
5	Profit / (Loss) before tax		1,768.90	(868.36)
6	Tax expense			
a.	Current tax		48.12	–
b.	Deferred tax	38	469.75	(232.07)
7	Net Profit / (Loss) after tax		1,251.03	(636.29)
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		5.95	15.81
	(ii) Tax on above		(1.73)	(4.40)
9	Total Comprehensive income for period		1,255.25	(624.88)
10	Earnings per equity share	41		
	Earnings per share before exceptional item (face value of ₹ 2 each)			
	a) Basic		11.39	2.66
	b) Diluted		11.35	2.64
	Earnings per share after exceptional item (face value of ₹ 2 each)			
	a) Basic		7.30	(3.84)
	b) Diluted		7.28	(3.84)

The accompanying notes are an integral part of the financial statements

As per our report attached
For **GMJ & Co**
Chartered Accountant
(Registration No. 103429W)

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors
PRADEEP GOYAL Chairman (DIN : 00008370)
SURAMYA NEVATIA Managing Director & CEO (DIN : 06703910)
A. K. NEMANI Chief Financial Officer
ANIL MEHTA Joint Chief Financial Officer
MEENAKSHI ANCHLIA Company Secretary

Place : Mumbai
Date : May 28, 2024

**Hind Rectifiers Limited****STATEMENT OF CHANGES IN EQUITY****A. EQUITY SHARE CAPITAL**

(₹ In lakhs)

Particulars	Balance as on beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance as on beginning of year	Changes in Equity Share Capital during the year	Balance as on end of the year (refer note 20)
Current Reporting period - As on 31st March 2024	342.48	–	342.48	0.28	342.76
Previous Reporting period - As on 31st March 2023	331.27	–	331.27	11.21	342.48

B. OTHER EQUITY**Current Reporting period**

(₹ In lakhs)

Particulars	Other Equity Reserves & Surplus					Total Other Equity (refer note 21)
	Securities Premium	General Reserve	Share Based Payment Reserve	Other Comprehensive Income reserve	Retained Earnings	
As at 31 March 2023	2,226.15	6,543.65	76.45	45.80	1,936.91	10,828.96
Profit / (Loss) for the year	–	–	–	–	1,251.03	1,251.03
Other Comprehensive Income / (Loss)	–	–	–	4.22	–	4.22
Total Comprehensive Income for the Year	–	–	–	4.22	1,251.03	1,255.25
Transfer from Share based payment reserve	24.53	10.50	(35.03)	–	–	–
ESOP	11.52	–	14.46	–	–	25.98
As at 31 March 2024	2,262.20	6,554.15	55.88	50.02	3,187.94	12,110.19

Previous Reporting period

(₹ In lakhs)

Particulars	Other Equity Reserves & Surplus					Total Other Equity (refer note 21)
	Securities Premium	General Reserve	Share Based Payment Reserve	Other Comprehensive Income reserve	Retained Earnings	
As at 31 March 2022	1,152.01	6,543.65	43.18	–	2,673.84	10,412.68
Profit / (Loss) for the year	–	–	–	–	(636.29)	(636.29)
Other Comprehensive Income/ (Loss)	–	–	–	11.41	–	11.41
Total Comprehensive Income for the Year	–	–	–	11.41	(636.29)	(624.88)
Sweat Equity	1,342.55	–	–	–	–	1,342.55
Less: Utilised	(276.92)	–	–	–	–	(276.92)
Transfer from General reserve	–	–	–	34.39	(34.39)	–
ESOP	8.51	–	33.27	–	–	41.78
Dividend	–	–	–	–	(66.25)	(66.25)
As at 31 March 2023	2,226.15	6,543.65	76.45	45.80	1,936.91	10,828.96

The accompanying notes are an integral part of the financial statements

As per our report attached
For **GMJ & Co**
Chartered Accountants,
(Registration No. 103429W)

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors
PRADEEP GOYAL Chairman (DIN : 00008370)
SURAMYA NEVATIA Managing Director & CEO (DIN : 06703910)
A. K. NEMANI Chief Financial Officer
ANIL MEHTA Joint Chief Financial Officer
MEENAKSHI ANCHLIA Company Secretary

Place : Mumbai
Date : May 28, 2024

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ In lakhs)

	Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) Before Exceptional Item	2,468.12	208.27
	Add: Exceptional Items	(699.22)	(1,076.63)
	Net Profit / (Loss) After Exceptional Item	1,768.90	(868.36)
	Adjusted for		
	Depreciation & Amortization Expense	630.93	492.39
	Depreciation on right of use assets	113.69	21.50
	Sweat equity shares issued	–	1,076.63
	Income on investments	(22.14)	(11.29)
	Assets and CWIP written off	212.13	4.43
	Gain / Loss on sale of assets	(17.87)	(3.40)
	Bad debts, Liquidated damages and Provision for bad debts	296.07	361.22
	Expense of Provision for warranty	393.88	133.93
	Expense of Provision for Gratuity	144.95	52.92
	ESOP expenses	14.46	33.27
	Exchange rate fluctuation	20.46	31.95
	Interest Charged	1,272.63	812.96
	Operating Profit before Working Capital Changes	4,828.09	2,138.16
	Changes in		
	Trade & Other Receivables	(2,419.91)	(705.10)
	Inventories	(427.65)	(1,542.12)
	Trade payables	(603.76)	518.04
	Other financial liabilities	2,528.32	2,464.30
	Other liabilities and provisions	(493.89)	495.67
		(1,416.89)	1,230.79
	Cash Generated from Operations	3,411.20	3,368.95
	Direct Taxes Paid	(21.41)	(66.42)
	Net Cash from Operating Activities	3,389.79	3,302.53
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Intangible Assets under development	(1,433.26)	(2,941.86)
	Proceeds from disposal of Property, Plant and Equipment	62.07	5.85
	Bank Deposits placed	(600.00)	–
	Interest Received	22.47	5.39
	Dividend Received	1.39	0.98
	Net Cash used in Investing Activities	(1,947.33)	(2,929.64)

**Hind Rectifiers Limited****STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2024**

(₹ In lakhs)

	Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds of ESOP	11.80	8.72
	Dividend paid	–	(66.25)
	Payment of lease liabilities	(122.39)	(22.44)
	Proceeds from Borrowings	907.01	1,367.18
	Repayment from Borrowings	(1,001.51)	(836.22)
	Interest Paid	(1,221.29)	(818.92)
	Net Cash used in Financing Activities	(1,426.38)	(367.93)
	Net Changes in Cash & Cash Equivalents (A+B+C)	16.08	4.96
	Cash & Cash Equivalents - Opening Balance	139.17	134.21
	Cash & Cash Equivalents - Closing Balance	155.25	139.17

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

	Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
	Opening balances		
	Non Current borrowing (Refer Note 22)	2,433.38	2,088.33
	Current Borrowings (Refer Note 25)	8,025.97	5,375.76
		10,459.35	7,464.09
	Movements		
	Non Current borrowing	(98.51)	345.05
	Current Borrowings	2,532.33	2,650.21
		2,433.82	2,995.26
	Closing balances		
	Non Current borrowing (Refer Note 22)	2,334.87	2,433.38
	Current Borrowings (Refer Note 25)	10,558.30	8,025.97
		12,893.17	10,459.35

The accompanying notes are an integral part of the financial statements

As per our report attached
For **GMJ & Co**
Chartered Accountant
(Registration No. 103429W)

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors
PRADEEP GOYAL Chairman (DIN : 00008370)
SURAMYA NEVATIA Managing Director & CEO (DIN : 06703910)
A. K. NEMANI Chief Financial Officer
ANIL MEHTA Joint Chief Financial Officer
MEENAKSHI ANCHLIA Company Secretary

Place : Mumbai
Date : May 28, 2024

1 - OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH 2024

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 Material Accounting Policies

a) Basis of Preparation of Financial Statements

i) Compliance with IND-AS

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

ii) Historical Cost Convention

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

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

iii) Rounding of amounts

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

b) Significant accounting judgements, estimates and assumptions

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

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

c) Current / non-current classification

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

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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

Hind Rectifiers Limited

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.

Sale of Products

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer. Customers obtain control as per the terms of the respective contracts.

Performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which entity expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The entity includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer ranging from 30 to 120 days.

Amounts disclosed in the revenue excludes GST.

Sale of services

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

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

Revenue from rendering of services is recognised over time as the customer receives the benefit of the company's performance and the company has an enforceable right to payment for services transferred.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Significant judgments are used in:

- a. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time. Revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
- b. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
- c. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the transaction price.

Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

Revenue from contracts with customers is recognised when a performance obligation is satisfied by transfer of promised goods or services to a customer.

In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which entity expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. The entity includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Interest income

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

Dividends

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

Export Incentives

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

Government Incentives

The Company is entitled to incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant. If the government grants are by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

Government grants, which are revenue in nature and are towards compensation for the qualifying costs incurred by the Company.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

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.

Hind Rectifiers Limited

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.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the company intends to settle the asset and liability on a net basis.

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, administrative and other general overhead expenses 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).

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

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.

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.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to / deductions from, owned assets is calculated on pro rata basis to the period of use.

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.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law or the likelihood of technical, technological obsolescence or commercial obsolescence. If, there are no such limitations, the useful life is taken to be indefinite. An intangible asset with an indefinite useful life is not amortized.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method.

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

- a. cost of software capitalised is amortised over its useful life which is estimated to be a period of five years.
- b. cost of technical knowhow and product development capitalised are amortised over its useful life which is estimated to be a period of seven years.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified.

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.

Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:

1. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
2. The Company has intention to complete the intangible asset and use or sell it;
3. The Company has ability to use or sell the intangible asset;
4. The manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
5. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
6. The Company has ability to reliably measure the expenditure attributable to the intangible asset during its development. Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Hind Rectifiers Limited

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.

l) 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. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.

