



HIND RECTIFIERS LIMITED

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Ref. No. HIRECT/SEC/2019-20/32

13th July, 2019

Corporate Relations Department
BSE Ltd.
1st Floor, New Trading Ring
Rotunda Building,
Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Corporate Listing Department
The National Stock Exchange of India
Ltd.
"Exchange Plaza" 5th Floor, C-1, Block 'G'
Bandra Kurla Complex
Bandra (East) Mumbai 400 051

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

Sub: Annual Report for the financial year 2018-19 and Notice convening the 61st Annual General Meeting

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 2018-19 along with the Notice convening the 61st Annual General Meeting scheduled to be held on Thursday, 8th August, 2019 at 2:00 pm at Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400 020 Maharashtra.

We request you take the above information on record.

Thanking you,

Yours Faithfully,

For Hind Rectifiers Limited
Meenakshi Anchlia
MeenakshiAnchlia
(Compliance Officer)



Encl: as above



Hind Rectifiers Limited

PERFECTLY ENGINEERED POWER CONVERSION SYSTEMS

**ANNUAL
REPORT
2018 - 2019**

hirect.com



Hind Rectifiers Limited

61st Annual Report 2018-2019
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Board of Directors

S. K. Nevatia
Chairman & Managing Director

Akshada Nevatia
Executive Director

Pawan Kumar Golyan

V. K. Bhartia

Binod Kumar Patodia

Pradeep V. Goyal

Parimal Merchant

Vandan Shah

Key Managerial Personnel

S. K. Nevatia
Chairman & Managing Director

Suramya Nevatia
Chief Executive Officer
(Appointed as KMP w.e.f. 1st June, 2018)

A. K. Nemani
Chief Financial Officer

Meenakshi Anchlia
Company Secretary & Compliance Officer

Bankers

ICICI Bank Ltd.

Union Bank of India

TJSB Sahakari Bank Ltd.

Apna Sahakari Bank Ltd.

Statutory Auditors

M/s Ravi A. Shah & Associates
Chartered Accountants

Secretarial Auditors

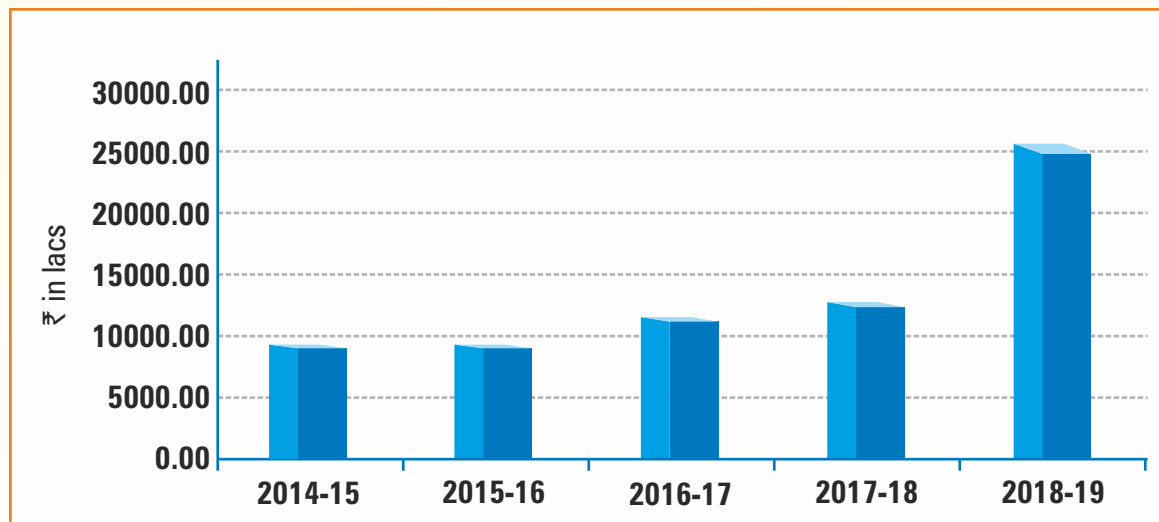
M/s GMJ & Associates
Company Secretaries

Registrar And Transfer Agent

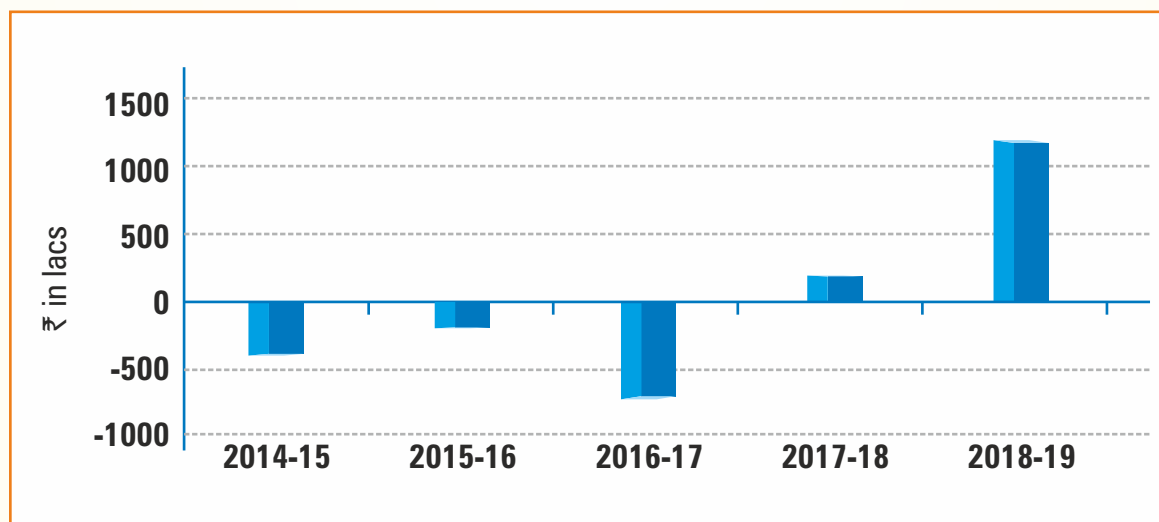
M/s Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai 400059.

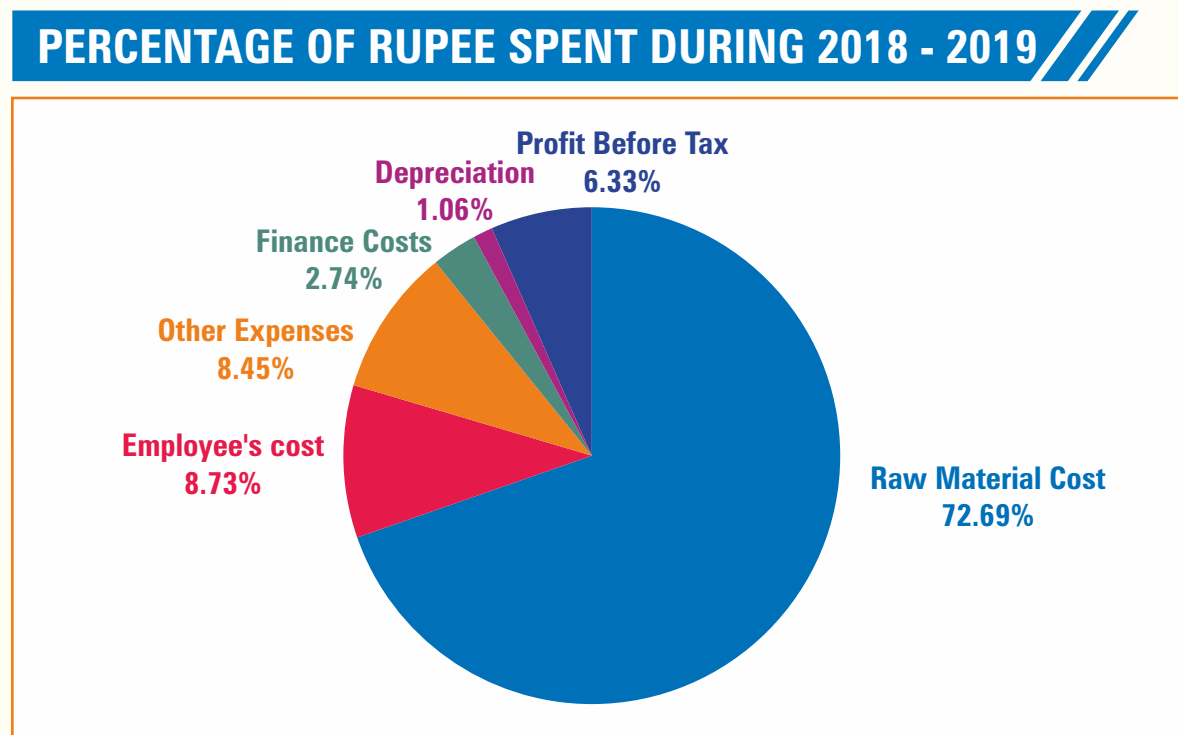
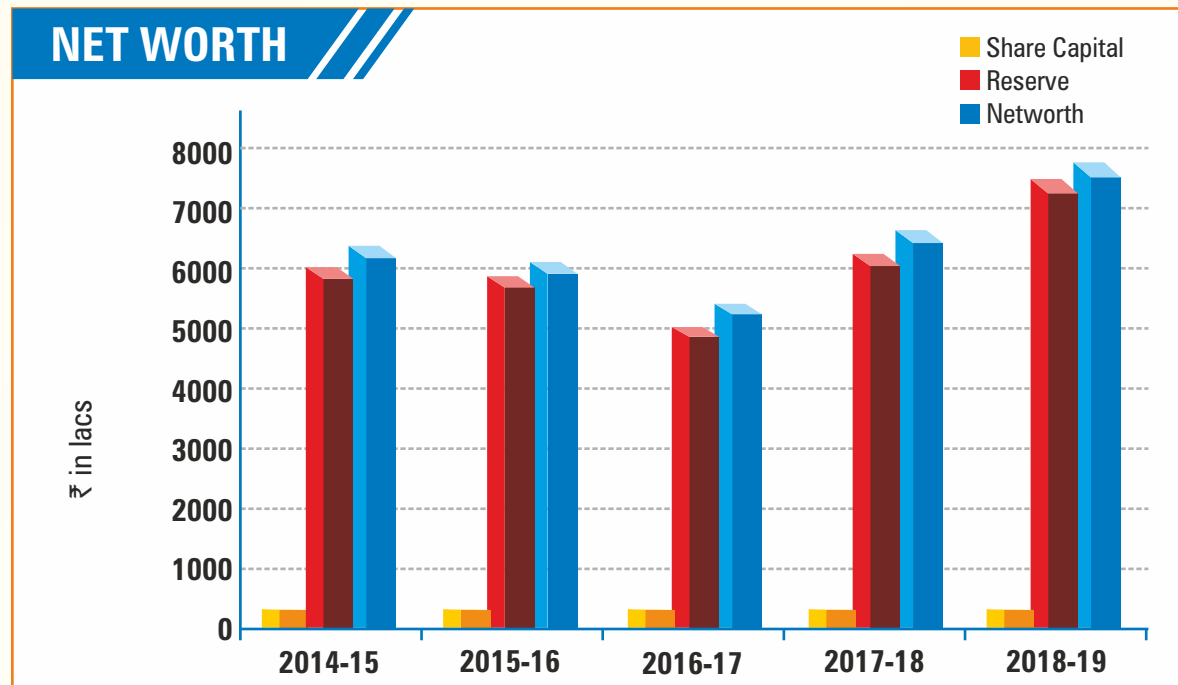


SALES



NET PROFIT AFTER TAX







IGBT Based Converter





HIGHLIGHTS

		2018-19	2017-18	2016-17	2015-16	2014-15	
INCOME :							
1	Net Operational Income	(₹ in lacs)	25514.29	12,569.20	11,148.49	9,393.59	9,396.82
2	Profit before Finance Cost, Depreciation & Tax	(₹ in lacs)	2591.96	962.23	517.34	266.63	(209.97)
3	Finance Cost	(₹ in lacs)	700.24	529.74	516.14	327.47	234.91
4	Depreciation	(₹ in lacs)	271.86	230.73	199.75	157.53	146.98
5	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lacs)	1619.86	201.76	(198.55)	(218.37)	(591.86)
6	Exceptional Items	(₹ in lacs)	45.05	-	(779.33)	-	-
7	Profit after Tax	(₹ in lacs)	1664.91	131.45	(712.20)	(150.98)	(357.26)
EQUITY SHARE DATA :							
8	Sales & other Income per equity Share	(₹)	154	76	74	63	63
9	Earnings per equity share	(₹)	7.12	0.79	(4.63)	(1.00)	(2.37)
10	Book value of equity share	(₹)	47.17	40.02	35.33	41.07	42.07
11	Networth	(₹ in lacs)	7813.53	6628.85	5,320.68	6,183.79	6,334.77
12	Market Price :						
	a) High	(₹)	165.00	164.00	114.30	100.00	104.80
	b) Low	(₹)	95.90	75.19	61.00	52.55	33.65
13	Dividend	(%)	20	-	-	-	-
RATIO :							
14	PBT / Net Operational Income	(%)	6.35	1.61	(1.78)	(2.32)	(6.30)
15	Profit after Tax / Networth	(%)	21.31	1.98	(12.81)	(2.44)	(5.64)
16	Total Liabilities / Total Assets	Times	0.58	0.57	0.53	0.50	0.45
17	Total Debt / Equity	Times	0.81	0.77	0.77	0.51	0.41
18	Total Outside Liability / Total network	Times	1.32	1.26	1.08	0.97	0.81
19	Current Ratio	Times	1.49	1.39	1.40	1.69	1.69
20	PBDIT / Finance Costs	Times	3.70	1.82	1.00	0.81	(0.89)



CHAIRMAN'S STATEMENT

Dear Shareholders,

I'm very happy to inform you that we have registered our all time sales record this past year, where your Company has grown by an unprecedented 100%.

Apart from that we have also clocked our all time order book high at ₹ 300 crores.

This year we will continue to emphasize on R&D and Technology development as we take on even more complex and challenging assignments.

I want to thank you for believing in Hind Rectifiers Ltd. and for standing alongside with the Company during the difficult times.

We have now switched gears to high speed acceleration and we will continue to build on this velocity as we keep serving our customers with Perfectly Engineered Power Conversion Systems.

Best Wishes.

S. K. Nevatia
Chairman & Managing Director



DIRECTORS' REPORT

Dear Members,
Your Directors present the 61st Annual Report together with the Audited Financial Statements for the year ended March 31, 2019.

(₹ in lacs)

FINANCIAL RESULTS	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operation	25514.29	12569.20
Other Income	61.55	42.88
Revenue excluding Excise duty	25575.84	12612.08
Excise Duty	-	136.31
Revenue including Excise duty	25575.84	12748.39
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	2591.96	962.23
Less: Finance Cost	700.24	529.74
Profit/Loss before Depreciation and Tax	1891.72	432.49
Less : Depreciation	271.86	230.73
Profit/(Loss) before Exceptional Item	1619.86	201.76
Exceptional item	45.05	-
Profit/(Loss) before Tax	1664.91	201.76
Less : Provision for Taxation -Deferred	485.83	70.31
Profit/(Loss) after taxes	1179.08	131.45
Other Comprehensive Income (Net of Tax)	5.60	8.47
Total Comprehensive Income for the year	1184.68	139.92

OPERATIONS

Turnover of the Company during the year 2018-19 was ₹ 25514.29 lacs as compared to ₹ 12569.20 lacs in the year 2017-18. Profit before interest, depreciation and tax was ₹ 2591.96 lacs compared to ₹ 962.23 lacs.