- 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.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

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 liability is disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- (ii) a present obligation arising from past events, when no reliable estimate is possible.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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

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

k) Cash and cash equivalents

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

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

l) Employee Benefits

i) Short Term Employee Benefits

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

ii) Post Employment / Retirement Benefits

Defined Contribution plan

- Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to Profit & Loss Account in the year when the contributions to the funds are due.
- Superannuation Fund is a defined contribution scheme and contribution to the scheme are charged to the Profit & Loss Account in the year when contributions are made in respect of employees covered under the scheme. The scheme is funded with Life Insurance Corporation of India.

Defined Benefit plan

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

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

iii) Other Long Term Employee Benefits

The Company has other long term employee benefits in the form of Leave Encashment. The liability in respect of Leave Encashment is provided for on the basis of actuarial valuation made at the end of the financial year. The aforesaid Leave Encashment is not funded.

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

iv) Termination Benefits:

Compensation to employees who have opted for retirement under the Voluntary Retirement Scheme and termination of services of the employees by the Company is charged to the Statement of Profit and Loss account in the year on actual basis.

m) Research and Development

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

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

n) Effects of Changes in Foreign Exchange Rates

- 1) Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Hind Rectifiers Limited

- 2) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.
- 3) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.
- 4) In case of an asset, expense or income where a non-monetary advance is paid / received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

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.

Dilutive potential equity shares are deemed to be considered as at the beginning of the period unless issued at a later date.

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.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised.

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.

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

r) Provision for Warranty

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. In certain contracts, the Company provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the

provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

Provisions for warranty-related costs are recognised annually.

s) Impairment of assets

As at the end of each financial year, the carrying amounts of PPE, investment property, intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Intangible assets with indefinite life are tested for impairment each year. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value-in-use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs to sell and the value-in-use.

The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

t) Leases

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate.

The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Interest on lease liability is recognised using the effective interest method.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any

Hind Rectifiers Limited

reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification.

u) Share based Payment

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

v) Operating Segment

Operating segments are reported in the manner consistent with the internal reporting provided by the Chief Operating Decision Maker (CODM). Chairman and Managing Director of the company has been identified as CODM. Company has identified only one reportable segment.

w) Financial Instruments:

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss. Subsequent measurement Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (i) the entity's business model for managing the financial assets and;
- (ii) the contractual cash flow characteristics of the financial asset.

(1) Measured at amortised cost:

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

(2) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

(3) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

Impairment:

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Hind Rectifiers Limited

Subsequent measurement:

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair Value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

x) Significant Accounting Estimates

i. Recoverability of Trade Receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

ii. Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

iii. Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

y) Application of new and amended standards :

(A) Amendments to existing Standards (w.e.f. 1st April, 2023)

The Company has adopted, with effect from 01 April 2023, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. **Ind AS 1- Presentation of Financials Statements** - modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies.
2. **Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors** - modification of definition of 'accounting estimate' and application of changes in accounting estimates.
3. **Ind AS 12 - Income Taxes** - The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations.

(B) Standards notified but not yet effective

No new standards have been notified during the year ended 31 March 2024.

Hind Rectifiers Limited
Note 2 - PROPERTY, PLANT AND EQUIPMENT

(₹ In lakhs)

Details of Assets	Land		Road	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Computers	Total
	Freehold	Leashold							
Gross Carrying Amount									
Balance As At 31st March, 2022	124.31	396.46	44.40	1,237.47	3,473.14	317.18	256.56	186.64	6,036.16
Additions	–	–	–	1,916.07	1,517.51	112.37	23.81	20.53	3,590.29
Disposals	–	–	–	–	15.11	13.46	32.52	6.80	67.88
Balance As At 31st March, 2023	124.31	396.46	44.40	3,153.54	4,975.54	416.10	247.85	200.37	9,558.57
Additions	–	–	–	42.16	702.59	65.54	62.80	19.94	893.03
Disposals	–	–	–	–	140.32	22.30	11.00	–	173.61
Balance As At 31st March, 2024	124.31	396.46	44.40	3,195.70	5,537.81	459.34	299.65	220.31	10,277.98
Accumulated Depreciation									
Balance As At 31st March, 2022	–	16.28	42.17	342.69	1,088.46	262.00	135.06	146.62	2,033.28
Additions	–	4.17	–	36.59	213.87	13.60	23.10	21.67	313.00
Disposals	–	–	–	–	11.71	12.76	30.04	6.46	60.96
Balance As At 31st March, 2023	–	20.45	42.17	379.28	1,290.62	262.84	128.12	161.84	2,285.32
Additions	–	4.18	–	92.38	304.22	23.46	22.32	18.28	464.84
Disposals	–	–	–	–	121.28	21.13	10.45	–	152.86
Balance As At 31st March, 2024	–	24.63	42.17	471.66	1,473.56	265.17	139.99	180.12	2,597.30
Net Carrying Amount									
Balance As At 31st March, 2022	124.31	380.18	2.23	894.78	2,384.68	55.18	121.50	40.02	4,002.88
Balance As At 31st March, 2023	124.31	376.01	2.23	2,774.26	3,684.92	153.26	119.73	38.53	7,273.25
Balance As At 31st March, 2024	124.31	371.83	2.23	2,724.04	4,064.25	194.17	159.66	40.19	7,680.69

Note :

- Borrowing costs of ₹ Nil have been capitalised for the year ended 31st March 2024 (Previous year ₹ 232.25 lakhs)
- The Company has availed working capital facilities, non fund based facilities and long term borrowings against which some of the borrowings are secured against the property, plant and equipment as per the terms and conditions of the borrowings. 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.

3. Estimated useful life of the following assets is in line with useful life prescribed in schedule II of the Companies Act, 2013:

Asset Class	Minimum useful life (in years)	Maximum useful life (in years)
Land	95	95
Road	10	10
Buildings	30	60
Plant & equipment	15	15
Furniture & fixture	10	10
Vehicles	8	8
Computer	3	3

4. The amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction is ₹ Nil for financial year ended 31st March 2024 (₹ 289.40 lakhs for financial year ended 31st March 2023)

Hind Rectifiers Limited
Note 2A : Right of use Asset and Lease liabilities
i. Right of Use Assets (Building)

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
As at beginning of the year	13.86	33.77
Add - Additions	692.20	–
Add / Less - Adjustments	(0.42)	1.59
Less - Depreciation for the year	113.69	21.50
As at end of the year	591.95	13.86

ii. Lease Liability

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
As at beginning of the year	15.82	34.90
Recognised during the year	677.12	–
Interest expense accrued during the year	44.89	2.06
Add / Less - Adjustments	–	1.30
Payment during the year	122.39	22.44
As at end of the year	615.44	15.82
Cash Outflow for lease includes :		
Payment of Principal Payment of Lease Liability	77.50	20.38
Interest Paid on Lease Liability	44.89	2.06
Total	122.39	22.44
Lease liabilities as at :		
Non Current	495.08	–
Current	120.36	15.82

iii. Amount Recognised in the Statement of Profit or Loss:

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Depreciation expense of right-of-use assets	113.69	21.50
Interest expense on lease liabilities	44.89	2.06
Total	158.58	23.56

Lease expenses recognised in statement of profit and loss account not included in the measurement of lease liability:

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Leases rent expense	23.31	15.02
Total	23.31	15.02

Note 3 - CAPITAL WORK IN PROGRESS

(₹ In lakhs)

Details of Assets	Capital Work In Progress Others	TOTAL
Gross Carrying Amount		
Balance As At 31st March, 2022	1,768.84	1,768.84
Additions	2,230.33	2,230.33
Disposal / Capitalised During The Year	3,311.76	3,311.76
Balance As At 31st March, 2023	687.41	687.41
Additions	329.66	329.66
Disposals / Capitalised	201.02	201.02
Balance As At 31st March, 2024	816.05	816.05
Net Carrying Amount		
Balance As on 31st March, 2022	1,768.84	1,768.84
Balance As on 31st March, 2023	687.41	687.41
Balance As on 31st March, 2024	816.05	816.05

Note:

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

(₹ In lakhs)

For the year ended 31st March 2024	29.11
For the year ended 31st March 2023	226.76

During the year ended 31st March, 2024, ₹ 7.15 lakhs of borrowing costs are transferred from Capital Work in Progress to Intangible Assets.

- 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.
- The average borrowing cost used for capitalisation for year ended 31st March, 2024 is 10.19% (Previous year 9.78%).

Hind Rectifiers Limited
Note 4 - INTANGIBLE ASSETS

(₹ In lakhs)

Particulars	Technical Knowhow	Computer Software	Product Development	Total
Gross Carrying Amount				
Balance As At 31st March, 2022	651.76	246.40	1,003.96	1,902.12
Additions	1.44	5.37	67.98	74.79
Disposals	–	–	–	–
Balance As At 31st March, 2023	653.20	251.77	1,071.94	1,976.91
Additions	12.50	5.38	172.27	190.14
Disposals	–	–	–	–
Balance As At 31st March, 2024	665.70	257.15	1,244.21	2,167.05
Accumulated Depreciation				
Balance As At 31st March, 2022	576.81	156.50	398.83	1,132.14
Additions	34.03	31.76	113.60	179.39
Disposals	–	–	–	–
Balance As At 31st March, 2023	610.84	188.26	512.43	1,311.53
Additions	11.43	32.12	122.54	166.09
Disposals	–	–	–	–
Balance As At 31st March, 2024	622.27	220.38	634.97	1,477.63
Net Carrying Amount				
Balance As At 31st March, 2022	74.95	89.90	605.13	769.98
Balance As At 31st March, 2023	42.36	63.51	559.51	665.38
Balance As At 31st March, 2024	43.43	36.77	609.23	689.43

Note : 1) The amortization expense of intangible assets has been included under Note 36 in the Statement of Profit and Loss.
 2) Borrowing cost of ₹ 7.15 lakhs have been capitalised for year ended 31st March, 2024 (Previous year ₹ NIL)

Note 5 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In lakhs)

Particulars	Technical Knowhow	Computer Software	Product Development	Total
Gross Carrying Amount				
Balance As At 31st March, 2022	130.16	1.70	894.33	1,026.19
Additions	10.59	–	417.27	427.86
Capitalised During The Year	–	1.70	67.91	69.61
Balance As At 31st March, 2023	140.75	–	1,243.69	1,384.44
Additions	3.92	–	451.43	455.35
Disposals / Capitalised	46.88	–	364.76	411.64
Balance As At 31st March, 2024	97.79	–	1,330.36	1,428.15
Net Carrying Amount				
Balance As At 31st March, 2022	130.16	1.70	894.33	1,026.19
Balance As At 31st March, 2023	140.75	–	1,243.69	1,384.44
Balance As On 31st March, 2024	97.79	–	1,330.36	1,428.15

Note 6 - NON-CURRENT INVESTMENTS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Investments carried at Fair value		
Fully paid equity shares (unquoted)*		
Apna Sahakari Bank Ltd.	7.50	7.50
TJSB Sahakari Bank Ltd.	5.00	5.00
Saraswat Co operative Bank Ltd.	0.25	0.25
TOTAL	12.75	12.75

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

Note 7 - LOANS - NON CURRENT

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Staff Loans	0.24	0.12
TOTAL	0.24	0.12

Note : No Loan is due by 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.

**Hind Rectifiers Limited****Note 8 - OTHER NON CURRENT FINANCIAL ASSETS**

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Security Deposits Given to Government & Other Bodies	76.86	74.93
Retention Money	10.48	22.37
Earnest Money Deposits	40.39	14.86
Bank Deposits with more than 12 months maturity	600.00	–
TOTAL	727.73	112.16

Note 9 - DEFERRED TAX ASSET (NET)

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	377.70	347.21
Carried forward losses and unabsorbed depreciation	–	304.35
Deferred Tax Liability		
Related to Property, Plant & Equipment and Intangible Assets	655.69	458.07
MAT Credit Entitlement	488.72	277.49
TOTAL	210.73	470.98

Note 10 - OTHER NON-CURRENT ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Capital Advances	70.95	141.92
Less: Provision for doubtful advances	(50.00)	(94.65)
Rental Security deposits	28.56	4.42
TOTAL	49.51	51.69

Note 11 - INVENTORIES

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Raw Materials and components (Including Packing material)	6,127.69	5,298.27
Work-in-progress	2,905.72	3,784.44
Finished goods	477.20	11.42
Stores and Spares	6.34	5.45
Loose Tools and Instruments	149.91	126.23
Stock of Scrap	5.03	18.43
TOTAL	9,671.89	9,244.24

Note:

- Refer Note 1 on Financial Statements for Accounting Policy of Inventory Valuation.
- Refer Note 22 & 25 of Financial Statements for Inventories on hypothecation as security.
- Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories amounted to ₹ 335.04 lakhs as at 31st March, 2024 (as at 31st March, 2023 ₹ 204.83 lakhs). These write-downs were recognised as an expense and included in 'Cost of materials consumed' and 'changes in inventories of finished goods, work-in-progress and stock-in-trade' in the Statement of Profit and Loss.
- The Company has availed working capital facilities, other non fund based facilities and long term borrowings against which some of the borrowings are secured by hypothecation of inventories.
- The above includes goods in transit as under:

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Raw Materials and components (Including Packing material)	155.22	98.78
Finished goods	—	—
TOTAL	155.22	98.78

Hind Rectifiers Limited
Note 12 - TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Trade Receivables considered good - Secured	4.08	6.36
Less : Allowance for Expected Credit Loss	–	–
Trade Receivables considered good - Unsecured	8,569.85	6,327.96
Less : Allowance for Expected Credit Loss	–	–
Trade Receivables which have significant increase in Credit Risk	753.77	1,150.81
Less : Allowance for Expected Credit Loss	(411.89)	(729.02)
Trade Receivables - Credit Impaired	–	–
Less : Allowance for Expected Credit Loss	–	–
TOTAL	8,915.81	6,756.11

Note:

No Trade Receivable is due from directors or other officers of the Company either severally or jointly with any other person.

Trade Receivable due from firms or private companies in which any director is a partner or a director or a member is ₹ Nil as on 31st March 2024 (₹ 34.68 lakhs as on 31st March 2023)

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.

Trade Receivables ageing schedule - Mar 2024

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,763.64	1,770.29	40.00	–	–	–	8,573.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	311.39	73.00	13.76	125.06	523.21
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	17.41	87.18	41.77	84.20	230.56
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Less : Allowance for Expected Credit Loss	–	–	(48.55)	(105.43)	(48.65)	(209.26)	(411.89)
TOTAL	6,763.64	1,770.29	320.25	54.75	6.88	–	8,915.81

Trade Receivables ageing schedule - Mar 2023

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4,225.05	2,011.95	78.51	12.31	2.02	4.48	6,334.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	118.25	211.86	105.54	206.74	642.39
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	99.82	177.05	25.20	206.35	508.42
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Less : Allowance for Expected Credit Loss	–	–	(111.64)	(218.03)	(75.03)	(324.32)	(729.02)
TOTAL	4,225.05	2,011.95	184.94	183.19	57.73	93.25	6,756.11

Note 13 - CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Balances with banks		
In Current Account	32.42	11.90
b. Cash on hand	0.28	0.66
TOTAL	32.70	12.56

**Hind Rectifiers Limited****Note 14 - OTHER BANK BALANCES**

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
a. Balances with banks		
In Unclaimed Dividend Account	27.54	28.04
In Margin Account	92.42	94.41
b. Fixed Deposits (Earnest Money Deposits)	2.59	4.16
TOTAL	122.55	126.61

Note 15 - OTHER CURRENT LOANS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Staff Loans	3.19	1.03
TOTAL	3.19	1.03

Note:

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

Note 16 - OTHER CURRENT FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Assets carried at Amortised Cost		
Earnest Money Deposits	251.19	346.53
Less: Provision for Doubtful Amounts	(5.84)	(5.81)
Retention Money	326.49	333.14
Less: Provision for Doubtful Amounts	(13.17)	(10.59)
Amount receivable against sale of assets	42.60	—
Interest Income accrued but not due	10.84	12.56
TOTAL	612.11	675.83

Note 17 - CURRENT TAX ASSET (NET)

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Taxes Paid in Advance / deducted at Source (Net of Provision for Tax)	-	139.26
TOTAL	-	139.26

Note 18 - OTHER CURRENT ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balance with GST, Customs and Port Trust etc.	126.96	152.19
Claims Receivable	-	144.39
Advance to Staff	1.07	2.25
Advance to Others	140.92	138.70
Incentive Income accrued	50.93	56.29
Unbilled Service Revenue	373.96	327.82
Advance to Suppliers	945.80	824.04
Less : Provision for Doubtful Amounts	(102.82)	(102.88)
TOTAL	1,536.82	1,542.80

Note 19 - ASSETS HELD FOR SALE

(₹ In lakhs)

Particulars	Office Building Kolkata	Total
Balance as at 31st March, 2022	57.84	57.84
Add: Transferred from Property, Plant & Equipment	-	-
Less: Sold during the year	-	-
Balance as at 31st March, 2023	57.84	57.84
Add: Transferred from Property, Plant & Equipment	-	-
Less: Sold during the year	57.84	57.84
Balance as at 31st March, 2024	-	-

**Hind Rectifiers Limited****Note 20 - EQUITY SHARE CAPITAL**

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each (Previous year 5,00,00,000 Equity Shares of ₹ 2/- each)	1,000.00	1,000.00
Issued Capital		
1,71,37,860 Equity Shares of ₹ 2/- each (Previous year 1,71,23,978 Equity Shares of ₹ 2/- each)	342.76	342.48
TOTAL	342.76	342.48
Subscribed and Paid up Capital		
1,71,37,860 Equity Shares of ₹ 2/- each (Previous year 1,71,23,978 Equity Shares of ₹ 2/- each)	342.76	342.48
TOTAL	342.76	342.48

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

Name of Shareholder	As at 31st Mar 2024		As at 31st Mar 2023	
	No of shares	% held	No of shares	% held
Shri. Suramya Nevatia	25,74,768	15.02	25,74,768	15.04
Shri. Saurabh Nevatia	36,08,438	21.06	36,08,438	21.07
BTR Industries Limited	24,00,000	14.00	24,00,000	14.02

b. Reconciliation of number of shares

Particulars	As at 31st Mar 2024		As at 31st Mar 2023	
	No of shares	₹ In lakhs	No of shares	₹ In lakhs
Equity Shares at the beginning of the year	1,71,23,978	342.48	1,65,63,723	331.27
Add: Shares Issued during the year	13,882	0.28	5,60,255	11.21
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	1,71,37,860	342.76	1,71,23,978	342.48

c. Shareholding of Promoters

Name of Promoter	As at 31st Mar 2024			As at 31st Mar 2023		
	No of shares	% of total shares	% change during the year (by comparing no. of shares)	No of shares	% of total shares	% change during the year (by comparing no. of shares)
Saurabh Nevatia	36,08,438	21.06	–	36,08,438	21.07	–
Suramya Saurabh Nevatia	25,74,768	15.02	–	25,74,768	15.04	27.16
Suryansh Saurabh Nevatia	4,72,000	2.75	–	4,72,000	2.76	–
Shriya Saurabh Nevatia	3,55,200	2.07	–	3,55,200	2.07	–
Bharti Nevatia	2,71,100	1.58	–	2,71,100	1.58	–
Surabhi Golyan	2,50,000	1.46	–	2,50,000	1.46	–
Saurabh Nevatia HUF	11,500	0.07	–	11,500	0.07	–
Akshada S Nevatia	5,850	0.03	–	5,850	0.03	–
TOTAL	75,48,856	44.04	–	75,48,856	44.08	–

Note:

- The Company has only one class of equity share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.
- Equity shares movement during the period of five years immediately preceding the date at which the Balance Sheet is prepared
 - The aggregate number of sweat equity shares issued pursuant to contract, without payment being received in cash, in immediately preceding five years ended on March 31, 2024: - 5,50,000 shares issued in FY 2022-23. (Previous period of five years ended March 31, 2023 : 5,50,000 shares issued in FY 2022-23)
 - The Company has not bought back any shares and not issued any bonus shares during the period of five years immediately preceding 31st March, 2024. (Previous period of five years ended March 31, 2023 : Nil)