Company continues to focus on development of new products for Railways and also for other applications. Expansion plan undertaken at Nashik in the year 2017-18 for manufacture of Railway as well non Railway products has helped the Company for substantial improvement in the performance of the Company during the year. Company is planning further expansion of its product range, this will help for further improving the performance.

After expansion at Nashik Plant, sufficient capacity was available with the various plants of the Company; accordingly, the Company sold Unit II of Dehradun in the month of November, 2018. This has helped the further streamlining the operations.

Demand from Railways continues to be good and Company has healthy order bookings for the financial year 2019-20.

DIVIDEND AND RESERVES

The Board of Directors of your Company is pleased to recommend a dividend of ₹ 0.40 per equity share of the face value of ₹ 2/- each (@ 20%), payable to those shareholders whose names appear in the Register of Members as on the Book Closures. An amount of ₹ 11.58 lacs would be paid as dividend distribution tax on the dividend. The Board of Directors of Company has decided to withdraw ₹ 90 lacs from the reserves.

**Hind Rectifiers Limited**

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2019 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2019. The Notes to the financial statements adequately cover the Audited Statements and form an integral part of this Report.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was ₹ 3,31,27,446. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

EMPLOYEES' STOCK OPTION SCHEMES

The Company's Employees Stock Option Scheme viz. 'HIRECT Employees Stock Option Plan - 2018' has been passed in 60th Annual General Meeting for 250000 equity shares options. The Nomination and Remuneration Committee of the Board of Directors of the Company, *inter alia*, administers and monitors the Employees' Stock Option Plan of the Company. The Company has not yet approached to the Stock Exchanges to obtain the scheme approval. Therefore, the Company has not made any grant under the scheme during the Financial Year 2018-19 and disclosure is not given in the report.

There is no change in the scheme and the scheme is in the compliance with the SEBI (Share Based Employee Benefits) Regulation, 2014. The detail under the SEBI (Share Based Employee Benefits) Regulation, 2014 is available on the Company's website at www.hirect.com.

DEPOSITS

During the year, the Company has not accepted any deposits from the public and there are no amounts outstanding as on the date of the Balance Sheet.

The Company has received a show cause notice under Section 74 of the Companies Act, 2013 in October, 2018 for contravention of Deposit provisions. The Company had accepted deposits in 2013-14. As per section 74 of the Companies Act, 2013, The deposits outstanding as on 31st March, 2014 was supposed to be repaid on or before 31st March, 2015. The Company was having some deposits outstanding as on 31st March 2014, which was not repaid up to 31st March 2015, however deposits outstanding as on 31st March 2015 was repaid before maturity date (along with interest) during the Financial year 2015-16 & last deposit along with interest was paid on 13th February, 2016. The said section was amended on 15th August, 2018, and as per amendment, deposits accepted before the commencement of this act can be repaid within three years from commencement of the Companies Act, 2013 or before expiry of the period for which the deposits were accepted, whichever is earlier. Same has replied to Ministry of Corporate Affairs.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Akshada Nevatia, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have 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.

Further, the term of Mrs. Akshada Nevatia as Executive Director is upto 14th January, 2020. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has re-appointed Mrs. Akshada Nevatia as Whole-time Director designated as Executive Director of the Company for a period of three years with effect from 15th January, 2020 to 14th January, 2023, subject to the approval of members in forthcoming Annual General Meeting. The Company has received requisite notice in writing under section 160 of the Companies Act, 2013. Accordingly, the Board recommends the resolution in relation to re-appointment of Mrs. Akshada Nevatia as Whole-time Director designated as "Executive Director" for the approval by the members of the Company.



Brief profile of Mrs. Akshada Nevatia has been given in the Notice convening the Annual General Meeting.

The members of the Company at its 60th Annual General Meeting held on 13th August, 2018 have approved the re-appointment of Mr. V. K. Bhartia, Mr. Parimal Merchant, Mr. Pradeep Goyal and Mr. B. K. Patodia as Independent Directors of the Company, for a second term of 5 (five) consecutive years. Based on the Performance Evaluation of the Independent Directors, conducted by the entire Board (excluding Director being evaluated) on various parameters such as performance, leadership, ethics and integrity, Board engagement and time commitment, ability to take balanced decisions regarding stakeholders, background and experience and contributions made by them during their tenure, etc., it has recommended to re-appoint Mr. V. K. Bhartia, Mr. Parimal Merchant, Mr. Pradeep Goyal and Mr. B. K. Patodia as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

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

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

All Independent Directors have given declarations that they meet the criteria of independence as laid down under the Companies Act, 2013 and the Listing Regulations. All the Independence Directors have complied with the code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. Further, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in the Companies Act, 2013 and the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

The familiarization program and other related information are detailed in the Corporate Governance Report, which forms part of this Report.

KEY MANAGERIAL PERSONNEL

In terms of provisions of Section 203 of the Companies Act, 2013 Mr. S.K. Nevatia, Chairman and Managing Director, Mr. Suramya Nevatia, Chief Executive Officer, Mr. A.K. Nemani, Chief Financial Officer and Ms. Meenakshi Anchlia, Whole Time Company Secretary are the Key Managerial Personnel of the Company.

Mr. Suramya Nevatia, CEO has been appointed as Key Managerial Personnel w.e.f. 1st June, 2018. by the Board of Directors.

BOARD MEETINGS

Four meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

The details of the Committees along with their composition, number of meetings, attendance at the meetings and other related information are provided in the Corporate Governance Report. The Board has accepted all the recommendations of all the committees.

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India to conduct the meetings.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March 2019, the applicable accounting standards have

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been followed along with proper explanation relating to material departures, if any.

- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c) They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared annual accounts on a going concern basis.
- e) They have laid down internal financial controls which are adequate and are operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the chairperson, the Directors individually as well as the evaluation of the working of Committees of the Board. The Board of Directors expressed their satisfaction with the evaluation process. The evaluation process *inter alia* considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se Board members, effective participation, domain knowledge, compliance with code of conduct, vision, etc. The Independent Directors met separately on 13th August, 2018 and 12th February, 2019 to discuss and following:

- (i) review the performance of Non-Independent Directors and the Board as a whole;
- (ii) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (iii) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors present at the Meeting discussed the above and expressed their satisfaction with evaluation process and performance except attendance matter. The related information is detailed in the Corporate Governance Report, which forms part of this report.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Companies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2018-19, the Company has not given any loans, guarantees, made investments and provided securities as per the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with Related Parties were on an arm's length basis and in the ordinary course of business. Thus, disclosure in Form AOC-2 in terms of Section 134 and 188 of the Companies Act, 2013 for material related party transaction is annexed as Annexure E and forms an integral part of this report. All related party transactions are mentioned in the Notes to the Financial Statements.

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



review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company viz. www.hirect.com. The said policy has been amended in the line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. In line with these objectives the Company has adopted a whistleblower mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy was revised and amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 enabling employees to report instances of leak of or suspected leak of Unpublished Price Sensitive Information (UPSI).

During the year under review, no complaint was received by Company. The 'Vigil Mechanism/Whistle Blower Policy' is available on the website of the Company viz. www.hirect.com.

BOARD DIVERSITY

Board diversity is the breadth of prospective, not the mere of various diverse traits that will benefit the organization. The Company believes that diverse Board will enhance the quality of decision made by the Board by utilizing the different thoughts, perspective, skills, qualifications, experience, knowledge, region and industry experience, cultural and geographical background, age, ethnicity, race and gender etc. of the Board members necessary for achieving sustainable and balance development. The Board Diversity Policy adopted by the company sets out its approach to diversity. The Board Diversity Policy is uploaded on the website of the Company viz. www.hirect.com.

NOMINATION AND REMUNERATION POLICY

The Company has appropriate mix of executive, non-executive Directors to maintain the independence of the Board. The policy of the Company on Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company viz. www.hirect.com. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

CORPORATE SOCIAL RESPONSIBILITY

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

In this connection, we wish to inform you that as on last audited balance sheet dated 31st March, 2018 neither the net worth exceeds Rs. 500 crore nor turnover exceeds Rs. 1000 crore nor net profit exceeding Rs. 5 crore. Hence the provisions of Companies Act 2013 regarding CSR would not be applicable. Thus, report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required.

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

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. V. K. Bhartia, Mr. Pradeep Goyal and Mr. Parimal Merchant. During the year all the recommendations made by the Audit Committee were accepted by the Board. Other details of the Audit Committee are given in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing



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Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

STATUTORY AUDITOR AND BRANCH AUDITORS

M/s. Ravi A. Shah & Associates, Chartered Accountants, Firm Registration No. 125079W (Statutory Auditor) and M/s Ratan Chandak & Co., Chartered Accountants, Firm Registration No. 108696W (Branch Auditor of Nashik Plant) were appointed for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 8, 2017 and M/s Gada Chheda & Co., Chartered Accountants, Firm Registration No. W100059 (Branch Auditor of Dehradun Plant) was appointed for a term of 5 (five) consecutive years, at the Annual General Meeting held on August 13, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Auditors.

The requirement for the annual ratification of Auditors appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 7th May, 2018. During the year, the statutory auditor and branch auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013 and Code of Ethics issued by Institute of Chartered Accountants of India.

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

COST AUDITOR

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been maintaining cost records and carrying out audit of the same.

The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s N. Ritesh & Associates, Cost Accountants, (Firm Registration Number R100675) as Cost Auditor to audit the cost accounts of the Company for the financial year 2019-20. The Company had received his written consent that the appointment will be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

The remuneration of Cost Auditor has been approved by the Board of Directors on recommendation of the Audit Committee and in terms of the Companies Act, 2013 and Rules thereunder requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 61th Annual General Meeting of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors on the recommendation of Audit Committee has re-appointed M/s GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Company had received their written consent that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Audit Report is annexed as Annexure B (i) and forms an integral part of this report. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark or disclaimer.

In addition to Secretarial Audit Report, the SEBI has introduced Annual Secretarial Compliance Report for listed Companies. The said report is issued by the M/s GMJ & Associates, a firm of Company Secretaries in Practice. The Annual Secretarial Compliance Report is annexed as Annexure B (ii) and forms an integral part of this report. The Annual Secretarial Compliance Report does not contain any qualifications, reservation or adverse remark or disclaimer.

SETTLEMENT UNDER SEBI REGULATIONS

Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Mr. Saurabh Nevatia, Chief Executive Officer and Promoter Group entity defaulted in making prior intimation to the stock exchanges about the acquisition of shares. It was delayed by four days. Further, he as an acquirer suo motu applied for



settlement under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and opted for the summary settlement route and paid the settlement amount.

SECRETARIAL STANDARDS

The company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND ITS ADEQUACY

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording transactions. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and Audit Committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

RISK MANAGEMENT

The Company has in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The policy provides for a robust risk management framework to identify and assess risks such as operational, strategic, financial, regulatory, human resource and other risks and put in place an adequate risk management infrastructure capable of addressing these risks.

CREDIT RATING

The particulars of Credit Rating are detailed in the Corporate Governance Report, which forms part of this Report.

CODE OF CONDUCT

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

LISTING

The Company has listed its shares on BSE Limited and National Stock Exchange of India Limited. The Company is regular in payment of Listing Fees.

DEPOSITORY SERVICES

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). The Company has been allotted ISIN No. INE835D01023.

The shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

PARTICULARS OF EMPLOYEES

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

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of the report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said annexure is a relative of any

**Hind Rectifiers Limited**

director of the Company except Mr. S.K. Nevatia, Mr. Saurabh Nevatia, Mrs. Akshada Nevatia and Mr. Suramya Nevatia. Only Mr. S. K. Nevatia was in receipt of remuneration in excess of one crore and two lacs rupees.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy aims to provide protection to woman at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where woman feel secure.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed of during the year.

- (a) Number of complaints pending at the beginning of the year - NIL
- (b) Number of complaints received during the year - NIL
- (c) Number of complaints disposed off during the year - NIL
- (d) Number of cases pending at the end of the year - NIL

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as Annexure 'A' which forms an integral part of this Report and is also available on the Company's website viz. www.hirect.com

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demate account created by the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends of ₹ 3,12,795. Further, 20957 equity shares on which dividends were unclaimed for seven consecutive years has transferred to the IEPF as per the requirements of the IEPF Rules and details of which are provided on the Company's website viz. www.hirect.com.

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

The information pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure D and forms an integral part of this Report.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned and compliances of environmental regulations.

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

ACKNOWLEDGMENT

The Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every



employee, without whose whole-hearted efforts, the overall performance would not have been possible. Your Directors look forward to the long term future with confidence.

For and on behalf of the Board of Directors

Place : Mumbai.
Date : 18th May, 2019

S. K. Nevatia
Chairman and Managing Director

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

As on the financial year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i) CIN	L28900MH1958PLC011077
ii) Registration Date	25.04.1958
iii) Name of the Company	HIND RECTIFIERS LIMITED
iv) Category/Sub-Category of the Company	Company Limited by Shares
v) Address of the Registered office and contact details	Lake Road, Bhandup (West), Mumbai-400078 Maharashtra Tel: +91 22 25696789 Fax: +91 22 25964114
vi) Whether Listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Adroit Corporate Services Private Limited 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai 400059 Maharashtra Tel: +91 22 42270400 Fax: +91 22 28503748

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main product / service	NIC Code of the product / service	% to total turnover of the Company
1	Manufacture of other electrical equipment	2790	32.54
2	Manufacture of electrical motors, generators, transformers, and electricity distribution and control apparatus	2710	55.85

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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


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

(i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A) Promoter and Promoter Group										
A1 Indian										
(a)	Individuals /HUF	6962124	0	6962124	42.03	6990624	0	6990624	42.20	0.17
(b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total A1	6962124	0	6962124	42.03	6990624	0	6990624	42.20	0.17
A2 Foreign										
(a)	Individuals (NRI/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	00.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	00.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	00.00
(d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	00.00
(e)	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	00.00
	Sub Total A2	0	0	0	0.00	0	0	0	0.00	00.00
	Total shareholding of Promoter and Promoter Group (A)=A1+A2	6962124	0	6962124	42.03	6990624	0	6990624	42.20	0.17
(B) Public Shareholding										
B1 Institutions										
(a)	Mutual Funds/UTI	0	750	750	0.01	0	750	750	0.01	0.00
(b)	Banks/Financial Institutions	750	1500	2250	0.01	750	1500	2250	0.01	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00



Hind Rectifiers Limited

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(h)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total B1	750	2250	3000	0.02	750	2250	3000	0.02	0.00
	B2 Non-Institutions									
(a)	Bodies Corporate									
i	Indian	596837	500	597337	3.61	405306	0	405306	2.45	(1.16)
ii	Overseas	0	2400000	2400000	14.49	0	2400000	2400000	14.49	0
(b)	Individuals									
i	Individuals-Hold nominal share capital upto ₹ 1 lakh	3505133	420343	3925476	23.70	3700856	354749	4055605	24.48	0.78
ii	Individuals-Hold nominal share capital in excess of ₹ 1 lakh	1812983	450000	2262983	13.66	2020249	300000	2320249	14.01	0.35
(c)	Any Other (specify)									
i	Non Resident Indians (Individuals)	139076	1500	140576	0.85	130299	1500	131799	0.80	(0.05)
ii	Clearing Member	48458	0	48458	0.29	13397	0	13397	0.08	(0.21)
iii	Investor Education and Protection Fund	146111	0	146111	0.88	167068	0	167068	1.01	0.13
iv	Director(s)	1980	0	1980	0.01	1980	0	1980	0.01	0.00
v	Director(s) Relatives	75678	0	75678	0.46	74695	0	74695	0.45	(0.01)
	Sub Total B2	6326256	3272343	9598599	57.95	6513850	3056249	9570099	57.78	(0.17)
	Total Public Shareholding (B)= B1+B2	6327006	3274593	9601599	57.97	6514600	3058499	9573099	57.80	(0.17)
	Total(A) + (B)	13289130	3274593	16563723	100.00	13505224	3058499	16563723	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A) + (B) + (C)	13289130	3274593	16563723	100.00	13505224	3058499	16563723	100.00	0.00