Hind Rectifiers Limited

Note 21 - OTHER EQUITY

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Securities Premium		
Opening Balance	2,226.15	1,152.01
Add : Employee Stock Option Plan (ESOP)	11.52	8.51
Add : Transferred from ESOP Reserve	24.53	–
Add: Sweat Equity	–	1,342.55
Less: Utilised	–	(276.92)
Closing Balance	2,262.20	2,226.15
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.		
General Reserve		
Opening Balance	6,543.65	6,543.65
Add: Transferred from ESOP Reserve	10.50	–
Closing Balance	6,554.15	6,543.65
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.		
Share based payment reserve		
Opening balance	76.45	43.18
Less: Options Exercised	(24.53)	–
Less: Options Lapsed	(10.50)	–
Add: Employee Stock Option Plan (ESOP)	14.46	33.27
Closing Balance	55.88	76.45
Other Comprehensive Income reserve		
Opening balance	45.80	–
Transfer from Retained earnings	–	34.39
Actuarial Gains / (Loss) on post-employment defined benefit plan	5.95	15.81
Tax on above	(1.73)	(4.40)
Closing Balance	50.02	45.80
Retained Earnings		
Opening balance	1,936.91	2,673.84
Add: Profit for the period	1,251.03	(636.29)
Less: Transferred to other Comprehensive Income Reserve	–	(34.39)
Less: Dividend	–	(66.25)
Closing Balance	3,187.94	1,936.91
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	12,110.19	10,828.96

Note 22 - NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Liabilities valued at amortised cost		
SECURED		
Term Loans		
From Banks		
i. Term Loan from ICICI Bank Ltd (a. Sanctioned Amount is ₹ 500 lakhs and Disbursed Amount is ₹ 361.36 lakhs till 31st March, 2024. Repayable in 60 monthly instalments starting from Nov, 2018.) (b. Sanctioned Amount is ₹ 138 lakhs and Disbursed Amount is ₹ 138 lakhs till 31st March, 2024. Repayable in 48 monthly instalments starting from Aug, 2022.)	54.90	160.83
ii. Term Loan from TJSB Sahakari Bank Ltd (Sanctioned amount is ₹ 350 lakhs and Disbursed Amount till 31st March 2024 is ₹ 307.40 lakhs. Repayable in 72 monthly instalments including moratorium of 12 months starting from Feb, 2019.)	–	59.52
iii. Term Loan from IDFC Bank (Sanctioned amount of ₹ 600 lakhs and disbursed amount till 31st March 2024 is ₹ 448.32 lakhs. Repayable in tranche wise 16 equal quarterly instalments and moratorium of 1 year starting from Sep 22.)	185.34	292.98
iv. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 350 lakhs and disbursed amount till 31st March 2024 is ₹ 350 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Aug 22.)	167.10	237.90
v. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 750 lakhs and disbursed amount till 31st March 2024 is ₹ 750 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Oct 22.)	387.50	537.50
vi. Term Loan from Apna Sahakari Bank Ltd (Sanctioned amount of ₹ 150 lakhs and disbursed amount till 31st March 2024 is ₹ 150 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Aug 22.)	78.73	108.29
vii. Term Loan from Apna Sahakari Bank Ltd (Sanctioned amount of ₹ 350 lakhs and disbursed amount till 31st March 2024 is ₹ 350 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Oct 22.)	196.03	263.86
viii. Vehicle Loan from HDFC Bank Ltd (Loan of ₹ 22.68 lakhs. Repayable in 36 monthly instalments starting from Aug, 2021.)	–	4.48
ix. Vehicle Loan from HDFC Bank Ltd (Loan of ₹ 16.72 lakhs. Repayable in 36 monthly instalments starting from April 22.)	4.65	8.97
x. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 300 lakhs and disbursed amount till 31st March 2024 is ₹ 291.40 lakhs. Repayable in 84 monthly instalments including moratorium of 12 months starting from Jul 2023.)	208.40	258.20

Hind Rectifiers Limited
Note 22 - NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
xi. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 600 lakhs and disbursed amount till 31st March 2024 is ₹ 600.00 lakhs. Repayable in 84 monthly instalments including moratorium of 12 months starting from Jul 2023.)	433.40	489.31
xii. Corporate loan from Saraswat Bank (Sanctioned amount of ₹ 800 lakhs and disbursed amount till 31st March 2024 is ₹ 800 lakhs. Repayable in 50 monthly instalments starting from Feb 2024.)	569.15	—
xiii. Vehicle Loan from HDFC Bank Ltd (Loan of ₹ 22.22 Lacs. Repayable in 39 monthly instalments starting from Aug 2022.)	4.41	11.54
xiv. Vehicle Loan from TJSB Sahakari Bank Ltd (Loan of ₹ 12.96 lakhs. Repayable in 84 monthly instalments starting from Jan 2024.)	11.24	—
xv. Vehicle Loan from ICICI Bank (Loan of ₹ 50 lakhs. Repayable in 36 monthly instalments starting from Mar 2024.)	34.02	—
TOTAL	2,334.87	2,433.38

Notes:

a. Details of Security:

1. Loans covered in (i), (ii) and (iii) 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.

2. Loan covered in (iv) and (vi) above

Secured by way of hypothecation of plant and machinery and other fixed assets installed at Sinnar plant and collateral security of Satpur land and building and other fixed assets consisting of plant and machinery, furniture and fixtures, etc. at Satpur and Sinnar plant.

3. Loan covered in (v) and (vii) above

Secured by way of mortgage of land and building situated at Plot No. A-84, Near Jindal Saw Ltd, Pune Road, MIDC Sinnar Malegaon, Nashik and collateral security of Satpur land and building and other fixed assets consisting of plant and machinery, furniture and fixtures, etc. at Satpur and Sinnar plant.

4. Loan Covered in (viii) above

Secured by hypothecation of Motor Car No. MH-03-DU-2034.

5. Loan Covered in (ix) above

Secured by hypothecation of Motor Car No. MH-15-HU-2309.

6. Loan covered in (x) above

Secured by way of mortgage of land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.

7. Loan covered in (xi) above

Secured by way of hypothecation of plant and machinery situated at Sinnar and collateral security of Satpur land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.

8. Loan covered in (xii) above

Secured by way of mortgage of land and building situated at Plot No. A-84, Near Jindal Saw Ltd, Pune Road, MIDC Sinnar Malegaon, Nashik and collateral security of Satpur land and building and other fixed assets consisting of plant and machinery, furniture and fixtures, etc. at Satpur plant.

9. Loan Covered in (xiii) above

Secured by hypothecation of Motor Car No. MH-03-DX-6676.

10. Loan Covered in (xiv) above

Secured by hypothecation of Motor Car No. MH-15-JM-7893.

11. Loan Covered in (xv) above

Secured by hypothecation of Motor Car No. MH-04-KR-00-99.

b. In view of the Covid 19 Regulatory Package announced by the Reserve Bank of India, the Company had opted for 'Extension of Repayment' scheme in FY 2020-21 and accordingly, the principal repayment will be extended by five months for Loans covered in (i) to (ii).

Note 23 - OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Liabilities valued at amortised cost		
Dealership Deposit	9.50	20.25
TOTAL	9.50	20.25

Note 24 - NON CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 58)	242.14	195.88
Provision for Leave encashment	46.09	45.90
Provision for Warranty (Refer Note 63)	230.10	278.73
TOTAL	518.33	520.51

Note 25 - CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Liabilities valued at amortised cost		
SECURED		
a) Loan from Banks		
i) Cash Credit	9,055.05	6,696.87
ii) Overdraft (for EMD)	527.26	357.12
b) Current maturities of long term debt	975.99	971.98
TOTAL	10,558.30	8,025.97

Note:

- Cash credit secured by first charge against all movable and immovable assets both present and future situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the Company ranking pari- passu in favour of ICICI Bank Ltd, Standard Chartered Bank, TJSB Sahakari Bank Ltd and IDFC First Bank Limited.
- Overdraft secured by first charge against all movable and immovable assets both present and future situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the Company and also tender deposits/ earnest money deposits paid by the company ranking pari- passu in favour of Standard Chartered Bank and TJSB Sahakari Bank Ltd.
- 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 (xv) in Note 22 of the Financial Statements.

Hind Rectifiers Limited
Note 26 - TRADE PAYABLES

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Total outstanding dues of micro enterprises and small enterprises	125.21	196.71
Total outstanding dues of creditors other than micro and small enterprises	4,603.15	5,114.96
TOTAL	4,728.36	5,311.66

Note: Also refer Note 45 of Financial Statements

Ageing Schedule of Trade Payables as at Mar 2024

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	125.21	–	–	–	–	125.21
(ii) Others	2,834.72	1,404.57	91.32	128.55	143.99	4,603.15
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
TOTAL	2,959.93	1,404.57	91.32	128.55	143.99	4,728.36

Ageing Schedule of Trade Payables as at Mar 2023

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	196.71	–	–	–	–	196.71
(ii) Others	2,254.33	2,487.84	190.74	129.98	52.06	5,114.96
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
TOTAL	2,451.04	2,487.84	190.74	129.98	52.06	5,311.66

Note 27 - OTHER CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Financial Liabilities valued at amortised cost		
Interest Accrued But not Due	12.89	8.27
Unclaimed Dividend	27.18	27.67
Sundry Creditors for Capital Goods	66.34	154.14
Provision for Bonus	60.33	65.74
Other payables	543.63	369.36
TOTAL	710.37	625.18

Note 28 - OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Advances		
Advance from Customers	349.85	643.20
Others		
Statutory Liabilities	372.60	191.74
TOTAL	722.45	834.94

Note 29 - CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 58)	40.36	35.61
Provision for Leave encashment	9.70	9.73
Provision for Warranty (Refer Note 63)	302.99	223.83
TOTAL	353.05	269.17

Hind Rectifiers Limited
Note 30 - REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Sale of Products	49,814.92	33,972.62
Sale of Services	1,889.30	1,798.11
<u>Other Operating Income</u>		
Government incentives	10.72	117.92
Export Incentives	40.31	21.29
TOTAL	51,755.25	35,909.94

Note : Break up of revenue (excluding other operating income) into over a period of time and at a point in time:

(₹ In lakhs)

Particulars	Over a period of time			At a point of time		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
31st March 2024	1,793.13	–	1,793.13	49,911.09	–	49,911.09
31st March 2023	1,694.98	–	1,694.98	34,075.75	–	34,075.75

The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Transaction price allocated to the remaining performance obligation:		
1. Unexecuted order value	53,426.49	30,146.50
2. Expected conversion in revenue -		
a. Upto 1 year	46,943.36	20,884.98
b. More than 1 year	6,483.13	9,261.52

Movement in Contract Assets

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balance at the beginning of the year	327.82	378.83
Balance at the end of the year	373.96	327.82
Net Increase / (Decrease)	46.14	(51.01)

During the current year, increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised. During the previous year, decrease in net contract balances is primarily due to higher progress bills raised as compared revenue recognition.

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Contracted price	51,815.14	35,182.64
Increase / (Decrease) towards variable consideration components	(110.92)	588.09
Revenue recognised	51,704.22	35,770.73

Note 31 - OTHER INCOME

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Interest Income	20.75	10.31
Dividend Income	1.39	0.98
<u>Other Non Operating Income</u>		
Credit Balance Written Back	21.01	11.27
Profit on sale of assets	17.87	3.40
TOTAL	61.02	25.96

Note 32 - COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Opening Stock of Raw Materials	5,290.41	4,785.45
Add: Purchases of Raw Materials	35,828.64	27,512.22
Add: Conversion and Processing Charges	3,164.53	2,021.52
Less: Transferred to/from CWIP & others from Opening stock of Raw Materials	(15.97)	(16.61)
Total	44,267.61	34,302.58
Less: Closing Stock of Raw Materials	6,111.89	5,290.41
TOTAL	38,155.72	29,012.17

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

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
<u>Opening Inventory</u>		
Finished Goods	11.42	153.38
Work-In-Progress	3,784.44	2,607.69
	3,795.86	2,761.07
<u>Closing Inventory</u>		
Finished Goods	477.20	11.42
Work-In-Progress	2,905.72	3,784.44
	3,382.92	3,795.86
Add / (Less) Trfd to CWIP	(136.27)	(20.58)
TOTAL	276.67	(1,055.37)

Hind Rectifiers Limited
Note 34 - EMPLOYEE BENEFITS EXPENSE

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Salaries, Wages, Bonus, Gratuity etc. *	4,896.85	3,606.97
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	175.60	151.13
Staff Welfare Expenses	162.32	148.48
TOTAL	5,234.77	3,906.58

* Includes Employee Stock option cost of ₹ 14.46 lakhs. (Previous Year ₹ 33.27 lakhs)

Note 35 - FINANCE COSTS

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Interest		
Interest and other borrowing cost	1,225.91	810.61
Other Interest	46.72	2.35
TOTAL	1,272.63	812.96

Note 36 - DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Depreciation on Property, Plant & Equipment	464.84	313.00
Amortization on Intangible assets	166.09	179.39
Depreciation on Leased Assets	113.69	21.50
TOTAL	744.62	513.89

Note 37 - OTHER EXPENSES

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Consumable Stores, Tools and Instruments	167.71	126.61
Electricity, Water and Fuel Charges	417.07	257.56
Packing	314.25	250.10
Repairs		
To Machinery	111.73	26.65
To Building	7.11	8.93
To Other Assets	54.57	45.35
Rent	23.31	15.02
Rates and Taxes	24.20	20.19
Insurance	46.58	36.33
Travelling, Conveyance and Vehicle Expenses	428.62	382.80
Directors' Travelling, Conveyance and Sitting Fees	8.83	14.25
Printing and Stationery	20.53	14.26
Postage, Telegram and Telex	43.67	35.20
Advertisement and Publicity	14.68	43.09
Bad Debts	210.81	104.53
Liquidated Damages	402.40	86.26
Provision for doubtful debts	(317.14)	170.43
Commission	40.92	0.96
Legal and Professional Charges	471.83	274.03
Payment to Auditors (Refer Note 40)	13.41	12.07
Transit Insurance and Freight	290.79	218.35
Bank Charges	67.09	36.58
Warranty Expenses	393.88	133.93
Exchange Fluctuation	20.46	31.95
Testing Charges	21.43	41.17
Software Expenses	12.65	9.99
Capital work in progress written off	208.98	–
Miscellaneous Expenses (Refer Note 62)	143.37	140.81
TOTAL	3,663.74	2,537.40

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

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Current Tax		
Current Tax on taxable Income for the year	42.88	–
MAT Credit (taken) / utilised	–	–
Earlier year tax	5.24	–
Total Current Tax Expense	48.12	–
Deferred Tax		
Deferred Tax Charge / (Credit)	469.75	(232.07)
Total Deferred Tax expense / (benefit)	469.75	(232.07)
Total tax expense recognised in Statement of Profit and Loss	517.87	(232.07)

Income Tax Expenses Recognized in Other Comprehensive Income

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Tax on Other Comprehensive Income / Loss	1.73	4.40
TOTAL	1.73	4.40

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

(₹ In lakhs)

Particulars	Year Ended 31st Mar 2024	Year Ended 31st Mar 2023
Enacted Income tax rate in India applicable to the Company	29.12%	27.82%
Profit before tax	1,768.90	(868.36)
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	515.10	(241.58)
Tax effects of the amounts which are not deductible / (taxable) in calculating taxable income		
Add / Less:-		
• Tax rate change on deferred tax asset	(9.21)	(1.52)
• Tax impact on expense which are not-deductible (penalty type, donation, capital expenditure)	10.60	9.73
• Income tax of earlier years	1.55	–
• Others	(0.17)	1.30
TOTAL	517.87	(232.07)

The movement in deferred tax assets and liabilities during the year ended 31st March, 2023 and 31st March, 2024:

(₹ In lakhs)

Particulars	Deferred Tax Asset / (Liabilities) as on 31st March, 2022	Payment	Transfer from Current tax assets	Credit / (charge) in Statement of Profit & Loss	Deferred Tax Asset / (Liabilities) as on 31st March, 2023	Payment	Transfer from Current tax assets	Credit / (charge) in Statement of Profit & Loss	Deferred Tax Asset / (Liabilities) as on 31st March, 2024
Depreciation	(341.68)	–	–	(116.39)	(458.07)	–	–	(197.61)	(655.68)
Disallowance under Income Tax Act with respect to Employee Benefits	98.20	–	–	(4.43)	93.77	–	–	17.92	111.69
Provision	196.72	–	–	39.28	236.00	–	–	(80.58)	155.42
Right Issue Expenses	–	–	–	–	–	–	–	–	–
ESOP Expenses	12.58	–	–	4.86	17.44	–	–	(14.46)	2.98
VRS expenses	–	–	–	–	–	–	–	104.63	104.63
Right to use assets and lease liabilities	–	–	–	–	–	–	–	2.97	2.97
Loss of Earlier years	–	–	–	304.35	304.35	–	–	(304.35)	–
MAT Credit Entitlement	277.49	–	–	–	277.49	–	–	211.23	488.72
TOTAL	243.31	–	–	227.67	470.98	–	–	(260.25)	210.73

NOTE 39

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

Note 40 - PAYMENT TO AUDITORS (Excluding GST)

(₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
As Auditor	10.00	9.88
For Tax Audit	1.50	1.50
For Certification	0.51	–
For out of Pocket expenses	1.40	0.70
TOTAL	13.41	12.07

Hind Rectifiers Limited
Note 41 - EARNINGS PER SHARE
a. EPS on Profit after tax and before exceptional items (₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
Profit after tax and before exceptional items as per Statement of Profit & Loss	1,950.25	440.34
Weighted Average Number of Equity Shares Outstanding	1,71,25,994	1,65,69,087
Basic Earnings per Share (₹)	11.39	2.66
Diluted Earnings per Share (₹)	11.35	2.64

b. EPS on Profit after tax (₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
Profit after taxation as per Statement of Profit & Loss	1,251.03	(636.29)
Weighted Average Number of Equity Shares Outstanding	1,71,25,994	1,65,69,087
Basic Earnings per Share (₹)	7.30	(3.84)
Diluted Earnings per Share (₹)	7.28	(3.84)

c. Reconciliation of Weighted Average Number of Shares Outstanding (₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,71,25,994	1,65,69,087
Total Weighted Average Potential Equity Shares	64,388	89,690
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,71,90,382	1,66,58,777

Note 42

Gross amount required to be spent as per the Provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities during the year is ₹ Nil (Previous year ₹ 32.38 lakhs)

Note 43 - INTANGIBLE ASSETS UNDER DEVELOPMENT

During the year, the Company has incurred an expenditure of ₹ 451.43 lakhs on the development of various Products / Machinery and completed the development process of the Products / Machinery of ₹ 165.11 lakhs (including ₹ 92.63 Lakhs incurred up to 31st March 2023) and the balance of ₹ 1330.35 lakhs (including ₹ 972.72 lakhs incurred up to 31st March, 2023) related to the products still under development is clubbed under Intangible Assets under Development.

Note 44 - RESEARCH AND DEVELOPMENT

The recurring expenditure of ₹ 819.81 lakhs (Previous year ₹ 692.12 lakhs) and Capital Expenditure of ₹ 607.50 lakhs (Previous Year ₹ 514.89 lakhs) spent in Research and Development during the year have been debited to respective account.