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / encumbered to total shares	
1	Sushil Kumar Nevatia HUF	40000	0.24	0.00	0	0	0.00	(0.24)
2	Bharti Nevatia	271100	1.64	0.00	271100	1.64	0.00	0.00
3	Suramya Saurabh Nevatia	2006536	12.11	0.00	2016536	12.17	0.00	0.06
4	Surabhi Golyan	250000	1.51	0.00	250000	1.51	0.00	0.00
5	Saurabh Nevatia HUF	11500	0.07	0.00	11500	0.07	0.00	0.00
6	Suryansh Saurabh Nevatia	472000	2.85	0.00	472000	2.85	0.00	0.00
7	Shriya Nevatia	355200	2.14	0.00	355200	2.14	0.00	0.00
8	Saurabh Nevatia	1398800	8.44	0.00	3449938	20.83	0.00	12.39
9	Sushil Kumar Nevatia	2151138	12.99	0.00	158500	0.95	0.00	(12.04)
10	Akshada Nevatia	5850	0.04	0.00	5850	0.04	0.00	0.00
	Total	6962124	42.03	0.00	6990624	42.20	0.00	0.17

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

Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	Sushil Kumar Nevatia	01/04/2018	2151138	12.99	2151138	12.99
	Date wise increase/ decrease in Promoter Shareholding during the year		21/06/2018	(2051138)*	(12.38)	100000	0.61
			16/11/2018	500	0.00	100500	0.61
	At the end of the year		08/01/2019	40000*	0.24	140500	0.85
			01/03/2019	15000	0.09	155500	0.94
			08/03/2019	3000	0.01	158500	0.95
			31/03/2019	158500	0.95	158500	0.95
2	At the beginning of the year	Saurabh Nevatia	01/04/2018	1398800	8.44	1398800	8.44
	Date wise increase/ decrease in Promoter Shareholding during the year		21/06/2018	2051138*	12.39	3449938	20.83
	At the end of the year		31/03/2019	3449938	20.83	3449938	20.83
3	At the beginning of the year	Saurabh Nevatia HUF	01/04/2018	11500	0.07	11500	0.07
	Date wise increase/ decrease in Promoter Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2019	11500	0.07	11500	0.07
4	At the beginning of the year	Sushil Kumar Nevatia HUF	01/04/2018	40000	0.24	40000	0.24
	Date wise increase/ decrease in Promoter Shareholding during the year		08/01/2019	(40000)*	(0.24)	0	0.00
	At the end of the year		31/03/2019	0	0.00	0	0.00



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Sr. No.	Particulars	Name of Promoter	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	At the beginning of the year	Bharti Nevatia	01/04/2018	271100	1.64	271100	1.64
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2019	271100	1.64	271100	1.64
6	At the beginning of the year	Suryansh	01/04/2018	472000	2.85	472000	2.85
	Date wise increase/ decrease in Promoter Shareholding during the year	Saurabh Nevatia		Nil movement during the year.			
	At the end of the year		31/03/2019	472000	2.85	472000	2.85
7	At the beginning of the year	Shriya Nevatia	01/04/2018	355200	2.14	355200	2.14
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2019	355200	2.14	355200	2.14
8	At the beginning of the year	Suramya	01/04/2018	2006536	12.11	2006536	12.11
	Date wise increase/ decrease in Promoter Shareholding during the year	Saurabh Nevatia	14/12/2018	7063	0.04	2013599	12.15
			21/12/2018	360	0.00	2013959	12.15
			18/01/2019	2577	0.02	2016536	12.17
	At the end of the year		31/03/2019	2016536	12.17	2016536	12.17
9	At the beginning of the year	Surabhi Golyan	01/04/2018	250000	1.51	250000	1.51
	Date wise increase/ decrease in Promoter Shareholding during the year			Nil movement during the year.			
	At the end of the year		31/03/2019	250000	1.51	250000	1.51
10	At the beginning of the year	Akshada	01/04/2018	5850	0.04	5850	0.04
	Date wise increase/ decrease in Promoter Shareholding during the year	Suramya Nevatia		Nil movement during the year.			
	At the end of the year		31/03/2019	5850	0.04	5850	0.04

* Inter se transfer between Promoter and Promoter Group entity.

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

Sr. No.	For Each of the Top 10 Shareholders	Name of Shareholder	As on Date	No. of Shares held At the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	BTR Industries	01/04/2018	2400000	14.49	2400000	14.49
	Date wise increase/ decrease in Shareholding during the year	Limited		Nil movement during the year.			
	At the end of the year		31/03/2019	2400000	14.49	2400000	14.49



Sr. No.	For Each of the Top 10 Shareholders	Name of Shareholder	As on Date	No. of Shares held at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	At the beginning of the year	Rahul Kumar	01/04/2018	392700	2.37	392700	2.37
	Date wise increase/ decrease in Shareholding during the year	Bajaj	Nil movement during the year.				
	At the end of the year		31/03/2019	392700	2.37	392700	2.37
3	At the beginning of the year	Niraj Bajaj	01/04/2018	300000	1.81	300000	1.81
	Date wise increase/ decrease in Shareholding during the year	(Trustee)	Nil movement during the year.				
	At the end of the year		31/03/2019	300000	1.81	300000	1.81
4	At the beginning of the year	Veena K	01/04/2018	270317	1.63	270317	1.63
	Date wise increase/ decrease in Shareholding during the year	Jagwani	17/08/2018	10000	0.06	280317	1.69
			24/08/2018	1300	0.01	281617	1.70
			23/11/2018	100	0.00	281717	1.70
	At the end of the year		31/03/2019	281717	1.70	281717	1.70
5	At the beginning of the year	D. K. Maloo	01/04/2018	150000	0.91	150000	0.91
	Date wise increase/ decrease in Shareholding during the year	(Trustee)	Nil movement during the year.				
	At the end of the year		31/03/2019	150000	0.91	150000	0.91
6	At the beginning of the year	Contemporary	01/04/2018	164260	0.99	164260	0.99
	Date wise increase/ decrease in Shareholding during the year	Industries Limited	29/03/2019	-120	0.00	164140	0.99
	At the end of the year		31/03/2019	164140	0.99	164140	0.99
7	At the beginning of the year	Bhavna	01/04/2018	132500	0.80	132500	0.80
	Date wise increase/ decrease in Shareholding during the year	Govindbhai Desai	Nil movement during the year.				
	At the end of the year		31/03/2019	132500	0.80	132500	0.80
8	At the beginning of the year	Shri Niraj	01/04/2018	179553	1.08	179553	1.08
	Date wise increase/ decrease in Shareholding during the year	Bajaj	Nil movement during the year.				
	At the end of the year		31/03/2019	179553	1.08	179553	1.08
9	At the beginning of the year	Madhur Bajaj	01/04/2018	179553	1.08	179553	1.08
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2019	179553	1.08	179553	1.08
10	At the beginning of the year	Kiran Bajaj	01/04/2018	168300	1.02	168300	1.02
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2019	168300	1.02	168300	1.02



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Sr. No.	For Each of the Top 10 Shareholders	Name of Shareholder	As on Date	No. of Shares held At the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11	At the beginning of the year	Darashaw and Company Private Limited	01/04/2018	158916	0.96	158916	0.96
	Date wise increase/ decrease in Shareholding during the year		13/04/2018	(42000)	(0.25)	116916	0.71
			04/01/2019	77550	0.47	194466	1.18
			11/01/2019	(194466)	(1.18)	0	0.00
	At the end of the year		31/03/2019	0	0.00	0	0.00
12	At the beginning of the year	Shekhar Bajaj	01/04/2018	112200	0.68	112200	0.68
	Date wise increase/ decrease in Shareholding during the year		Nil movement during the year.				
	At the end of the year		31/03/2019	112200	0.68	112200	0.68

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of Directors and Key Managerial Personnel	No. of Shares held At the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. S. K. Nevatia				
	At the beginning of the year	2151138	12.99	2151138	12.99
	Sale	2051138*	12.38	100000	0.61
		500	0.00	100500	0.61
	Purchase	40000*	0.24	140500	0.85
		15000	0.09	155500	0.94
		3000	0.01	158500	0.95
	At the end of the year	158500	0.95	158500	0.95
2	Mr. Suramya Nevatia				
	At the beginning of the year	2006536	12.11	2006536	12.11
		7063	0.04	2013599	12.15
	Purchase	360	0.00	2013959	12.15
		2577	0.02	2016536	12.17
	Sale	NIL			
	At the end of the year	2016536	12.17	2016536	12.17
3	Mr. Vandan Shah				
	At the beginning of the year	1980	0.01	1980	0.01
	Purchase	NIL			
	Sale	NIL			
	At the end of the year	1980	0.01	1980	0.01
4	Mrs. Akshada Nevatia				
	At the beginning of the year	5850	0.04	5850	0.04
	Purchase	NIL			
	Sale	NIL			
	At the end of the year	5850	0.04	5850	0.04

Note: * Off market transaction by way of gift

1) Shareholdings of other Directors are Nil.

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

**INDEBTEDNESS**

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

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	5116.63	-	-	5116.63
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	13.90	-	-	13.90
	Total (i+ii+iii)	5130.53	-	-	5130.53
2	Changes in indebtedness during the financial year				
	Addition	1600.55	-	-	1600.55
	Reduction	(340.96)	-	-	(340.96)
	Net Change	1259.59	-	-	1259.59
3	Indebtedness at the end of the financial year				
	i) Principal Amount	6388.50	-	-	6388.50
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	1.62	-	-	1.62
	Total (i+ii+iii)	6390.12	-	-	6390.12

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to MD / WTD / Manager

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		
		Mr. S. K.Nevatia Chairman and Managing Director	Mrs. Akshada Nevatia Executive Director	Total Amount
1	Gross Salary:			
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	139.78	25.95	165.73
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.11	-	1.11
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profits	-	-	-
	- others, specify	-	-	-
5	Others – Provident Fund and Superannuation	2.88	1.44	4.32
	Total	143.77	27.39	171.16
	Ceiling as per Act	The Company is having inadequate profit therefore remuneration of CMD and ED is paid under the provisions of Section 197 and Schedule V of the Companies Act, 2013.		



Hind Rectifiers Limited

B. Remuneration to other Directors

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Mr. V. K. Bhartia	Mr. Binod Kumar Patodia	Mr. Pradeep Goyal	Mr. Parimal Merchant	
	Fees for attending Board / Committee meetings	0.65	0.05	0.42	0.48	1.60
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.65	0.05	0.42	0.48	1.60
2	Other Non-Executive Directors	Mr. Pawan Kumar Golyan	Mr. Vandan Shah			
	Fees for attending Board/ Committee meetings	-	0.30			0.30
	Commission	-	-			-
	Others, please specify	-	-			-
	Total (2)	-	0.30			0.30
	Total Managerial Remuneration (1 + 2)					1.90

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

(₹ in lacs)

Sr. No.	Particulars of Remuneration	Mr. Suramya Nevatia* Chief Executive Officer	Ms. Meenakshi Anchia Company Secretary	Mr. A.K. Nemani Chief Financial Officer	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	19.79	8.16	24.34	53.26
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2.87	0.10	1.05	2.05
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profits	-	-	-	-
	- others, specify	-	-	-	-
5	Others – Provident Fund and Superannuation	1.20	0.14	2.49	3.83
	TOTAL	23.86	8.40	27.88	59.14

* Mr. Suramya Nevatia appointed as KMP w.e.f. 1st June, 2018.



VII PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES

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



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

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
HIND RECTIFIERS LIMITED
Lake Road,
Bhandup West,
Mumbai – 400078.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HIND RECTIFIERS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019, complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by HIND RECTIFIERS LIMITED for the Financial Year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) including the Companies (Amendment) Act, 2017 and the rules made thereunder.
- ii. The Companies Ordinance, 2018 and amendments thereto (to the extent notified).
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iv. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- v. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- vi. 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 (Prohibition of Insider Trading) Regulations, 2015
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit]
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; [Not applicable during the period of audit]



- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the period of audit]
- vi. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

Further, the Company being engaged in developing, designing, manufacturing and marketing of Power Semiconductors, Power Electronic Equipment & Railway Traction Equipment, there are no specific laws applicable to the Company, which require approvals or compliances under any Act or Regulations.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, to the extent applicable.

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

We report during the conduct of the audit, in our opinion, adequate systems exist in the Company to monitor and ensure compliance with general laws like various labour laws, environmental laws etc.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
2. Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.
3. 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.

We further report that during the audit period,

1. The Company has passed a Special Resolution in the Annual General Meeting of the Company dated 13th August, 2018 for the issue of ESOP ('HIRECT Employees Stock Option Plan-2018'), exercisable into not more than 2,50,000 (Two Lacs Fifty Thousands) options, each option giving the right but not the obligation to the holder to subscribe for cash to one fully paid-up Equity Share in the Company, of face value of ₹ 2/- each as per the Plan. Further it was noted that the Company has not yet granted the same as on 31st March, 2019.
2. Pursuant to Regulation 10 (5) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the acquirer (promoter) defaulted in making prior intimation to the stock exchanges about the acquisition/transfer of shares, however intimation was made with a delay of 4 days; further the acquirer suo motu applied for settlement under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and opted for the summary settlement route and paid the settlement amount.
3. The Company has received a Show Cause Notice dated 1st October, 2018 from the Ministry of Corporate Affairs for contravention under Section 74(3) of the Act and to repay all the outstanding deposits accepted by the Company under the Companies Act, 1956. The company has replied to the Ministry of Corporate Affairs vide letter dated 15th October, 2018 mentioning that the outstanding deposits of ₹ 18,70,000/- as on 31st March, 2015 were repaid with interest on or before 13th February, 2016 prior to the maturity period. Thereafter, the Company has not received further



Hind Rectifiers Limited

communication from the Ministry.

4. The Company had issued equity shares on rights basis to non-resident individuals in the previous financial year and filed the relevant Form FCGPR. But due to some inadvertent delay, the Reserve Bank of India has approved the return but directed the Company for compounding of the delay. The Company has filed a Compounding Application before Reserve Bank of India dated 15th March, 2019.

For, **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]

PARTNER

FCS: 3706 COP: 2324

Place : Mumbai.

Date : 18th May, 2019

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

For, **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]

PARTNER

FCS: 3706 COP: 2324

Place : Mumbai.

Date : 18th May, 2019



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

SECRETARIAL COMPLIANCE REPORT OF HIND RECTIFIERS LIMITED

FOR THE YEAR ENDED 31ST MARCH, 2019

(Pursuant to SEBI circular - CIR/CFD/CMD1/27/2019 dated February 08, 2019)

To,

The Board of Directors,

HIND RECTIFIERS LIMITED

Lake Road, Bhandup (West), Mumbai – 400078.

We, GMJ & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by HIND RECTIFIERS LTD ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2019 ("Review Period") in respect of compliance with the provisions of :
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) 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 (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the review period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the review period)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the review period)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- (j) Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 which is repealed and replaced with Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018; and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

**Hind Rectifiers Limited**

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
None			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc	Observations/ Remarks of the Practicing Company Secretary, if any
None				

Note: Pursuant to Regulation 10(5) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the acquirer (Mr. Saurabh Nevatia belonging to Promoter Group) defaulted in making prior intimation to the stock exchanges about the acquisition/transfer of shares, however intimation was made with a delay of 4 days; further the acquirer suo motu applied for settlement under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and opted for the summary settlement route and paid the settlement amount.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
*Not Applicable				

*This being the first reporting since the notification of the requirements to submit the report, reporting on actions to comply with the observations made in the previous reports do not arise.

For, **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]

PARTNER

FCS: 3706 COP: 2324

Place : Mumbai.

Date : 18th May, 2019



ANNEXURE "C" TO THE DIRECTORS' REPORT

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

- (1) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

(₹ in lacs)

Sr No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director / to median remuneration of employees
1	S. K. Nevatia Chairman and Managing Director	145.08	107.43	28.67
2	Akshada Nevatia Executive Director	29.14	88.12	5.76
3	Pawan Golyan Non-Executive Director	-	-	-
4	Vijay Kumar Bhartia Non-Executive and Independent Director	0.65	-	0.13
5	Binod Kumar Patodia Non-Executive and Independent Director	0.05	(83.33)	0.01
6	Pradeep Goyal Non-Executive and Independent Director	0.42	(21.82)	0.08
7	Parimal Merchant Non-Executive and Independent Director	0.48	(4.00)	0.09
8	Vandan Shah Non-Executive Director	0.30	30.43	0.06
9	Suramya Nevatia Chief Executive Officer	23.86	*	*
10	Anil Kumar Nemani Chief Financial Officer	28.19	0.00	5.57
11	Meenakshi Anchlia Company Secretary	8.40	6.61	1.66

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

- (2) The median remuneration of employees (excluding managerial personnel) of the Company during the financial year was ₹ 5.06 lacs.
- (3) In the financial year, there was increase of 3.65% in the median remuneration of employees other than the managerial personnel.
- (4) There were 273 permanent employees (excluding workers) on the rolls of the Company as on March 31, 2019.
- (5) Average percentage increase in the salaries of employees (excluding managerial personnel) in the last financial year i.e.



Hind Rectifiers Limited

2019 was 3.65%. Lower increase in median remuneration was due to employing of some employees at lower remuneration. Keeping in view the duties and responsibilities cast on the Chairman and Managing Director and considering his knowledge of various aspects relating to the Company's affairs, the percentile increase in the Managerial Remuneration for the same financial year was 103.93%.

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

For and on behalf of the Board of Directors

Place : Mumbai.

Date : 18th May, 2019

S. K. Nevatia

Chairman and Managing Director



ANNEXURE "D" TO THE DIRECTORS' REPORT

Information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2019.

I CONSERVATION OF ENERGY

- Regular audit is being conducted to identify areas of energy wastage.
- Used Automatic Power Factor Control (APFC) panel for Power Factor improvement
- Installed Active Harmonic Filter Panel for reduction in Total Harmonic Distortions (THD)

II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

(i) Efforts in brief made towards technology absorption

- Successful development of Universal IGBT Battery Charger Platform compatible with a variety of Applications including Railways and Industries.
- Successful development of Fire Safety Equipment for Indian Railways.
- Successful development of various Relays for Backward Integration and Indian Railways.
- Successful development of DETC Rectifier for Tower car application.
- Successful development & completion of field trials for ACTIVE HARMONIC FILTERS (AHF) and exports along with RECTIFIER.
- Successful development of various latest technology control cards in house as a part of value engineering for Rectifier, ESP & Traction applications.

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

- Enter into new markets and product segments.
- Quality and productivity improvement.

(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 technology has been fully absorbed - NA
- If not fully absorbed, areas where absorption has not taken place, and reasons there of - Nil

(iv) Expenditure incurred on Research and Development

(₹ in lacs)

Particulars	2018-19	2017-18
Capital	314.25	187.94
Recurring	188.79	124.62
Total	503.04	312.56
Total R&D Expenditure as % of net operational income	1.97%	2.49%

III. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in lacs)

Particulars	2018-19	2017-18
Foreign Exchange Earned		
1. Export of goods on FOB basis, Commission and Service Charges	295.37	166.68
Foreign Exchange Used		
1. Raw materials, stores and spare parts, Capital goods and other products	2706.56	994.04
2. Expenditure in foreign currency	35.95	4.66
3. Payment of Technical Knowhow	40.55	18.84



ANNEXURE "E" TO THE DIRECTORS' REPORT

FORM NO. AOC - 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the financial year 2018-19, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship

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

(b) Nature of contracts/arrangements/transactions

Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant is regular employee of the Company and remuneration being paid as senior employee of the Company. The said remuneration has been approved by the members in the 60th Annual General Meeting as related party transaction.

(c) Duration of the contracts/arrangements/transactions

Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant is regular employee of the Company. He is working in the company since 1988.

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

Total remuneration ₹ 57.94 lacs paid in financial year 2018-19

(e) Date(s) of approval by the Board, if any:

The Board has approved the said transaction as on 30th May, 2018.

(f) Amount paid as advances, if any:

Not applicable

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 2018-19, which were not in the ordinary course of business.

For and on behalf of the Board of Directors
For Hind Rectifiers Ltd

Place : Mumbai.
Date : 18th May, 2019

S. K. Nevatia
Chairman & Managing Director



REPORT ON CORPORATE GOVERNANCE

Hind Rectifiers Limited is respected in the industry for its professional style of management and best business practices for more than six decades. Its core values are based on integrity, respect for the law and compliance thereof, emphasis on product quality and a caring spirit. We believe that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities. It also focuses on the need to provide a sustainable competitive return for its investors.

The Board endeavors to achieve this first, by leveraging the resources at its disposal and fostering an environment for growth and development of human resources. The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. Second, the Board has institutionalized best management practices to bring about an atmosphere of accountability. Systems are in place for strategic planning, risk management, financial plans and budgets, integrity of internal controls and reporting, communications policy with emphasis on transparency and full disclosure on the various facets of the Company's operations, its functioning and its financials and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit. We believe that good governance generates goodwill among business partners, customers and investors and earns respect from society at large.

The Securities and Exchange Board of India has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which incorporate Corporate Governance principles in line with the Organization for Economic Co-operation and Development (OECD) principles. We are in compliance with all the applicable provision of the said regulations.

SEBI had constituted a Committee on 2nd June, 2017, under the chairmanship of Mr. Uday Kotak, to address Corporate Governance gaps and enhance long terms standards for listed companies. SEBI had accepted several recommendations of the Kotak Committee with or without modification along with timelines for implementation. We comply with the recommendations of the Kotak Committee accepted by SEBI.

CORPORATE ETHICS

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

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has in place a detailed Code of Conduct for Board Members and Senior Management. The said Code of Conduct is available on the website of the Company viz. www.hirect.com. The Code of Conduct is applicable to all Directors and senior management executives. The members of the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. A declaration by the Chief Executive Officer affirming compliance to the Code of Conduct is appended to this Report.

BOARD OF DIRECTORS

The Company as on 31st March, 2019 consists of eight Directors. There are two Executive Directors and the remaining six Directors are Non-executive Directors. Out of the two Executive Directors one is the Chairman and Managing Director (Promoter of the Company) and the other is an Executive Director (Woman Director and member of the Promoter Group). One Director is Non-independent Non-executive Director while one is Non-executive Director. The remaining four Non-executive Directors are Independent Directors.

The 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 specific functional area
Mr. S. K. Nevatia	Industrialist, Semi Conductor Devices, Power Electronic Products and Loco Transformers domain, Business Strategy and Corporate Management, Practical understanding of organizations, processes, planning and risk management, Demonstrated strengths in developing talent, planning succession and long term growth
Mr. Pawan Kumar Golyan	Industrialist, Financial Services, Sustainable Energy, Marketing and Management, Business and Corporate Planning and Strategy, create new business models
Mr. V. K. Bhartia	Organizational and Business Management, Accounts-Finance, capital allocation and financial reporting processes, Principal Executive Officer, Manufacturing and Marketing
Mr. Binod Kumar Patodia	Industrialist, Manufacturing domain, Develop insights about maintaining board and management accountability, protecting shareholders interests and observing appropriate governance practices
Mr. Pradeep Goyal	Industrialist, Manufacturing domain, Business Management and Administration, significant background in technology, anticipate technological trends
Mr. Parimal Merchant	Law, Capital Markets and Family Managed Business, Extend and create new business models, Evaluate Corporate Strategy and Culture
Mrs. Akshada Nevatia	Entrepreneur, Finance, Accounts and Banking, General Corporate Management, Corporate Governance, Understanding of the needs and viewpoints of customers, partners, employees, governments and other stakeholders
Mr. Vandan Shah	Industrialist, Manufacturing domain, Exports, Experience in developing strategies to grow sales and enhance enterprise reputation.

Accordingly, the Company has a healthy mix of Executive and Non-Executive Directors and ensures the desired level of independence, functioning and decision making.

None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors.

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

The details of composition of the Board, category, shareholding of Directors, number of Directorships held by the Directors in other Companies, Memberships/Chairmanships of the Committees in other public limited companies are given below:-

Name of the Director and Date of Appointment	Category of Director	List of Directorship held in Other Listed Companies and Category of Directorship	No. of Other Directorships held as on 31.03.2019* excluding Hind Rectifiers		Outside Committee position held as on 31.03.2019**		Shareholding in the Company as on 31.03.2019
			Public	Private	Member	Chairman	
Mr. S. K. Nevatia (01.04.1973)	Non-independent Executive and Promoter Director (Chairman and Managing Director)	-	0	0	0	0	158500
Mr. Pawan Kumar Golyan (24.03.1998)	Non-independent Non-executive Director	-	0	0	0	0	NIL
Mr. V.K. Bhartia (18.04.2007)	Independent Non-executive Director	-	1	2	0	0	NIL



Name of the Director and Date of Appointment	Category of Director	List of Directorship held in Other Listed Companies and Category of Directorship	No. of Other Directorships held as on 31.03.2019* excluding Hind Rectifiers		Outside Committee position held as on 31.03.2019**		Shareholding in the Company as on 31.03.2019
			Public	Private	Member	Chairman	
Mr. Binod Kumar Patodia (18.04.2007)	Independent Non-executive Director	GTN Textiles Limited (Chairman and Managing Director) Patspin India Limited (Chairman Non-executive Director)	4	4	4	0	NIL
Mr. Pradeep Goyal (28.03.2008)	Independent Non-executive Director	Pradeep Metals Limited (Chairman and Managing Director) UPL Limited (Non-Executive Independent Director) Uniphos Enterprises Limited (Non-Executive Independent Director)	3	1	4	3	NIL
Mr. Parimal Merchant (07.02.2013)	Independent Non-executive Director	-	0	3	0	0	NIL
Mrs. Akshada Nevatia (15.01.2017)	Non-independent Executive Director and member of Promoter Group	-	0	0	0	0	5850
Mr. Vandan Shah (15.01.2017)	Non-executive Director	Hercules Hoists Limited (Non-executive Independent Director)	1	3	0	0	1980

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

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

Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

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

INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations

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and are independent of the management. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and disclosed on website of the Company viz. www.hirect.com

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

Mr. V. K. Bhartia, Independent Director has already attended the age of seventy five; therefore, the Company has passed the special resolution in 60th Annual General Meeting.

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

- (a) are persons of integrity and also possess relevant expertise and experience;
- (b) (i) are/was not a Promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the company;
(ii) are not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
- (c) apart from receiving sitting fees, do not have/had any pecuniary relationship or having transaction not exceeding ten percent of their total income with the Company or, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- (d) or any of the relative do not have
 - (i) holding any security of or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid up capital of the Company, its holding, subsidiary or associate Company, during the two immediately preceding financial years or during the current financial year;
 - (ii) indebted to the Company, its holding, subsidiary or associate Company or their promoters, or Directors, for an amount of fifty lacs rupees or more at any time during the two immediately preceding financial years or during the current financial year;
 - (iii) given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or Directors of such holding Company, for an amount of fifty lacs rupees or more at any time during the two immediately preceding financial years or during the current financial year; or
 - (iv) any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in clause (i), (ii) or (iii);
- (e) or any of the relative(s) -
 - (i) do not hold the position of a Key Managerial Personnel are or have been employees of the Company or its holding or its Subsidiary or Associate Company in any of the three financial years immediately preceding the current financial year;
 - (ii) are not employees or proprietor's or partners, in any of the three financial years immediately preceding the current financial year in which they are proposed to be appointed, in—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding or its Subsidiary or Associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, its Subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) either singly or together with their relatives, do not hold two per cent or more of the total voting power of the company;
 - (iv) is not Chief Executives or Directors, by whatever name called, of any non-profit organization that receives twenty



- five percent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company that holds two percent or more of the total voting power of the company;
- (f) possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.
- (g) is not material suppliers, service providers or customers or lessors or lessees of the Company;
- (h) is not less than 21 years of age.
- (i) is not a non-independent director of another company on the board of which any non-independent director of the company is an independent director.

MEETING OF INDEPENDENT DIRECTORS

During the year under review the Independent Directors of the Company have met twice on 13th August, 2018 and 12th February, 2019 without the attendance of Non-Independent Directors.

Attendance record at the meetings of the Independent Directors during the financial year 2018-19 is given below:

Name of Independent Directors	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	2	2
Mr. Pradeep Goyal	2	2
Mr. Parimal Merchant	2	1
Mr. Binod Kumar Patodia	2	0

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

- review the performance of Non-Independent Directors and the Board of Directors as a whole;
- review the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- access of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD MEETING

The Board of Directors met four times during the financial year 2018-19 i.e. on 30.05.2018, 13.08.2018, 30.10.2018 and 12.02.2019.

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

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

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The details of attendance of Directors at Board Meetings held during the financial year 2018-19 and at the last Annual General Meeting held on 13.08.2018 are as follows:

Name of Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. S. K. Nevatia	4	4	Yes
Mr. Pawan Kumar Golyan	4	0	No
Mr. V. K. Bhartia	4	4	Yes
Mr. Binod Kumar Patodia	4	0	No
Mr. Pradeep Goyal	4	3	Yes
Mr. Parimal Merchant	4	3	Yes
Mr. Vandan Shah	4	4	Yes
Mrs. Akshada Nevatia	4	3	No

RELATIONSHIP BETWEEN DIRECTORS

Mr. S.K. Nevatia and Mrs. Akshada Nevatia are related to each other. Mr. S.K. Nevatia is related to Mr. Pawan Golyan and no other Director is related with them or related to each other.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all the information available with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. The following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board of Directors;
- The information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and the Company Secretary;
- Materially important show cause, demand, prosecution notices and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material, significant effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial



- Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc;
- Developing a succession plan for the Board;
 - Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
 - Foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
 - Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer etc;
 - Details of investment of surplus funds available with the Company;
 - Details of commercial dealings by firms/companies in which members of the Board/ Senior Management or their relatives hold shares with the Company;
 - Any issue which involves possible public or product liability claims of a substantial nature; and
 - Detailed status on the business risks being faced by the Company and their mitigation plan;

The Board is routinely presented with all the information mentioned aforesaid whenever it is applicable and materially significant.

The Company has a system to enable the Board to review on a quarterly basis compliance report of all laws applicable to the Company, as prepared by the Company as well as to assess the steps taken by the Company to rectify instances of non-compliances, if any.

POST MEETING MECHANISM

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions.

BOARD SUPPORT

The Company Secretary attends the Board meetings and advises the Board on Compliances and governance.

FAMILIARIZATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to the Director, which *inter alia* explains the role, functions, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant Acts, Rules and Regulations. With a view to familiarize him with the Company's operations, the Chairman and Managing Director, Executive Director and Chief Executive Officer have a personal discussion with the newly appointed Director. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to regulate, monitor and report trading by designated person.

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 familiarisation programme imparted to the Independent Directors are available on the website of the Company viz. www.hirect.com.

CONFLICT OF INTERESTS

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

**Hind Rectifiers Limited****INSIDER TRADING CODE**

The Company has adopted a 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons' in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Insider Trading Regulations.

The Company has also formulated 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in compliance with the Insider Trading Regulations. Policy for determination of Legitimate Purpose is a part of the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company has amended the said codes and policy of Vigil Mechanism/Whistle Blower in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Company has also formulated 'Policy for Enquiry in case of leak /suspected leak of Unpublished Price Sensitive Information'.

The said codes and policy are available on the Company's website viz. www.hirect.com.

COMMITTEES OF THE BOARD

For better Corporate Governance, promoting transparency and for enhancing the credibility of the financial disclosures of the Company, the Board has constituted Committees which conform to the requirements of the Listing Regulations and the Companies Act.

Details of the Committees of the Board and other related information are as follows:

AUDIT COMMITTEE

The constitution and the broad terms of reference of the Audit Committee of the Company are in accordance with provisions of the Listing Regulations and the Companies Act. The Audit Committee comprises of three Independent Directors. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background.

Mr. S. K. Nevatia, Chairman and Managing Director (KMP), Mrs. Akshada Nevatia, Executive Director, Mr. Suramya Nevatia, Chief Executive Officer (KMP), Mr. A. K. Nemani, Chief Financial Officer and Mr. Saurabh Nevatia, CEO Nashik Plant of the Company are permanent invitees to the Audit Committee meeting. In addition to this, the Statutory and Internal Auditors are also attending these meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Audit Committee met four times during the year i.e. on 30.05.2018, 13.08.2018, 30.10.2018 and 12.02.2019. The maximum gap between any two meetings was less than one hundred and twenty days.

The composition of the Audit Committee and the attendance of its members at the aforesaid meetings held during the financial year 2018-19 are given below:

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	4	4
Mr. Pradeep Goyal	Independent Non-executive	4	3
Mr. Parimal Merchant	Independent Non-executive	4	3



TERMS OF REFERENCE

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

The powers include investigating any activity within its terms of reference and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if considered required and have full access to information contained in the records of the Company.

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors, reviewing with the management quarterly results and annual financial statements before submission to the Board for approval, approval or any subsequent modification of any transactions of the Company with related parties, review and monitor the auditor's independence and performance and effectiveness of audit process, scrutiny of inter corporate loans and investments, if any, evaluation of internal financial controls and risk management system and reviewing the functioning of the whistle blower mechanism.

The Committee mandatorily reviews information such as internal audit reports, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed. Further, the committee also reviews the compliances with the provisions of SEBI (Prohibitions of Insider Trading) Regulations 2015.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of five Directors. The Committee meets as and when necessary. The Nomination and Remuneration Committee met once during the year i.e. on 21.05.2018.

The composition of the Nomination and Remuneration Committee and the attendance of its members at the aforesaid meeting held during the financial year 2018-19 are given below:

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	1	1
Mr. Binod Kumar Patodia	Independent Non-executive	1	1
Mr. Pradeep Goyal	Independent Non-executive	1	0
*Mr. Parimal Merchant	Independent Non-executive	0	NA
*Mr. S. K. Nevatia	Managing Director	0	NA

* Appointed w.e.f. 13th August, 2018.

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR, 2015, besides other terms as referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on diversity of Board of Directors and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment, removal and noting their cessation and recommendation on extension or continuation of the terms of appointment of the Independent Directors.

The Board amended the terms of reference of the Nomination and Remuneration Committee on 18th May, 2019 as per the Listing Regulations and Companies Act, 2013.

**Hind Rectifiers Limited****NOMINATION AND REMUNERATION POLICY**

The Company has formulated a 'Nomination and Remuneration Policy' which is in compliance with the provisions of the Companies Act and the Listing Regulations. This policy is applicable to Directors, Key Managerial and Senior Management Personnel.

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

- To guide the Board in relation to appointment and removal of Directors, Key Managerial and Senior Management Personnel;
- To recommend to the Board the Remuneration payable to the Directors, Key Managerial and Senior Management Personnel; and
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

REMUNERATION OF DIRECTORS

The appointment and remuneration of Executive Directors including Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration of Chairman and Managing Director and Executive Director comprises of salary, perquisites and allowances, contributions to provident fund, retirement benefit funds, etc. as approved by the shareholders at the General Meetings. Increments are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof under the ceiling of applicable laws and regulations. The Nomination and Remuneration Policy is available on the Company's website viz. www.hirect.com.

Non-Executive Directors do not draw any remuneration from the Company except the sitting fees for attending the meetings of the Board/Committee. The Non-Executive Directors are paid sitting fees of ₹ 7,500/- for attending each meeting of the Board and ₹ 5,000/- for attending Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee meetings.

The details of remuneration/sitting fees paid to the Directors of the Company during the financial year 2018-19 are as under

(₹ in lacs)

Name of the Director	Salary	Benefits	Bonus / Commission/ Stock Options	Sitting Fees	Total
Mr. S. K. Nevatia	24.00	121.08	-	-	145.08
Mrs. Akshada Nevatia	12.00	17.14	-	-	29.14
Mr. Pawan Kumar Golyan	-	-	-	-	0.00
Mr. V. K. Bhartia	-	-	-	0.65	0.65
Mr. Binod Kumar Patodia	-	-	-	0.05	0.05
Mr. Pradeep Goyal	-	-	-	0.42	0.42
Mr. Parimal Merchant	-	-	-	0.48	0.48
Mr. Vandan Shah	-	-	-	0.30	0.30

During the period under review, none of the Directors were paid any performance linked incentive. Mr. S. K. Nevatia and Mrs. Akshada Nevatia are entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 and Listing Regulations in the event of inadequacy/absence of profits. Notice period is three months and there is no provision for payment of severance fees.

Sitting fee indicated above also includes payment for Board-level Committee meetings.



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

PERFORMANCE EVALUATION

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

The performance was evaluated through a structured questionnaire and evaluation process. The Directors have expressed their satisfaction with the evaluation process and highly satisfied with the performances of all the Directors, Chairman of the Company and Board as a whole, Committees and flow of information. Further, it was reported that few Directors attendance in the meetings is need to be improved and advised to attend the meeting through video conferencing/audio visual means. In case personal attendance is not possible due to some other priorities.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate inter se Board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, etc. which is in compliance with applicable laws, regulations and guidelines.

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The roles and responsibilities of the Stakeholders Relationship Committee are as prescribed under Section 178 of Companies Act, 2013 and Regulation 20 of SEBI LODR, 2015.

The Board has amended the terms of reference of the Stakeholders Relationship Committee on 18th May, 2019 as per Listing Regulations and Companies Act, 2013.

The Stakeholders Relationship Committee of the Company comprises of three Independent Directors. Ms. Meenakshi Anchlia is the Company Secretary and Compliance Officer of the Company. Her contact details are given below:

Address : Hind Rectifiers Limited, Lake Road, Bhandup West, Mumbai-400078
Phone : + 91 22 25696789
Email : investors@hirect.com

The Company has designated the e-mail ID 'investors@hirect.com' exclusively for the purpose of registering complaints by investors electronically. This e-mail ID is displayed on the Company's website viz. www.hirect.com.

The following table shows the nature of complaints received from the shareholders during the financial year 2018-19.

Nature of complaints	No. of complaints received during the financial year 2018-19	No of complaints resolved during the financial year 2018-19
Non receipt of Dividend Warrant	-	-
Non receipt of Annual Report	-	-
Non receipt of Share Certificate	-	-
Other	-	-

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

There were no complaints pending as on 31st March, 2019.

The Stakeholders Relationship Committee met two times during the financial year i.e. on 30.05.2018 and 30.10.2018.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the aforesaid meeting held during the financial year 2018-19 are given below

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	2	2
Mr. Pradeep Goyal	Independent Non-executive	2	1
Mr. Parimal Merchant	Independent Non-executive	2	2

RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee of the Company comprises of three members i.e. Mr. S. K. Nevatia, Chairman and Managing Director, Mr. Parimal Merchant, Non-executive and Independent Director and Mr. A. K. Nemani, Chief Financial Officer of the Company as on 31st March, 2019. Mr. S. K. Nevatia is the Chairman of the Risk Management Committee.

The roles and responsibility of the Risk Management Committee are as follows:

- The Committee shall meet at least twice in a year;
- To identify and evaluate the impact of risk reported by various departments;
- To review the effectiveness of the corrective measures submitted by the concerned departments;
- To provide guidance to the concerned departments, in case, a better course of action is there to tackle/reduce/mitigate the risk(s);
- To generally monitor, review and whenever necessary, update the risk management plan/policy and process to ensure that there is timely and effective reporting of risks;
- To inform the management from time to time; and
- Any other functions as may be necessary or required.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act, 2013, the Company is not required to spend any amount on CSR in the financial year 2018-19. The Company formulated CSR Policy, which is available on the website of the Company viz. www.hirect.com.

Terms of Reference

To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and to provide guidance on various CSR activities to be undertaken by the Company and to monitor process.



The Corporate Social Responsibility Committee met one time during the year i.e. on 12.02.2019.

The composition of Corporate Social Responsibility Committee and the attendance of its members at the aforesaid meeting held during the financial year 2018-19 are given below

Name of Committee Members	Position	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings Attended
Mr. V. K. Bhartia, Chairman	Independent Non-executive	1	1
Mr. S. K. Nevatia	Manager Director	1	1
Mrs. Akshada Nevatia	Executive Director	1	1

RIGHTS ISSUE COMMITTEE

The Board constituted a Rights Issue Committee of Directors of the Company to monitor issue of Rights shares in Financial Year 2016-17. Further, the Committee was dissolved during the financial year 2018-19.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
58th AGM	31.03.2016	04.08.2016	3:30 p.m.	M. C. Ghia Hall, 4th Floor, 18/20, Bhogilal Hargovindas Building, K Dubash Marg, Kala Ghoda, Mumbai 400 001, Maharashtra
59th AGM	31.03.2017	08.09.2017	3:30 p.m.	Kamalnayan Bajaj Hall and Art Gallery, Ground Floor, Bajaj Bhavan, Nariman Point, Mumbai - 400021, Maharashtra
60th AGM	31.03.2018	13.08.2018	12:00 Noon	Odyssey, Mayfair Banquet, 254-C, Dr. Annie Besant Road, Worli, Mumbai 400030 Maharashtra

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

58th AGM			
Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
1	Re-appointment of Mr. S. K. Nevatia as Chairman and Managing Director of the Company	Special	Implemented
59th AGM			
No special resolution has been passed on 59th AGM.			

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60th AGM			
Sr. No.	Subject matter of the Resolutions	Type of Resolution	Status of implementation
1	Approval to continuation of office by Mr. Vijay Kumar Bhartia as an Independent Director of the company	Special	Implemented
2	Re-appointment of Mr. Parimal Rameshchandra Merchant as an Independent Director	Special	Implemented
3	Re-appointment of Mr. Pradeep Vedprakash Goyal as an Independent Director	Special	Implemented
4	Re-appointment of Mr. Vijay Kumar Bhartia as an Independent Director	Special	Implemented
5	Re-appointment of Mr. Binod Kumar Patodia as an Independent Director	Special	Implemented
6	Re-appointment of Mr. Sushil Kumar Rameshwarprasad Nevatia as Chairman and Managing Director and approval of Remuneration	Special	Implemented
7	Approval to Payable Remuneration to Mrs. Akshada Suramya Nevatia, Executive Director	Special	Implemented
8	Approval of HIRECT Employees Stock Option Plan-2018	Special	The Company plan to implement shortly

Resolution Passed Through Postal Ballot

No resolution was passed through postal ballot in the last year.

MEANS OF COMMUNICATION

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

The approved financial results are forthwith sent to the Stock Exchanges and are published in Free Press (English newspaper) and Navshakti (local language (Marathi) newspaper) within forty eight hours of approval thereof. In addition, the same are published in Economics Times (English Newspaper).

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

The quarterly financial results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.

A separate section on the Company's website gives information on unclaimed dividends, unclaimed shares, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

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

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



NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

ELECTRONIC CLEARING SERVICE

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

61st Annual General Meeting for the financial year 2018-19 is scheduled to be held on Thursday, 8th August, 2019, at 2:00 pm at Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400 020 Maharashtra.

Financial Year

The Company follows April to March as its financial year. The financial results for every quarter have been declared within the time prescribed in the Listing Regulations. The details for the forthcoming financial year 2019-20 are as follows.

Financial year 2019-20	April 1, 2019 to March 31, 2020
Financial reporting for the quarter ended June 30, 2019	On or before 14th August, 2019
Financial reporting for the quarter ended Sept 30, 2019	On or before 14th November, 2019
Financial reporting for the quarter ended Dec 31, 2019	On or before 14th February, 2020
Financial reporting for the year ended March 31, 2020	Audited Results on or before 30th May, 2020

Dividend Payment Date

Credit / dispatch of dividend payment: Between 8th August, 2019 and 15th August, 2019.

Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125 of the companies act, 2013. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.hirect.com.

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

**Hind Rectifiers Limited**

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPFA in the financial year 2019-20, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of seven years to claim the same from the Company before they are transferred to IEPFA. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

LISTING ON STOCK EXCHANGES

The Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid listing fees to the Stock Exchanges for the financial year 2019-20.

Address of Stock Exchanges

BSE Limited

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

National Stock Exchange of India Limited

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

Stock Code / Symbol

BSE Limited – 504036

National Stock Exchange of India Limited – HIRECT

Demat ISIN: INE835D01023

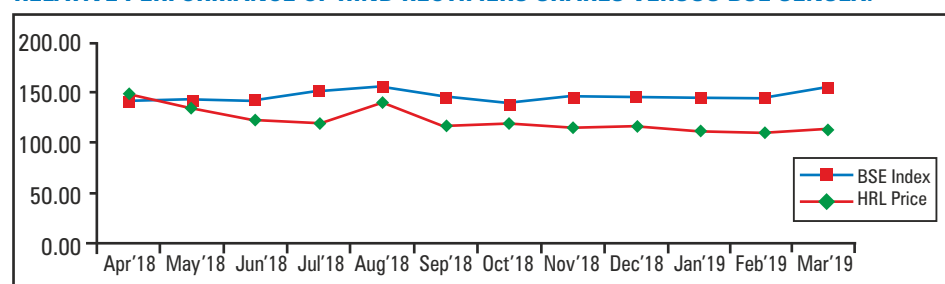
MARKET PRICE DATA

The Monthly High/Low market price of equity shares of Hind Rectifiers Limited during the financial year 2018-19:

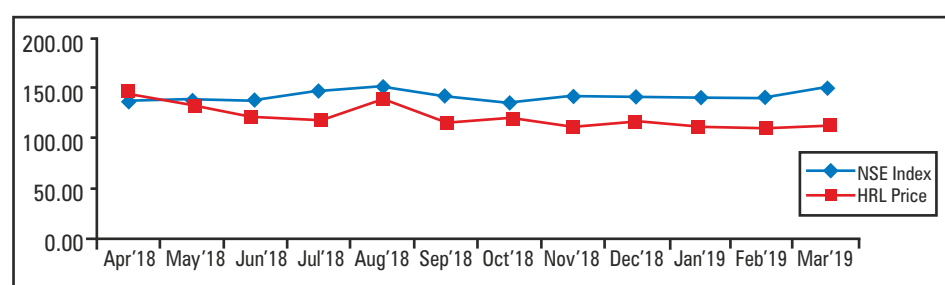
Month	BSE		NSE	
	High	Low	High	Low
April, 2018	165.00	131.20	165.00	130.45
May, 2018	152.50	126.00	151.70	125.00
June, 2018	138.90	115.00	138.20	105.10
July, 2018	122.80	97.00	126.00	95.90
August, 2018	142.00	113.10	143.00	112.70
September, 2018	143.00	115.05	147.00	107.95
October, 2018	133.00	104.00	133.00	103.00
November, 2018	128.65	111.05	129.00	108.90
December, 2018	120.00	105.55	121.90	106.20
January, 2019	130.00	101.50	130.35	100.15
February, 2019	113.00	102.00	115.00	99.80
March, 2019	127.50	111.05	125.00	111.00



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX:



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX:



Date of Book Closure

The Register of members and Share Transfer Books of the Company will remain closed from 1st August, 2019 to 8th August, 2019 (both days inclusive)

Registrar and Share Transfer Agent

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 read with Circular No. D & CC/FITTC/CIR-18/2003 dated February 12, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agent (RTA) for both physical and demat segment of Equity Shares of the Company.