Note 45 - TRADE PAYABLES

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

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
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 46 - CONTINGENT LIABILITIES

Contingent Liabilities in respect of the following:

(₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
i. Claims against the company not acknowledged as debt		
Claims of Sales Tax disputed by Company	–	–
ii. Guarantees excluding financial guarantees		
Guarantee given by the banks to the third parties on behalf of the company	1,177.41	1,012.11
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	–	–
Claims not acknowledged by the company	–	82.78

Note 47 - 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 ₹ Nil (Previous year ₹ 44.64 lakhs) and on account of Capital Purchase ₹ 485.49 lakhs (Previous year ₹ 78.55 lakhs)

Hind Rectifiers Limited
Note 48 - OTHER COMPREHENSIVE INCOME

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

(₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
Actuarial Gains / (Loss) on post-employment defined benefit plan	5.95	15.81
Tax on above	(1.73)	(4.40)
Net Other Comprehensive Income / (Loss)	4.22	11.41

Note 49 - FAIR VALUE HIERARCHY

Fair value hierarchy is not applicable to the company except in the case of Shares of Apna Sahakari bank Ltd, TJSB Sahakari bank Ltd and Saraswat Co-operative Bank Ltd. included in Non current investments which is covered in level 2 investments. The fair value of the same is considered at cost of ₹ 12.75 lakhs since the same are taken for loan.

Note 50

All the tilte deeds of immovable properties are held in the name of the company.

Note 51 - CAPITAL-WORK-IN PROGRESS (CWIP)

As on 31st March 2024

a. Capital-Work-in Progress (CWIP) ageing schedule

(₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	162.47	167.82	67.86	417.90	816.05
Projects temporarily suspended	–	–	–	–	–
Total	162.47	167.82	67.86	417.90	816.05

b. Capital-Work-in Progress (CWIP) temporarily suspended completion schedule

(₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total	–	–	–	–	–

c. Capital-Work-in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	770.82	–	–	–	770.82
Total	770.82	–	–	–	770.82

As on 31st March 2023

a. Capital-Work-in Progress (CWIP) ageing schedule (₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	167.82	67.86	51.15	400.58	687.41
Projects temporarily suspended	–	–	–	–	–
Total	167.82	67.86	51.15	400.58	687.41

b. Capital-Work-in Progress (CWIP) temporarily suspended completion schedule (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total	–	–	–	–	–

c. Capital-Work-in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	15.00	–	–	–	15.00
Project 2	620.49	–	–	–	620.49
Project 3	5.98	–	–	–	5.98
Total	641.47	–	–	–	641.47

Hind Rectifiers Limited
Note 52 - INTANGIBLE ASSETS UNDER DEVELOPMENT

As on 31st March 2024

a. Intangible assets under development ageing schedule (₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	360.05	280.44	157.75	629.91	1,428.15
Projects temporarily suspended	–	–	–	–	–
Total	360.05	280.44	157.75	629.91	1,428.15

b. Intangible assets under development temporarily suspended - completion schedule (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total	–	–	–	–	–

c. Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	132.86	–	–	–	132.86
Project 2	1,177.79	–	–	–	1,177.79
Total	1,310.64	–	–	–	1,310.64

As on 31st March 2023

a. Intangible assets under development ageing schedule (₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	427.87	233.31	163.39	487.78	1,312.35
Projects temporarily suspended	–	–	21.18	50.91	72.09
Total	427.87	233.31	184.57	538.69	1,384.44

b. Intangible assets under development temporarily suspended - completion schedule (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	6.58	–	–	–	6.58
Project 2	14.72	–	–	–	14.72
Project 3	21.89	–	–	–	21.89
Project 4	6.40	–	–	–	6.40
Project 5	3.22	–	–	–	3.22
Project 6	4.00	–	–	–	4.00
Project 7	4.80	–	–	–	4.80
Project 8	10.48	–	–	–	10.48
Total	72.09	–	–	–	72.09

c. Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	97.73	–	–	–	97.73
Project 2	990.97	–	–	–	990.97
Total	1,088.70	–	–	–	1,088.70

Note 53

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note 54

Term loan taken from the banks are utilised for the purpose for which they were granted.

Hind Rectifiers Limited
Note 55

During the year, Company has not come across any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 56

During the year, there was no delay in the filing of the charges / satisfaction with the Registrar of Companies.

Note 57 - RATIOS

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023	Change %	Reason for change in ratios more than 25%
(a) Current Ratio (In Time) <i>Formula : Current assets / Current Liabilities</i>	1.21	1.23	(1.63)	--
(b) Debt-Equity Ratio (In Time) <i>Formula : Debt (Borrowings plus lease liabilities) divided by Equity</i>	1.08	0.94	14.89	--
(c) Debt Service Coverage Ratio (In Time) <i>Formula : Earnings available for debt service (Profit Before Dep & Interest and after tax) divided by Debt Service (Interest payment + Principal Repayment + Lease payment)</i>	1.60	0.92	73.91	The Debt Service Coverage Ratio increased due to increase in profitability during the year.
(d) Return on Equity Ratio (in %) <i>Formula : Net profits after tax divided by Average shareholders equity</i>	10.59	(5.81)	(282.77)	The return on equity (ROI) increased due to increase in net profit after tax during the year.
(e) Inventory turnover ratio (no of days) <i>Formula : Revenue from Operations divided by Average Inventory</i>	67	86	(22.09)	--
(f) Trade Receivables turnover ratio (no of days) <i>Formula : Revenue from Operations divided by Average Trade Receivable</i>	55	69	(20.29)	--
(g) Trade payables turnover ratio (no of days) <i>Formula : Purchases divided by Average Trade Payables</i>	47	63	(25.40)	Trade payables turnover ratio reduced due to payment made to trade payables
(h) Net capital turnover ratio (In Time) <i>Formula : Revenue from Operations divided by Working capital (Current assets less current liabilities)</i>	14.36	10.51	36.63	The Net Capital Turnover ratio increased due to increase in turnover during the year.
(i) Net profit ratio (In %) <i>Formula : Profit for the year divided by Revenue from Operations</i>	2.42	(1.77)	(236.72)	The Net profit ratio increased due to increase in net profit after tax during the year.
(j) Return on Capital employed (In %) <i>Formula : Earnings before interest & tax divided by Capital Employed (Tangible Net Worth + Total Debt)</i>	12.04	(0.26)	(4730.77)	The return on capital employed increased due to increase in profits during the year.

Note 58 - DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS"**(a) Defined Contribution Plans:**

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

(₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
Employer's Contribution to Provident Fund	79.82	65.40
Employer's Contribution to Superannuation Fund	10.81	10.78
Employer's Contribution to Pension Fund	71.42	65.10

(b) Defined Benefit Plans:**Gratuity**

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

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

Valuation as at	31st Mar 2024	31st Mar 2023
Employee Attrition Rate	1% - 2%	1% - 2%
Discount rate(s)	7.20%	7.45%
Expected rate(s) of salary increase	4.00%	4.00%



Hind Rectifiers Limited

(₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
I. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year		
Funded	309.16	310.74
Non Funded	106.96	96.38
	416.12	407.12
2. Expenses Recognised in Profit and Loss Account		
<u>Current Service Cost</u>		
Funded	9.46	28.05
Non Funded	120.72	11.54
	130.18	39.59
<u>Interest Cost</u>		
Funded	20.31	19.65
Non Funded	6.58	5.57
	26.88	25.22
<u>Past Service Cost</u>		
Funded	–	–
Non Funded	–	–
	–	–
3. Recognised in Other Comprehensive Income		
<u>Actuarial (Gain) / Loss</u>		
Funded	(6.56)	(22.45)
Non Funded	(7.58)	(3.47)
	(14.14)	(25.92)
4. Benefits paid		
Funded	145.21	26.84
Non Funded	84.44	3.06
	229.65	29.90
5. Present value of defined benefit obligation at the end of the year.		
Funded	187.16	309.16
Non Funded	142.24	106.96
	329.39	416.12
II. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	184.63	205.52
2. Adjustments to Opening Fair Value of Plan asset	–	–
3. Expenses Recognised in Profit and Loss Account	–	–
Expected return on plan assets	12.12	13.36
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses		
Actual Return on plan assets in excess of the expected return	(8.19)	(10.11)
5. Contributions by employer (including benefit payments recoverable)	3.54	2.70
6. Benefits paid	(145.20)	(26.85)
7. Fair value of plan assets at the end of the year	46.90	184.63

(₹ In lakhs)

Particulars	As At 31st Mar 2024	As At 31st Mar 2023
III. (a) Expense recognised in the Statement of Profit and Loss for the year		
<u>Current Service Cost</u>		
Funded	9.46	28.05
Non Funded	120.72	11.54
	130.18	39.59
<u>Past Service Cost</u>		
Funded	–	–
Non Funded	–	–
	–	–
<u>Interest Cost</u>		
Funded	20.31	19.65
Non Funded	6.58	5.57
	26.88	25.22
<u>Expected Return on plan assets</u>		
Funded	(12.12)	(13.36)
Non Funded	–	–
	(12.12)	(13.36)
<u>Components of defined benefit costs recognized in profit or loss</u>		
Funded	17.65	34.34
Non Funded	127.30	17.11
	144.95	51.45
(b) Included in other Comprehensive Income		
Actuarial (Gain) / Loss recognized for the period	(14.14)	(25.92)
Return on Plan Assets excluding net interest	8.19	10.11
Actuarial (Gain) / Loss recognized in OCI	(5.95)	(15.81)
IV. Net Asset / (Liability) recognised in the Balance Sheet		
1. Fair value of plan assets as at 31 March 2024		
Funded	46.90	184.63
Non Funded	–	–
	46.90	184.63
2. Present value of defined benefit obligation as at 31 March 2024		
Funded	187.16	309.16
Non Funded	142.24	106.96
	329.39	416.12
3. Amount recognised in Balance Sheet		
Funded	140.26	124.53
Non Funded	142.24	106.96
	282.50	231.49

**Hind Rectifiers Limited****Expected cashflows based on past service liability:**

(₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
Within 1 year	73.32	79.58
1-2 year	8.26	39.39
2-3 year	22.44	15.90
3-4 year	27.86	34.27
4-5 year	22.89	48.73
Above 5 years	123.38	161.27

Sensitivity Analysis

(₹ In lakhs)

Particulars	Year ended 31st Mar 2024	Year ended 31st Mar 2023
i. Discount rate Sensitivity		
Increase by 0.5%	289.67	385.84
Decrease by 0.5%	314.07	416.55
ii. Salary growth rate Sensitivity		
Increase by 0.5%	305.00	409.56
Decrease by 0.5%	295.09	391.88
iii. Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	301.90	401.54
W.R. x 90%	300.86	399.67

Note 59 - SEGMENT INFORMATION

The Company operates in a single segment as per Indian Accounting Standard (Ind AS) 108. Hence, segment wise reporting is not applicable.

a) Information about major customers

Revenue from sale of products to largest customers (greater than 10% of total sales) is ₹ 41200.66 lakhs for financial year ended 31st March 2024 (₹ 20,057.51 lakhs for financial year ended 31st March 2023).