M/S. ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit: Hind Rectifiers Limited]
17-20, Jafferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (East), Mumbai 400059
Tel: +91 22 4227 0400
Fax: +91 22 28503748
Email: info@adroitcorporate.com
Website: www.adroitcorporate.com

Share Transfer System

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

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

**Hind Rectifiers Limited****Shareholding Pattern as on 31st March, 2019**

Category	No. of shares held	% of shareholding
Promoters and Associates	6990624	42.20
Mutual Funds and UTI	750	0.00
Banks/Financial Institutions	2250	0.01
Private Bodies Corporate	405306	2.45
NRI/OCBs	2531799	15.29
Others	6632994	40.05
Total	16563723	100.00

Distribution of Shareholding as on 31st March, 2019

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	4957	628923	3.80
501-1000	560	431857	2.61
1001-2000	446	658956	3.98
2001-3000	166	430591	2.60
3001-4000	70	249785	1.51
4001-5000	45	209687	1.26
5001-10000	89	627028	3.78
10001 and above	96	13326896	80.46
Total	6429	16563723	100.00

Dematerialisation of Shares

13505224 Equity Shares representing 81.53% of total equity share capital were held in dematerialized form with NSDL and CDSL as on 31st March, 2019. Members can hold shares in electronic form and trade the same in Depository System. However, they may hold the same in physical form also but cannot transfer the shares in physical form.

Updating necessary KYC details of registered and/or joint holders holding shares in physical form

SEBI has vide Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20 April 2018, directed all the listed companies to record the Income Tax PAN and bank account details of all their shareholders holding shares in physical form and advise them to dematerialise their physical securities. Accordingly, the Company has sent letters by speed post/registered post to the shareholders holding shares in physical form at their last known address, advising them to register their Income Tax PAN (including that of joint holders, if any) and the bank account details. This was followed by two reminder letters to those shareholders who have not responded earlier. All those shareholders who are yet to update their details with the Company are requested to do so at the earliest.

**Status of Dematerialization of equity shares as on 31st March, 2019**

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	3737	11739061	70.87
Central Depository Services (India) Limited	2494	1766163	10.66
Total Dematerialized	6231	13505224	81.53
Shares held in Physical form	198	3058499	18.47
Grand Total	6429	16563723	100.00

Nominations

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in the case of death of all the registered shareholders. Nomination facility in respect of shares held on electronic form is also available with the Depository Participant (DP) as per the bye laws and business rules applicable to NSDL and CDSL.

Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity shares.

The Company does not have any GDRs/ADRs/Warrants or any Convertible Instruments as on date.

Commodity price risk or foreign exchange risk

The details are disclosed in Note No. 58 to the Financial Statements.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Not Applicable

A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

Not Applicable

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

Details relating to fees paid to the Statutory Auditors are given in Note 40 to the Financial Statements. Consolidated Financial Statements is not applicable on the Company.

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

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 are given in the Directors' report.

Plant Locations

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

**Hind Rectifiers Limited****Compliance Officer****Ms. Meenakshi Anchia,**

Company Secretary and Compliance Officer

Address for Correspondence**HIND RECTIFIERS LIMITED**

Lake Road, Bhandup (West), Mumbai – 400078

CIN:L28900MH1958PLC011077

E-mail:investors@hirect.com

Tel. No. +91 22 25696789

Fax No. +91 22 25964114

CREDIT RATING

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

- ICRA Credit Rating renewed from ₹ 50.50 Crore to ₹ 56.30 Crore w.e.f. 5th April, 2018 and also upgraded as under:

Type of Credit Rating	Existing (From 8.06.2017 to 26.09.2018)	Revised (From 27.09.2018) onwards
Long Term Rating	[ICRA]BB- (Stable)	[ICRA]BB (Stable)
Short Term Rating	[ICRA]A4	[ICRA]A4+
Medium Term Rating : Fixed Deposit (For ₹ 19.00 cr.)	MB(Stable)	MB+ (Stable)

- CRISIL Rating Obtained on 25th December, 2018 of Bank Loan for ₹ 90 Crore

Total Bank Loan Facilities Rated	₹ 90 Crore
Long Term Rating	CRISIL BB+/Stable
Short Term Rating	CRISIL A4+

DISCLOSURES**Compliances with Governance Framework**

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

Related Party Transactions

All the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis. All the related party transactions are approved by the Audit Committee. The necessary disclosures regarding the transactions entered into with the related parties are given in the Notes to the Financial Statements. The material related party transactions as per the provisions of Listing Regulations and Section 188 of the Companies Act, 2013 is stated in AOC-2. There were no transactions of material value with related parties which were in potential conflict with the interest of the Company.

The Board has approved a policy for related party transactions. The policy is available on the Company's website viz. www.hirect.com.

There were no instances of non-compliance on any matter related to the capital market during the last three years. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

Vigil Mechanism/Whistle Blower Policy

The Company has a 'Vigil Mechanism/Whistle Blower Policy' in place as required under SEBI LODR, 2015 and as per the



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

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

Subsidiary Companies

The Company does not have any subsidiary Company. Accordingly, policy on material subsidiaries has not been formulated.

Disclosure of Accounting Treatment

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

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations

The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

The Board

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

Shareholders rights

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

Modified opinion(s) in audit report

There are no modified opinions in audit report.

Reporting of Internal Auditor

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

CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As required by the Securities and Exchange Board of India, quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited and Central Depository Services (India) Limited and held in physical form, with the issued and listed capital. The report in regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before the Board of Directors.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Management Discussion and Analysis Report is given in a separate section forming part of this report.



Hind Rectifiers Limited

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all applicable mandatory Secretarial standards issued by the institute of company secretaries of India.

AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO/CFO CERTIFICATION

As required under the Listing Regulations, a certificate duly signed by Mr. Suramya Nevatia, Chief Executive Officer and Mr. A. K. Nemani, Chief Financial Officer has been obtained. The certificate is annexed to this report.

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

Place : Mumbai.
Date : 18th May, 2019

S.K. Nevatia
Chairman and Managing Director

DECLARATION

I, Suramya Nevatia, Chief Executive Officer of Hind Rectifiers Limited hereby confirm that:

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

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

All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for year ended on 31st March, 2019.

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

Place : Mumbai.
Date : 18th May, 2019

Suramya Nevatia
Chief Executive Officer



INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Hind Rectifiers Limited

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Ltd. ('the company') for the year ended March 31, 2019 as stipulated in regulations 17 to 27 and clauses (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Management's Responsibility

The compliance of the conditions of Corporate Governance is the responsibility of the Management. 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 the Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the conditions of the Corporate Governance requirements by 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 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 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 Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.

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

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

RAVI A. SHAH
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019



Hind Rectifiers Limited

CEO /CFO CERTIFICATION

The Board of Directors
Hind Rectifiers Limited
Mumbai, Maharashtra

Re: Compliance Certificate for the Financial Statements for 2018-19

We, Suramya Nevatia, Chief Executive Officer and A. K. Nemani, Chief Financial Officer of Hind Rectifiers Limited, hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2019 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) significant changes, if any, in internal control over financial reporting during the year;
 - (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 18th May, 2019

Suramya Nevatia
Chief Executive officer

A. K. Nemani
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
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Hind Rectifiers Limited
Lake Road, Bhandup (West), Mumbai - 400078

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HIND RECTIFIERS LIMITED** having **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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in Company
1	Binod Kumar Patodia	00003516	18/04/2007
2	Pradeep Vedprakash Goyal	00008370	28/03/2008
3	Vijay Kumar Bhartia	00019810	18/04/2007
4	Parimal Merchant	00201962	07/02/2013
5	Sushilkumar Rameshwarprasad Nevatia	00341349	01/04/1973
6	Pawan Kumar Golyan	00356807	24/03/1998
7	Vandan Sitaram Shah	00759570	15/01/2017
8	Akshada Suramya Nevatia	05357438	15/01/2017

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

For, **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
PARTNER

FCS: 3706 COP: 2324

Place : Mumbai.
Date : 18th May, 2019



ESP Transformer and Controller





MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The company caters to Indian Railways and Industrial Sector maintaining a strong legacy and brand image in the respective sectors. The primary customer continues to be Indian Railways and as in avenue of our large focus. There is an increasing requirement for our products due to our Advanced Technology and R&D backed design along with the increased manufacturing of Locomotives and LHB coaches by the Indian Railways. There is a good mix of SMEs, Large Companies and Multinational players in the market.

OPPORTUNITIES AND THREATS

The company has a strong brand value and leadership position in the market for the equipments and solutions for Electric locomotives and Passenger coaches along with the pollution control & environmental protection equipment with updated technology.

The company has gained a significant competitive advantage by continually focusing on R&D for development of new products to cater to the growing demand.

The threat would be global tenders which would invite worldwide competitors to enter the market. However, their lack of cost effectiveness would still give us an upper hand.

OUTLOOK

The government has aggressively targeted more electrification of routes and modernisation of Railways' facilities. Existing production units of Indian Railways have taken a wise decision manufacture electric locomotives instead of diesel. And this makes the outlook of the industry seemingly attractive for the near future.

RISK AND CONCERNS

Government policies of imposing financial norms for tendering through EMD & SD will have a direct impact on the cash flow affecting the working capital and may also impact the profitability of the business. High working capital will also lead to higher interest cost.

SEGMENT WISE PRODUCT WISE PERFORMANCE

The industrial division of the company is having products for pollution control such as Power supplies of different types as per market demands and custom built rectifiers small and large for different electrochemical applications.

The Railways segment has variety of different equipments for different applications consisting of electrical, mechanical, software & electronics equipment.

Segment wise performance is reported in the balance sheet as notes to accounts.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company continues to follow effective system of internal control ensuring the accurate, reliable and timely preparation of accounting information, securing the assets and interest of the company and following various laws and regulations.

Internal audits and checks are ongoing process within the company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company's financial performance has improved considerably during the financial year, all operational costs are carefully analyzed and all recurring and non recurring expenses are avoided.

Budgets are accurately made to forecast and monitor expenses and study the variance to understand the reason for deviation.

Company is putting in great efforts for significantly improving the performance further.

**Hind Rectifiers Limited****DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Attracting and retaining competent talent, for an emerging business, such as ours, while focusing on training needs an development is absolutely imperative.

The company recognizes that Human Resources are an extremely important and critical and long term investment. The company's top management honors the dignity of each individual irrespective of the position and highly values the feelings and emotions of the people. Industrial relations with the Union are cordial and peaceful.

PERFORMANCE REVIEW

During the financial year ended 31st March 2019, Revenue from Operations increased to ₹ 25,514.29 lakhs as against ₹ 12,705.51 lakhs in the financial year ended 31st March 2018, a growth of 100.81%. The Profit after Tax for the financial year ended 31st March 2019 is ₹ 1179.08 lakhs as against ₹ 131.46 lakhs in the financial year ended 31st March 2018, a growth of 796.98%

KEY FINANCIAL RATIOS

Particulars	Financial Year 2018-19	Financial Year 2017-18	Change %
Debtors Turnover Ratio (no of Days) - based on Gross Sales	76.00	136.00	44.12
Inventory Turnover Ratio (no of Days) - based on Cost of Materials Consumed	105	140	25.00
Interest Coverage Ratio	3.70	1.82	103.78
Current Ratio	1.49	1.39	7.16
Debt Equity Ratio	0.81	0.77	(6.02)
Operating Profit Margin (%)	9.09	5.76	57.94
Net Profit Margin (%)	6.35	1.59	299.81
Return on Net Worth (based on Average Net Worth) (%)	22.43	3.38	564.29

Due to better monitoring and faster realisation, No. of days of the debtors turnover has reduced from 136 days to 76 days. The level of inventory is also reduced from 140 days to 105 days due to better monitoring and improved productivity.

In view of the reduction of debtors and inventory level and improved overall performance, interest coverage ratio is improved by 103.78%.

Due to substantial increase in turnover and better monitoring of all elements of the cost, operating profit margin is increased from 5.76 % to 9.09%, Net Profit margin is increased from 1.59% to 6.35% and Return on Net Worth is increased from 3.38% to 22.43%, an increase of 564.29%.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIND RECTIFIERS LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Hind Rectifiers Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the auditors of the Company's branches at Nashik and Dehradun.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We have conducted our audit in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that the relevant to our audit of the financial statements under the provisions of the Act and the rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined no such key audit matters to be communicated in our audit report.

Other Matters

5. We did not audit the financial statements/information of Nashik and Dehradun branches included in the financial statements of the Company whose financial statements / financial information reflect total assets of Rs. 4624.19 lacs for Nashik and Rs. 975.57 lacs for Dehradun as at 31st March, 2019 and total revenues of Rs. 9545.12 lacs of Nashik and Rs. 7440.75 lacs for Dehradun for the year ended on that date, as considered in the financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Hind Rectifiers Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. That Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements



or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters, We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.;
 - d. in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as at 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in the financial statements;



Hind Rectifiers Limited

- ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts; if any;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019;

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

RAVI A. SHAH
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HIND RECTIFIERS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
b. There is a regular program of physical verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its property, plants & equipments. No material discrepancies have been noticed in respect of property, plant and equipment physically verified during the year.
c. The title deeds of all the immovable properties included in property, plant & equipment are held in the name of the Company.
- ii) The inventory has been physically verified by the management during the year. In our opinion, frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed on such verification.
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, Paragraph 3 (iii) of Order, 2016 is not applicable.
- iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

**Hind Rectifiers Limited**

(b) The dues outstanding in respect of income-tax, sales-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (in lakhs)	Amount paid/adjusted (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise Duty	139.40	9.17	2005-2017	Central Excise and Service Tax Appellate Tribunal
Central Sales Tax and Local Sales Tax	Central Sales Tax and Local Sales Tax	29.48	5.00	2008-2009	Departmental Authority
Central Sales Tax and Local Sales Tax	Central Sales Tax and Local Sales Tax	13.01	7.67	2010-2011	Sales Tax Appellate Tribunal

viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. The Company did not have any outstanding loans or borrowings from government during the year.

ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3 (xii) of the Order are not applicable.

xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Mumbai.
Date : 18th May, 2019

RAVI A. SHAH
Proprietor
Membership No.116667



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF HIND RECTIFIERS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Hind Rectifiers Limited ("the Company") as at and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Hind Rectifiers Limited

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

RAVI A. SHAH
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019



Fire Safety Equipment





Hind Rectifiers Limited

BALANCE SHEET AS ON 31ST MARCH 2019

(₹ In lacs)

Sr. No.	Particulars	Note	As at 31st Mar 2019	As at 31st Mar 2018
I.	ASSETS			
1	Non Current Assets			
a.	Property, Plant and Equipment	2	2,150.07	2,212.96
b.	Capital Work in Progress	3	627.50	23.09
c.	Intangible Assets	4	470.41	518.94
d.	Intangible Assets under Development	5	756.93	400.56
e.	Financial Assets			
i.	Investments	6	10.00	10.00
ii.	Loans	7	5.67	6.65
iii.	Others	8	402.38	307.00
f.	Deferred tax Assets (net)	9	685.16	1,058.29
g.	Other Non Current Assets	10	260.39	254.91
			5,368.51	4,792.40
2	Current Assets			
a.	Inventories	11	5,414.87	3,441.07
b.	Financial Assets			
i.	Trade Receivables	12	6,325.73	5,538.54
ii.	Cash and cash equivalents	13	25.19	20.81
iii.	Other Bank balances	14	144.95	205.21
iv.	Loans	15	0.83	2.83
v.	Other Financial Assets	16	14.51	300.11
c.	Current Tax Assets (Net)	17	122.28	72.18
d.	Other current Assets	18	977.79	780.74
			13,026.15	10,361.49
3	Assets held for Sale	19	57.84	115.26
	TOTAL ASSETS		18,452.50	15,269.15
II.	EQUITY AND LIABILITIES			
1	Equity			
a.	Equity Share Capital	20	331.27	331.27
b.	Other Equity	21	7,482.26	6,297.58
			7,813.53	6,628.85
2	Liabilities			
	Non Current Liabilities			
a.	Financial Liabilities			
i.	Borrowings	22	1,674.20	1,003.25
ii.	Other Financial Liabilities	23	19.76	17.76
b.	Provisions	24	204.16	168.37
			1,898.12	1,189.38
3	Current Liabilities			
a.	Financial Liabilities			
i.	Borrowings	25	4,190.94	3,809.97
ii.	Trade Payables			
a.	total outstanding dues of micro and small enterprises	26	153.59	82.04
b.	total outstanding dues of creditors other than micro and small enterprises	26	3,132.92	2,698.26
iii.	Other Financial Liabilities	27	806.54	534.73
b.	Other Current Liabilities	28	168.88	279.98
c.	Provisions	29	287.98	45.94
			8,740.85	7,450.92
	TOTAL EQUITY AND LIABILITIES		18,452.50	15,269.15
	Corporate Information & Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report attached
For, **RAVI A. SHAH ASSOCIATES,**
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH,
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019

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

Place : Mumbai.
Date : 18th May, 2019



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ In lacs)

Sr. No	Particulars	Note	Year ended 31st Mar 2019	Year ended 31st Mar 2018
1	Income			
a	Revenue from operations	30	25,514.29	12,705.51
b	Other income	31	61.55	42.88
	Total income		25,575.84	12,748.39
2	Expenses			
a	Cost of materials consumed	32	19,299.73	8,993.52
b	Purchases of stock-in-trade		-	82.38
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(708.89)	(279.75)
d.	Excise Duty / Service Tax		-	136.31
e.	Employee benefit expense	34	2,231.14	1,828.17
f.	Finance costs	35	700.24	529.74
g.	Depreciation and amortisation expense	36	271.86	230.73
h.	Other Expenses	37	2,161.90	1,025.53
3	Total expenses		23,955.98	12,546.63
4	Profit/(Loss) before exceptional items and tax		1619.86	201.76
5	Exceptional items		45.05	-
6	Profit/(Loss) before tax		1664.91	201.76
a	Tax expense			
b	Current tax		-	-
7	Deferred tax	38	485.83	70.31
8	Net Profit/ (Loss) after tax		1179.08	131.45
	Other comprehensive income/(loss)			
	Items that will not be reclassified to profit and loss in subsequent period			
	(i) Actuarial Gains/(Loss) on post-employment defined benefit plan		7.90	11.74
	(ii) Tax on above		(2.30)	(3.27)
9	Total Comprehensive income for period		1184.68	139.92
10	Earnings per equity share			
	Basic & Diluted		7.12	0.79

The accompanying notes are an integral part of the financial statements

As per our report attached
For, **RAVI A. SHAH ASSOCIATES,**
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH,
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019

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

Place : Mumbai.
Date : 18th May, 2019

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

(₹ In lacs)

Particulars	Equity Share Capital (Refer Note 20)	Other Equity Reserves & Surplus			Total Other Equity (Refer Note 21)	Total Equity (A+B)
		Securities Premium Reserve	General Reserve	Retained Earnings		
	(A)				(B)	
As at 31 March 2017	301.16	-	6,333.65	(1,314.13)	5,019.52	5,320.68
Profit / (Loss) for the year	-	-	-	131.45	131.45	131.45
Other Comprehensive Income/ (Loss)	-	-	-	8.47	8.47	8.47
Total Comprehensive Income for the Year	-	-	-	139.92	139.92	139.92
Director's Loan Reconverted into Right Shares	-	-	-	(13.87)	(13.87)	(13.87)
Rights Shares Issued during the year	30.11	1,174.52	-	-	1,174.52	1,204.63
Rights Issue Expenses Transferred to Securities Premium (Net of deferred tax of ₹ 8.68 lacs)	-	(22.51)	-	-	(22.51)	(22.51)
As at 31 March 2018	331.27	1,152.01	6,333.65	(1,188.08)	6,297.58	6,628.85
Profit / (Loss) for the year	-	-	-	1,179.08	1,179.08	1,179.08
Other Comprehensive Income/ (Loss)	-	-	-	5.60	5.60	5.60
Total Comprehensive Income for the Year	-	-	-	1,184.68	1,184.68	1,184.68
Transferred from General Reserve to Retained Earnings	-	-	(90.00)	90.00	-	-
As at 31 March 2019	331.27	1,152.01	6,243.65	86.60	7,482.26	7,813.53

The accompanying notes are an integral part of the financial statements

As per our report attached
For, **RAVI A. SHAH ASSOCIATES,**
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH,
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019

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

Place : Mumbai.
Date : 18th May, 2019



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ In lacs)

	Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Exceptional Item	1,619.86	201.76
	Add: Exceptional Items	45.05	-
	Net Profit/(Loss) After Exceptional Item	1,664.91	201.76
	Adjusted for		
	Depreciation & Amortization Expense	271.86	230.73
	Investment Income	(21.79)	(25.58)
	Impairment Loss	-	12.23
	Interest Charged	700.24	529.74
	Operating Profit before Working Capital Changes	2,615.22	948.88
	Changes in		
	Trade & Other Receivables	(796.34)	(2,406.43)
	Inventories	(1,973.80)	(727.77)
	Trade & Other Payables	966.93	1,817.14
		(1,803.21)	(1,317.06)
	Cash Generated from Operations	812.01	(368.18)
	Direct Taxes Paid	(165.10)	5.29
	Net Cash from Operating Activities	646.91	(362.89)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Intangible Assets under development	(1,161.45)	(1,058.17)
	Proceeds from disposal of Property, Plant and Equipment	97.65	4.13
	Purchases of Non Current Investments	-	(4.74)
	Proceeds from sale of Non Current Investments	-	-
	Interest Received	20.49	26.61
	Dividend Received	1.12	0.75
	Net Cash used in Investing Activities	(1,042.19)	(1,031.42)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of Share Capital	-	1,204.63
	Rights Issue Expenses Paid	-	(31.19)
	Proceeds from Borrowings	1,051.92	820.51*
	Interest Paid	(712.52)	(522.59)
	Net Cash used in Financing Activities	339.40	1,471.36
	Net Changes in Cash & Cash Equivalents (A+B+C)	(55.88)	77.05
	Cash & Cash Equivalents - Opening Balance (refer note 13 & 14)	226.02	148.97
	Cash & Cash Equivalents - Closing Balance (refer note 13 & 14)	170.14	226.02

The accompanying notes are an integral part of the financial statements

* The figure of ₹ 820.51 lacs is arrived after deducting ₹ 13.87 lacs (of Director's Loan reconverted- refer Note 21) from ₹ 834.38 lacs.

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

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
<u>Opening balances</u>		
Non Current borrowing (Refer Note 22)	1,003.25	649.45
Current Borrowings (Refer Note 25)	3,809.97	3,329.39
	4,813.22	3,978.84
<u>Movements</u>		
Non Current borrowing	670.95	353.80
Current Borrowings	380.97	480.58
	1,051.92	834.38
<u>Closing balances</u>		
Non Current borrowing (Refer Note 22)	1,674.20	1,003.25
Current Borrowings (Refer Note 25)	4,190.94	3,809.97
	5,865.14	4,813.22

As per our report attached
For, **RAVI A. SHAH ASSOCIATES,**
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH,
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019

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

Place : Mumbai.
Date : 18th May, 2019



Note 1 - OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH, 2019

1.1 Corporate Information

Hind Rectifiers Limited ('Hirect' or 'the Company') is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located in Bhandup, Mumbai. The Company is principally engaged in developing, designing, manufacturing and marketing Power Semiconductor, Power Electronic Equipments and Railway Transportation Equipments

1.2 Significant Accounting Policies

a) Basis of Preparation of Financial Statements

i) Compliance with IND-AS

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

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.

All other liabilities are classified as non-current.

**Hind Rectifiers Limited**

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods & rendering of services.

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018.

The Company's obligation to repair and replace faulty products under standard warranty terms is recognised as a provision. Refer Note 56 of the Financial Statements.

Sale of Products

Revenue from sale of products is recognised upon satisfaction of performance obligations, i.e. at a point of time, which occurs when the control is transferred to the customer.

Customers obtain control as per the terms of the respective contracts. In determining the transaction price for sale of product, the Company considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

Amounts disclosed in the revenue includes excise duty and service tax but excludes sales tax/VAT and GST.

Sale of services

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

Revenue from providing services is recognised in the accounting period in which the services are rendered.

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

Interest income

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

Dividends

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

Export Incentives and GST Incentives

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

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

e) Taxes**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date.

f) Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use)

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

g) Intangible assets

Intangible assets with finite useful lives that are acquired separately or developed in-house are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets representing cost of software capitalised is amortised over its useful life which is estimated to be a period of three years.

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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss under other expenses / other income.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs

i) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.

i) Raw material is valued at cost or net realisable value whichever is lower. Cost is calculated by applying the weighted average method.

ii) Work in progress, Finished Goods and Stock-in-Trade are valued at cost or net realisable value whichever is lower.

iii) Scrap is valued at estimated selling price.

iv) Stores and Spares are valued at lower of cost or net realisable values. Tools and Instruments are valued at book value.

j) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

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

k) Cash and cash equivalents

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

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

l) Employee Benefits**i) Short Term Employee Benefits**

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



ii) Post Employment / Retirement Benefits

Defined Contribution plan

- Provident Fund is a defined contribution scheme established under State Plan. The contributions to the scheme are charged to Profit & Loss Account in the year when the contributions to the funds are due.

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

Defined Benefit plan

The Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all employees. The Gratuity Plan provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company.

- The liability in respect of employees is provided and contributed to Life Insurance Corporation of India under Group Gratuity (Cash Accumulation) Scheme except;

a) In case of Chairman cum Managing Director and Executive Director, in whose cases the additional Gratuity liability in accordance with their terms of appointment, is provided in the books.

b) In case of Nashik and Dehradun Division it is provided on the basis of actuarial valuation.

Defined Benefit Plans : The present value of the obligation under such plans, is determined based on an actuarial valuation by an independent actuary at the end of each year. In the case of gratuity, which is funded, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

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

iii) Other Long Term Employee Benefits

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 charges in the statement of profit and loss whereas the expenses for the development phase are capitalised as Intangible assets on completion of certain conditions.

n) Foreign currencies

i) Transaction denominated in foreign currency are recorded at the rate of exchange prevailing at the time of transaction.

ii) Current Liabilities / Assets not covered by forward contract are stated at the rates ruling at the year end and any exchange difference arising on such transaction is dealt with in the Statement of Profit and Loss Account.

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- iii) Transactions completed during the year are adjusted at the prevailing rates.
- iv) The financial statements are presented in Indian Rupee (INR), which is company's functional currency.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

p) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal company classified as held for sale continue to be recognised.

q) Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

r) Provision for Warranty

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty. In certain contracts, the Company provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

Provisions for warranty-related costs are recognised annually on the basis of historical experience. The initial estimate of warranty-related costs is revised annually.

s) Recent accounting pronouncements**Ind AS 116**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

Note 2 - PROPERTY, PLANT AND EQUIPMENT

(₹ In lacs)

Details Of Assets	Land		Buildings		Plant & Equipment	Furniture & Fixture	Vehicles	Computers	Total
	Freehold	Leashold	Road	Buildings					
Gross Carrying Amount									
Balance As At 1st April, 2017	229.98	21.01	51.24	866.36	1,027.72	279.28	195.48	78.51	2,749.58
Additions	-	-	-	341.86	553.82	7.54	-	13.48	916.70
Transfer From / To Other Plants	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	0.41	19.39	-	19.80
Reclassification As Held For Sale	68.58	-	-	67.46	-	-	-	-	136.04
Balance As At 31st March, 2018	161.40	21.01	51.24	1,140.76	1,581.54	286.41	176.09	91.99	3,510.44
Additions	-	-	-	11.33	99.43	2.96	69.76	26.19	209.67
Transfer From Other Plants	-	-	-	-	-	-	-	-	-
Disposals	37.09	-	6.84	64.57	33.68	0.91	15.51	-	158.60
Reclassification As Held For Sale	-	-	-	-	-	-	-	-	-
Balance As At 31st March, 2019	124.31	21.01	44.40	1,087.52	1,647.29	288.46	230.34	118.18	3,561.51
Accumulated Depreciation									
Balance As At 1st April, 2017	-	8.47	48.19	221.79	499.72	216.11	115.78	59.35	1,169.41
Additions	-	0.22	0.48	25.26	82.45	13.40	18.94	11.54	152.29
Accumulated Dep On asset transferred	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	0.21	15.46	-	15.67
Reclassification As Held For Sale	-	-	-	8.55	-	-	-	-	8.55
Balance As At 31st March, 2018	-	8.69	48.67	238.50	582.17	229.30	119.26	70.89	1,297.48
Additions	-	0.22	-	30.32	100.47	11.65	21.61	11.71	175.98
Accumulated Dep On asset transferred	-	-	-	-	-	-	-	-	-
Disposals	-	-	6.50	20.35	20.37	0.79	12.94	-	60.95
Reclassification As Held For Sale	-	-	-	1.07	-	-	-	-	1.07
Balance As At 31st March, 2019	-	8.91	42.17	247.40	662.27	240.16	127.93	82.60	1,411.44
Net Carrying Amount									
Bal. As At 31st Mar. 2018	161.40	12.32	2.57	902.26	999.37	57.11	56.83	21.10	2,212.96
Bal. As At 31st Mar. 2019	124.31	12.10	2.23	840.12	985.02	48.30	102.41	35.58	2,150.07

Note :

1. Borrowing costs of ₹ 0.51 lacs have been capitalised for the year ended 31st March 2019 (Previous year ₹ 39.20 lacs)
2. The details of property, plant and equipment which have been kept as security are disclosed in Note No. 22 and 25 of the Financial Statements.