Note 60 - DIVIDEND

The Board of Directors have recommended a dividend of ₹ 1.20 Per equity share of ₹ 2/- each (Previous year ₹ Nil 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 1st August 2024 and not recognised as a liability.

(₹ In lakhs)

Proposed Dividend on equity Shares	31-Mar-24	31-Mar-23
Final cash dividend for the year ended 31st March, 2024 is ₹ 1.20 per per equity share (31st March 2023 ₹ Nil per equity share)	205.65	—
	205.65	—

Note 61 - STOCK OPTIONS

Stock option scheme was approved by the members in their meeting held on 13th August, 2018. In the FY 2021-22, stock options for 99945 nos. was been granted by the company. In the FY 2022-23, 10255 nos. of options were exercised and allotted. In the FY 2023-24, the committee approved the allotment of 13882 equity shares of Rs. 2 each and the shares were allotted and issued on 8th February 2024.

Note 62 - MISCELLANEOUS EXPENSES

Miscellaneous expenses under Other Expenses includes service contract expenses of ₹ 34.83 lakhs (Previous year ₹ 39.83 Lakhs)

Note 63 - PROVISION FOR WARRANTY

A provision is recognised for expected warranty claims and after sales services on products sold , based on past experience of the level of repairs and returns. It is expected that these costs will be incurred during the warranty period i.e 1 to 6 years (depending on the product) from the date of sale of the product . The provision for warranty cost is revised annually.

Note 64

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.

Note 65 - SHARE BASED PAYMENTS RESERVE

The Board of Directors of the Company and its Shareholders' approved a Employee Stock Option Plan (ESOP - 2018). During the previous year 2021-22, 99,945 options were granted to certain identified eligible employees of the Company. Detailed description of share based payment arrangements is as below:

a	Date of shareholders' approval	13-Aug-18
b	Total number of options approved under ESOP	2,50,000 options
c	Maximum term of options granted	Maximum term of the options granted under the scheme shall be five years from the grant date.
d	Vesting requirements	The options granted shall vest between a minimum of 1 to maximum of 4 years from the date of grant of options.
e	Source of shares	Primary
f	Weighted average fair value of options	₹ 482.96
g	Weighted average remaining contractual life	1.95 years

Options were priced using a Black Scholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations.

Inputs into the model were as follows:

a	Grant date share price	₹ 166.65
b	Exercise Price	₹ 85.00
c	Historical Volatility	50.60% to 51.83%
d	DTE (Years)	3 to 4.5 years
e	Dividend yield	0.46%
f	Risk free interest rate	4.92% to 5.50%

Hind Rectifiers Limited
Reconciliation of outstanding share options is as follows:

Particulars	Number of options	Exercise price (₹)
Outstanding as at 1st April 2023 (out of the options granted)	84,620	85.00
Granted & accepted during the year	–	–
Forfeited / lapsed during the year	6,350	85.00
Exercised during the year	13,882	85.00
Outstanding as at 31st March 2024 (out of the options granted)	64,388	85.00
Exercisable as at 31st March 2024	18,549	85.00

Reconciliation of outstanding share options is as follows:

Particulars	Number of options	Exercise price (₹)
Outstanding as at 1st April 2022 (out of the options granted)	99,945	85.00
Granted & accepted during the year	–	–
Forfeited / lapsed during the year	5,070	85.00
Exercised during the year	10,255	85.00
Outstanding as at 31st March 2023 (out of the options granted)	84,620	85.00

Fair value of options vested during the year is ₹ 482.96 (previous year ₹ 130.51)

Money realised by exercise of option during the year is ₹ 11.80 lakhs (previous year ₹ 8.72)

The options outstanding at 31st March 2024 have an exercise price of ₹ 85.00 (31st March 2023 : ₹ 85.00)

Weighted average share price at the date of the exercise of share options exercised in FY 2023-24 is ₹ 567.96.

13882 options exercised during this year and 10255 shares during previous year.

Expense recognised in Statement of Profit and Loss

The Company has followed the fair value method to account for the grant of stock options, profit and loss impact for the year ended 31st March 2024 is ₹ 14.46 lakhs (previous year: ₹ 33.27 Lakhs)

NOTE 66 : 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
Elventive Tech Private Limited

B) Members of the Board of Directors / Key Management Personnel (KMP)
1. Managing Director and Chief Executive Officer

a) Mr. Suramya Nevatia

2. Executive Director

a) Mrs. Akshada Nevatia

3. Non Executive Director**i. Independent Non Executive Director**

- a) Mr. Vijay Kumar Bhartia
- b) Mr. Pradeep Goyal
- c) Ms. Ashlesha Bodas
- d) Mr. Vandan Shah

ii. Non Independent Non Executive Director

- a) Mr. Pawan Golyan (cessation with effect from 30th November 2023)
- b) Mr. Parimal Merchant

4. Chief Financial Officer

- a) Mr. Anil Kumar Nemani

5. Joint Chief Financial Officer

- a) Mr. Anil Mehta

6. Company Secretary

- a) Ms. Meenakshi Anchlia

C. Relative of Member of Board of Directors / KMP

- a) Mr. Saurabh Nevatia
- b) Mrs. Bharti Nevatia
- c) Mr. Suryansh Nevatia

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

II. Disclosure in respect of material transactions with related parties during the year ended 31st March, 2024 (₹ In lakhs)

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
1	Loan Received / Deposits received				
	Nil	-	-	-	-
2	Loan Repaid / Deposits Given				
	Nil	-	-	-	-
3	Income				
	Sale				
	Force Motion Technology	1.64 (2,044.08)	-	-	1.64 (2,044.08)
	Elventive Tech Private Limited	4.85 (57.36)	-	-	4.85 (57.36)

Hind Rectifiers Limited

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
4	Expenditure				
i.	Remuneration				
	Mrs. Akshada Nevatia	–	46.21 (46.21)	–	46.21 (46.21)
	Mr. Suramya Nevatia	–	174.78 (1,138.11)	–	174.78 (1,138.11)
	Mr. Saurabh Nevatia	–	–	90.27 (90.27)	90.27 (90.27)
	Mrs. Bharti Nevatia	–	–	11.87 (11.87)	11.87 (11.87)
	Mr. Suryansh Nevatia	–	–	8.44 (7.71)	8.44 (7.71)
	Mr. Anil Kumar Nemani	–	12.76 (30.24)	–	12.76 (30.24)
	Ms. Meenakshi Anchlia	–	20.42 (13.77)	–	20.42 (13.77)
	Mr. Anil Mehta	–	38.08 (6.04)	–	38.08 (6.04)
ii.	Directors Sitting Fees				
	Mr. Parimal Merchant	–	2.75 (3.00)	–	2.75 (3.00)
	Mr. Pawan Kumar Golyan	–	– (0.25)	–	– (0.25)
	Mr. Pradeep Goyal	–	2.75 (4.00)	–	2.75 (4.00)
	Mr. Vandan Shah	–	2.25 (3.00)	–	2.25 (3.00)
	Mr. Vijay Kumar Bhartia	–	0.50 (3.00)	–	0.50 (3.00)
	Ms. Ashlesha Bodas	–	0.25 (1.00)	–	0.25 (1.00)
iii.	Rent				
	Mr. Saurabh Nevatia	–	–	5.04 (5.04)	5.04 (5.04)
iv.	Purchase				
	Force Motion Technology	1,194.00 (881.59)	–	–	1,194.00 (881.59)
	Elventive Tech Private Limited	624.74 (604.70)	–	–	624.74 (604.70)

Note : Figures in brackets represents previous years figures

III. Balances Receivable / Payable with Related Parties

(₹ In lakhs)

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
1	Trade Payables				
	Force Motion Technology	172.67 (134.54)	– –	– –	172.67 (134.54)
	Elventive Tech Private Limited	68.15 (117.72)	– –	– –	68.15 (117.72)
2	Trade Receivables				
	Force Motion Technology	– (33.66)	– –	– –	– (33.66)
	Elventive Tech Private Limited	– (1.02)	– –	– –	– (1.02)
3	Other Current Financial Liabilities Salary and Other Accrued Expenses				
	Salary Payable to Mrs. Akshada Nevatia	– –	2.50 (2.57)	– –	2.50 (2.57)
	Salary Payable to Mr. Suramya Nevatia	– –	98.69 (0.27)	– –	98.69 (0.27)
	Salary Payable to Mr. Saurabh Nevatia	– –	– –	5.62 (4.74)	5.62 (4.74)
	Salary Payable to Mrs. Bharti Nevatia	– –	– –	0.89 (0.84)	0.89 (0.84)
	Salary Payable to Mr. Suryansh Nevatia	– –	– –	0.26 (0.40)	0.26 (0.40)
	Salary Payable to Mr. Anil Nemani	– –	3.30 (0.98)	– –	3.30 (0.98)
	Salary Payable to Ms. Meenakshi Anchlia	– –	0.85 (1.14)	– –	0.85 (1.14)
	Salary Payable to Mr. Anil Mehta	– –	2.03 (2.21)	– –	2.03 (2.21)

Note: The remuneration to the related parties does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. However the gratuity expenses of Mr.Suramya Nevatia and Mrs. Akshada Nevatia are included in the figure of their respective remuneration since their gratuity is provided separately.

All the related party transactions have been entered on arm's length basis.

Figures in brackets represents previous years figures.

Hind Rectifiers Limited
Note 67 - 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 on policies for managing each of these risks, which are summarised below.

A. Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk mainly from trade receivables and other financial assets.

Trade receivables

Customer credit is managed by concerned business manager subject to the Company's established policy procedures and control related to customer credit risk management.

Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as medium, as its customers are located in several jurisdictions and industries and operate in largely independent markets and their credit worthiness are monitored at periodical intervals.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

(₹ In lakhs)

Particulars	Less Than 180 Days	More Than 180 Days
As at 31 March 2024		
Expected loss rate	–	54.64%
Gross carrying amount of doubtful Trade Receivables	–	753.77
Loss allowance provision during the year *	–	296.08
As at 31 March 2023		
Expected loss rate	–	63.35%
Gross carrying amount of doubtful Trade Receivables	–	1,150.81
Loss allowance provision during the year	–	170.42

* 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 ₹ 296.08 lakhs is after subtracting the balance in provision account as on 31st March 2023 and is provided at the expected loss rate on the gross carrying amount of debtors.

Reconciliation of loss allowance provision for Trade Receivables (ECL - Expected Credit Losses) (₹ In lakhs)

Particulars	As at 31st Mar 2024	As at 31st Mar 2023
Balance as at beginning of the year	729.02	558.60
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	296.08	170.42
Amounts written back during the year	613.21	–
Balance at end of the year	411.89	729.02

B. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits and other financial assets.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

(i) Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. The Currency Risk can be majorly divided into two main categories -

1. Risk of change in Profits due to change in currency rate of Outstanding Trade Payables and Receivables (net of advances)
2. Risk of increased outflows due to change in currency rate of Other Payables.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax and cash flows is due to changes in the fair value of Outstanding Trade Payables and Receivables (net of advances) and the effect not on profit but on cash flow is due to Other Payables. The Company's exposure to foreign currency changes for all other currencies is not material.

1. The impact on the Company's profit before tax due to changes in the fair value of Outstanding Trade Payables and Receivables (net of advances)

(₹ In lakhs)

	Currency	Change in rate	Effect on profit before tax
31-Mar-24	USD	+5%	1.47
	USD	-5%	(1.47)
	EURO	+5%	(7.80)
	EURO	-5%	7.80
	CHF	+5%	(10.51)
	CHF	-5%	10.51
31-Mar-23	USD	+5%	(11.09)
	USD	-5%	11.09
	EURO	+5%	(5.60)
	EURO	-5%	5.60
	CHF	+5%	(5.62)
	CHF	-5%	5.62

Hind Rectifiers Limited
2. The impact on the Company's cash flow due to changes in the fair value of Other Payables

(₹ In lakhs)

	Currency	Change in rate	Effect on cash flow
31-Mar-24	USD	+5%	—
	USD	-5%	—
	EURO	+5%	—
	EURO	-5%	—
	CHF	+5%	—
	CHF	-5%	—
31-Mar-23	USD	+5%	—
	USD	-5%	—
	EURO	+5%	—
	EURO	-5%	—
	CHF	+5%	—
	CHF	-5%	—

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) Commodity Price Risk

- 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 is ₹ 7381.18 Lakhs
 - Exposure of the company to various commodities:

Commodity Name	Exposure towards the particular commodity (₹ In lakhs)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		TOTAL
			OTC	Exchange	OTC	Exchange	
1. Copper	6,007.89	787.44 MT					
2. Aluminium	1,373.29	294.93 MT					
TOTAL	7,381.18	1,082.37 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 taken loans from banks which are linked to MCLR rate of the bank, which are variable.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on

floating rate borrowings, as follows:

Particulars	Currency	Increase / Decrease in basis Points	Effect on profit before tax (₹ In lakhs)
31-Mar-24	INR	+50	(55.19)
	INR	-50	55.19
31-Mar-23	INR	+50	(34.12)
	INR	-50	34.12

(iv) Equity Price Risk

The Company is not exposed to equity price risks arising from equity investments since the Company does not have any equity investments.

C. LIQUIDITY RISK

(i) Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ In lakhs)

As at 31 March 2024	On demand	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years & above	Total
Non Derivative financial instruments						
Long term borrowings	–	–	2,135.26	199.61	–	2,334.87
Short term borrowings						
Cash Credit Facilities	–	9,582.31	–	–	–	9,582.31
Current maturities of long-term debt	–	975.99	–	–	–	975.99
Lease liabilities	–	120.36	495.08	–	–	615.44
Trade payables						
Trade payables - Micro and small enterprises	–	125.21	–	–	–	125.21
Trade payables - other than micro and small Ent	–	4,603.15	–	–	–	4,603.15
Other financial liabilities						
Deposits from dealers and agents	–	–	–	–	9.50	9.50
Interest accrued on borrowings	–	12.89	–	–	–	12.89
Unclaimed / Unpaid dividends	–	27.18	–	–	–	27.18
Creditors for Capital Supplies / Services	–	66.34	–	–	–	66.34
Provision for Bonus	–	60.33	–	–	–	60.33
Salary & Other Accrued Expenses	–	543.63	–	–	–	543.63
Total	–	16,117.39	2,630.34	199.61	9.50	18,956.84

Hind Rectifiers Limited

(₹ In lakhs)

As at 31 March 2023	On demand	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years & above	Total
Non Derivative financial instruments						
Long term borrowings	–	–	1,401.54	883.38	148.46	2,433.38
Short term borrowings						
Cash Credit Facilities	–	7,053.99	–	–	–	7,053.99
Current maturities of long-term debt	–	971.98	–	–	–	971.98
Lease liabilities	–	15.82	–	–	–	15.82
Trade payables						
Trade payables - Micro and small enterprises	–	196.71	–	–	–	196.71
Trade payables - other than micro and small Ent	–	5,114.96	–	–	–	5,114.96
Other financial liabilities						
Deposits from dealers and agents	–	–	–	–	20.25	20.25
Interest accrued on borrowings	–	8.27	–	–	–	8.27
Unclaimed / Unpaid dividends	–	27.67	–	–	–	27.67
Creditors for Capital Supplies / Services	–	154.14	–	–	–	154.14
Provision for Bonus	–	65.74	–	–	–	65.74
Salary & Other Accrued Expenses	–	369.36	–	–	–	369.36
Total	–	13,978.63	1,401.54	883.38	168.71	16,432.26

(iii) Financing arrangements

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

(₹ In lakhs)

Particulars	31 March 2024	31 March 2023
Cash Credit and overdraft Facilities	972.69	1,996.01
Total	972.69	1,996.01

(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.

(₹ In lakhs)

As at 31 March 2024	On demand	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years & above	Total
Non Derivative financial instruments						
Investments	–	–	–	–	12.75	12.75
Trade Receivables	–	8,915.81	–	–	–	8,915.81
Cash and Cash Equivalents	–	32.70	–	–	–	32.70
Other Bank Balances	–	122.55	–	–	–	122.55
Loans	–	3.19	0.24	–	–	3.43
Other financial Assets						
Security Deposits	–	–	–	–	76.86	76.86
Bank deposits	–	–	600.00	–	–	600.00
Retention Money	–	326.49	10.48	–	–	336.97
Earnest Money Deposits	–	251.19	40.39	–	–	291.58
Amount receivable agst sale of assets	–	42.60	–	–	–	42.60
Interest Income accrued	–	10.84	–	–	–	10.84
Provision for doubtful amounts	–	(19.01)	–	–	–	(19.01)
Total	–	9,686.36	651.11	–	89.61	10,427.08

(₹ In lakhs)

As at 31 March 2023	On demand	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years & above	Total
Non Derivative financial instruments						
Investments	–	–	–	–	12.75	12.75
Trade Receivables	–	6,756.11	–	–	–	6,756.11
Cash and Cash Equivalents	–	12.56	–	–	–	12.56
Other Bank Balances	–	126.61	–	–	–	126.61
Loans	–	1.03	0.12	–	–	1.15
Other financial Assets						
Security Deposits	–	–	–	–	74.93	74.93
Retention Money	–	333.14	22.37	–	–	355.51
Earnest Money Deposits	–	346.53	14.86	–	–	361.39
Interest Income accrued	–	12.56	–	–	–	12.56
Provision for doubtful amounts	–	(16.40)	–	–	–	(16.40)
Total	–	7,572.14	37.35	–	87.68	7,697.17

Hind Rectifiers Limited
Note 68 - 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 2024 and 31st March 2023 is as follows: (₹ In lakhs)

Particulars	31st Mar 2024	31st Mar 2023
Total Debt (including lease liabilities)	13,508.61	10,475.17
Less: cash and cash equivalents	32.70	12.56
Adjusted net debt	13,475.91	10,462.61
Total equity	12,452.95	11,171.44
Adjusted net debt to adjusted equity ratio	1.08	0.94

Note 69

Voluntary Retirement /Compensation Scheme for Employees at Bhandup Mumbai Plant was introduced for period from 22nd December 2023 to 5th January 2024 under which scheme, 75 employees opted for the same. Total Compensation of ₹ 699.22 lakhs paid to them is shown as an Exceptional Item for the year ended 31st March, 2024.

Note 70

During the previous financial year 2022-2023, the shareholders approved the resolution on January 1, 2023 for issuing 13,50,000 sweat equity shares to Mr. Suramya Nevatia, Managing Director & CEO. Out of it, 5,50,000 equity shares were allotted during the previous financial year 2022-2023. The validity of this shareholders resolution under Regulation 32(4) of SEBI SBEB Regulations 2021 was twelve months from the date of passing the said resolution. No shares were allotted during the current financial year 2023-24 so remaining 8,00,000 sweat equity shares were lapsed on December 31, 2023.

Note 71

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

Note 72

The Financial Statements were authorised for issue by the directors on 28th May 2024.

As per our report attached
For **GMJ & Co**
Chartered Accountant
(Registration No. 103429W)

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors
PRADEEP GOYAL Chairman (DIN : 00008370)
SURAMYA NEVATIA Managing Director & CEO (DIN : 06703910)
A. K. NEMANI Chief Financial Officer
ANIL MEHTA Joint Chief Financial Officer
MEENAKSHI ANCHLIA Company Secretary

Place : Mumbai
Date : May 28, 2024



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