**Hind Rectifiers Limited****Note 3 - CAPITAL WORK IN PROGRESS**

(₹ In lacs)

Details Of Assets	Capital Work In Progress Others	TOTAL
Gross Carrying Amount		
Balance As At 1st April,2017	114.44	114.44
Additions	685.78	685.78
Transferred From Intangible Assets Under Development	-	-
IND As Impact For The Year	2.40	2.40
Disposal/capitalised During The Year	779.53	779.53
Reclassification As Held For Sale	-	-
Balance As At 31st March, 2018	23.09	23.09
Additions	648.66	648.66
Transfer From Other Plants	-	-
IND As Impact For The Year	-	-
Disposals / Capitalised	44.26	44.26
Reclassification As Held For Sale	-	-
Balance As At 31st March, 2019	627.50	627.50
Net Carrying Amount		
Balance As At 31st March, 2018	23.09	23.09
Balance As At 31st March, 2019	627.50	627.50

Note:

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

(₹ In lacs)

As on 31st March 2018	39.96
As on 31st March 2019	19.33

During the year ended 31st March, 2019, ₹ 0.51 lacs of borrowing costs are transferred from Capital Work in Progress (Others) to Property, Plant & Equipment.

- The details of property, plant and equipment which have been kept as security are disclosed in Note No. 22 and 25 of the Financial Statements.

Note 4 - INTANGIBLE ASSETS

(₹ In lacs)

Details Of Assets	Technical Knowhow	Computer Software	Product Development	TOTAL
Gross Carrying Amount				
Balance As At 1st April, 2017	577.69	78.85	217.06	873.60
Additions	2.25	10.34	177.08	189.67
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2018	579.94	89.19	394.14	1,063.27
Additions	-	47.35	-	47.35
Transfer From Other Plants	-	-	-	-
Disposals	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2019	579.94	136.54	394.14	1,110.62
Accumulated Depreciation				
Balance As At 1st April, 2017	374.26	61.47	30.16	465.89
Additions	35.16	4.33	38.95	78.44
Disposals	-	-	-	-
Accumulated Depreciation On Assets Transferred	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2018	409.42	65.80	69.11	544.33
Additions	35.39	6.97	53.52	95.88
Disposals	-	-	-	-
Accumulated Depreciation On Assets Transferred	-	-	-	-
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2019	444.81	72.77	122.63	640.21
Net Carrying Amount				
Balance As At 31st March, 2018	170.52	23.39	325.03	518.94
Balance As At 31st March, 2019	135.13	63.77	271.51	470.41

**Hind Rectifiers Limited****Note 5 - INTANGIBLE ASSETS UNDER DEVELOPMENT**

(₹ In lacs)

Details Of Assets	Technical Knowhow	Computer Software	Product Development	TOTAL
Gross Carrying Amount				
Balance As At 1st April, 2017	15.06	-	342.35	357.41
Additions	56.41	2.36	207.72	266.49
Transferred To Capital Work In Progress	-	-	-	-
Capitalised During The Year	2.25	-	221.09	223.34
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2018	69.22	2.36	328.98	400.56
Additions	124.12	2.70	244.47	371.29
Transfer From Other Plants	-	-	-	-
Disposals / Capitalised	-	2.36	12.56	14.92
Reclassification As Held For Sale	-	-	-	-
Balance As At 31st March, 2019	193.34	2.70	560.89	756.93
Net Carrying Amount				
Balance As At 31st March, 2018	69.22	2.36	328.98	400.56
Balance As At 31st March, 2019	193.34	2.70	560.89	756.93

Note 6 - NON-CURRENT INVESTMENTS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Investments carried at Fair value		
Fully paid equity shares (unquoted)		
Apna Sahakari Bank Ltd.	5.00	5.00
Thane Janata Sahakari Bank Ltd.	5.00	5.00
TOTAL	10.00	10.00

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

Note 7 - LOANS - NON CURRENT

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Assets carried at Amortised Cost		
Unsecured, Considered Good		
Rental Security Deposit	3.78	3.65
Staff Loans	1.89	3.00
TOTAL	5.67	6.65

Note: Rental Security Deposit as on 31st March 2019 includes ₹ 1.5 lacs due from the CEO of the Company, Mr. Suramya Nevatia. (refer note 50 of the Financial statements)

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

**Note 8 - OTHER NON CURRENT FINANCIAL ASSETS**

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Assets valued at Amortised Cost		
Unsecured considered good		
Security Deposits Given to Government & Other Bodies	53.44	60.18
Retention Money	207.56	151.90
Fixed Deposits with Banks (EMD)	13.15	13.15
Earnest Money Deposits	128.23	81.77
TOTAL	402.38	307.00

Note 9 - DEFERRED TAX ASSET (NET)

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	205.75	312.25
Carried forward losses and unabsorbed depreciation	149.61	506.62
	355.36	818.87
Deferred Tax Liability		
Related to Property, Plant & Equipment and Intangible Assets	172.66	148.04
MAT Credit Entitlement	502.46	387.46
TOTAL	685.16	1,058.29

Note 10 - OTHER NON-CURRENT ASSETS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Capital Advances	260.39	254.91
TOTAL	260.39	254.91

**Hind Rectifiers Limited****Note 11 - INVENTORIES**

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Raw Materials and components (Including packing Material)	3,037.94	1,774.18
Work-in-progress	1,781.42	1,552.37
Finished goods	536.16	67.05
Trading Goods	-	-
Stores and Spares	-	4.69
Loose Tools and Instruments	48.45	40.99
Scrap	10.90	1.79
TOTAL	5,414.87	3,441.07

Note: i. Refer Note 1 on Financial Statements for Accounting Policy of Inventory Valuation.
ii. Refer Note 22 & 25 of Financial Statements for Inventories on hypothecation as security.
iii. Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories amounted to 67.04 lakhs as at 31st March, 2019 (as at 31st March, 2018 50.38 lakhs). These write-downs were recognised as an expense and included in 'changes in inventories of finished goods, stock-in-trade and work-in-progress' in the Statement of Profit and Loss.

Note 12 - TRADE RECEIVABLES

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Trade Receivables considered good - Secured	5.61	5.97
Trade Receivables considered good - Unsecured	6,320.12	5,532.57
Trade Receivables which have significant increase in Credit Risk	296.41	814.17
Trade Receivables - credit impaired	-	-
Less : Allowance for Expected Credit Loss	(296.41)	(814.17)
TOTAL	6,325.73	5,538.54

Note: No Trade Receivable is due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade Receivable are due from firms or private companies respectively in which any director is a partner and a director or member. Trade receivables are non interest bearing and are generally on terms of 30 to 120 days of credit period, except retention money which is due after certain period/event.

Note 13 - CASH AND CASH EQUIVALENTS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
a. Balances with banks		
In Current Account	18.57	15.90
b. Cash on hand	6.62	4.91
TOTAL	25.19	20.81

Note 14 - OTHER BANK BALANCES

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
a. Balances with banks		
In Unclaimed Dividend A/c	8.20	11.39
In Margin Account	109.43	161.34
b. Fixed Deposits (Earnest Money Deposits)	27.32	32.48
TOTAL	144.95	205.21

Note 15 - OTHER CURRENT LOANS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Assets carried at Amortised Cost		
Unsecured, Considered Good		
Rental Security Deposits	-	-
Staff Loans	0.83	2.83
TOTAL	0.83	2.83

Note: No loan is due from directors as other offices of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner and a director or member.

Note 16 - OTHER CURRENT FINANCIAL ASSETS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Assets carried at Amortised Cost		
Earnest Money Deposits	8.71	10.44
Claims Receivable	-	284.05
Interest Income accrued but not due	5.80	5.62
TOTAL	14.51	300.11

Note 17 - CURRENT TAX ASSET (NET)

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Taxes Paid in Advance/ deducted at Source (Net of Provision for Tax)	122.28	72.18
TOTAL	122.28	72.18



Hind Rectifiers Limited

Note 18 - OTHER CURRENT ASSETS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Balance with Excise, Customs and Port Trust etc.	262.12	162.66
GST Incentive Receivable	32.11	32.11
Advance to Suppliers	411.22	338.83
Advance to Staff	4.43	1.86
Advance to Others	95.75	67.36
Unbilled Service Revenue	289.07	196.00
Less : Provision for Doubtful Amounts	(116.91)	(18.08)
TOTAL	977.79	780.74

Note 19 - ASSETS HELD FOR SALE

(₹ In lacs)

Particulars	Office Building Kolkata	Land at Dehradun	Total
Balance as at 31st March,2017	-	-	-
Add: Transferred from Property, Plant & Equipment	58.91	56.35	115.26
Less: Sold during the year	-	-	-
Balance as at 31st March, 2018	58.91	56.35	115.26
Add: Transferred from Property, Plant & Equipment	-	-	-
Less: Sold during the year	-	56.35	56.35
Less: Depreciation during the year	1.07	-	1.07
Balance as at 31st March, 2019	57.84	-	57.84

Note: The sale of Office Building of Kolkata could not be carried out in the financial year ended 31st March 2019. Also, depreciation has been charged so as to arrive at the fair expected recoverable value of the asset.

Note 20 - EQUITY SHARE CAPITAL

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each	1,000.00	1,000.00
Issued Capital		
1,50,57,930 Equity Shares of ₹ 2/- each	331.27	301.16
Add: 15,05,793 Equity Shares of ₹ 2/- each (Rights Issue)	-	30.11
1,65,63,723 Equity Shares of ₹ 2/- each	331.27	331.27
Subscribed and Paid up Capital		
1,50,57,930 Equity Shares of ₹ 2/- each	331.27	301.16
Add: 15,05,793 Equity Shares of ₹ 2/- each (Rights Issue)	-	30.11
1,65,63,723 Equity Shares of ₹ 2/- each	331.27	331.27



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

Name of Shareholder	As at March 31, 2019		As at March 31, 2019	
	No of shares	% held	No of shares	% held
Mr. Sushil Kumar Nevatia	1,58,500	0.96	21,51,138	12.99
Mr. Suramya Nevatia	20,16,536	12.17	20,06,536	12.11
Mr. Saurabh Nevatia	34,49,938	20.83	13,98,800	8.44
BTR Industries Limited	24,00,000	14.49	24,00,000	14.49

b. Reconciliation of number of shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2019	
	No of shares	₹ In lacs	No of shares	₹ In lacs
Equity Shares at the beginning of the year	165,63,723	331.27	150,57,930	301.16
Add: Shares Issued during the year	-	-	15,05,793	30.11
Less: Shares bought back during the year	-	-	-	-
Equity Shares at the end of the year	165,63,723	331.27	165,63,723	331.27

Note:

- The Company has only one class of equity share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.
- The Company has not issued any equity shares as bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding 31st March, 2019.



Hind Rectifiers Limited

Note 21 - OTHER EQUITY

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
General Reserve		
Opening Balance	6,333.65	6,333.65
Less: Transferred to Statement of Profit & Loss	(90.00)	-
Closing Balance	6,243.65	6,333.65
Note: General Reserve is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
Securities Premium		
Opening Balance	1,152.01	-
Add: Securities Premium on Rights Shares	-	1,174.52
Less: Expenses of Right Issue (Net of deferred tax of Rs. 8.68 Lakhs)	-	22.51
Closing Balance	1,152.01	1,152.01
Note : Securities Premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
Retained Earnings		
Opening balance	(1,188.08)	(1,314.13)
Add: Profit for the period	1,184.68	139.92
Add: Director's Loan Reconverted	-	(13.87)
Add: Transferred from General Reserve	90.00	-
Closing Balance	86.60	(1,188.08)
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	7,482.26	6,297.58
Proposed Dividend on equity Shares		
Final cash dividend for the year ended 31st March, 2019 is Rs. 0.40 per equity share (31st March 2018 Rs. Nil per equity share)	66.25	-
Dividend Distribution Tax on proposed dividend	11.58	-
	77.83	-
Note: Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31st March,2019.		



Note 22 - NON CURRENT BORROWINGS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Liabilities valued at amortised cost		
SECURED		
Term Loans		
From Banks		
i. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 500 lacs. Repayable in 60 monthly instalments started from July, 2017.)	249.17	347.86
ii. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 250 lacs. Repayable in 72 monthly instalments started from August, 2017.)	156.49	195.72
iii. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned Amount and Disbursed amount of ₹ 400 lacs. Repayable in 60 monthly instalments started from August, 2018.)	273.49	-
iv. Term Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 450 lacs. Repayable in 72 monthly instalments started from Jun, 2017.)	211.24	273.09
v. Term Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 250 lacs. Repayable in 72 monthly instalments started from Feb, 2018.)	164.65	186.58
vi. Term Loan from Apna Sahakari Bank Ltd (Sanctioned Amount of ₹ 475 lacs and Disbursed amount of ₹ 313.28 lacs. Repayable in 60 monthly instalments started from Feb, 2019.)	188.36	-
vii. Term Loan from ICICI Bank Ltd (Sanctioned Amount is ₹ 500 Lacs and Disbursed Amount is ₹ 300.13 lacs till 31st March, 2019. Repayable in 60 monthly instalments starting from Oct, 2019.)	264.45	-
viii. Term Loan from TJSB Bank Ltd (Sanctioned amount is ₹ 350 Lacs and Disbursed Amount is ₹ 140.74 Lacs. Repayable in 60 monthly instalments and moratorium of 6 months starting from Feb, 2020.)	127.52	-
ix. Vehicle Loan from Yes Bank Ltd (Loan of ₹ 7.87 Lacs. Repayable in 37 monthly instalments starting from Dec, 2018.)	4.73	-
x. Vehicle Loan from Yes Bank Ltd (Loan of ₹ 39 Lacs. Repayable in 37 monthly instalments starting from Dec, 2018.)	23.38	-
xi. Vehicle Loan from TJSB Bank Ltd (Mumbai) (Loan of ₹ 9.85 Lacs. Repayable in 36 monthly instalments starting from Dec, 2018.)	5.67	-
xii. Vehicle Loan from TJSB Bank Ltd (Dehradun) (Loan of ₹ 8.71 Lacs. Repayable in 36 monthly instalments starting from Dec, 2018.)	5.05	-
From Others	-	-
UNSECURED	-	-
TOTAL	1,674.20	1,003.25

**Hind Rectifiers Limited**

Note: Details of Security:

1. Loans covered in (i), (ii) and (iii) above
Secured by way of mortgage of land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
2. Loans covered in (iv), (v) and (vi) above
Secured by way of hypothecation of Plant and Machinery, Equipments, Computers, Furniture and Fixtures installed at Nashik factory and Mortgage of Plant & Machinery and Land & Building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
3. Loans covered in (vii) and (viii) above
Secured by way of first pari passu charge on all the moveable properties including plant and machinery, machinery spares, tools and accessories and other movables situated at Bhandup, Mumbai and also hypothecation of stocks and book debts of the company and mortgage of the land and building situated at Bhandup, Mumbai.
4. Loan Covered in (ix) above
Secured by hypothecation of Motor Car No. TN-01-BF-6316.
5. Loan Covered in (x) above
Secured by hypothecation of Motor CarNo. MH-03-DA-4070.
6. Loan Covered in (xi) above
Secured by hypothecation of Motor Car No. MH-03-DA-5903.
7. Loan Covered in (xii) above
Secured by hypothecation of Motor Car No. UK-07-DK-3152.

Note 23 - OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Liabilities carried at amortised cost		
Dealership Deposit	19.76	17.76
TOTAL	19.76	17.76

Note 24 - NON CURRENT PROVISIONS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Provision for Employee Benefits (refer note 49)		
Gratuity	158.93	124.45
Leave Encashment	45.23	43.92
TOTAL	204.16	168.37

Note 25 - CURRENT BORROWINGS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Liabilities valued at amortised cost		
SECURED		
Loan from Consortium Banks		
i) Cash Credit	4,190.94	3,809.97
TOTAL	4,190.94	3,809.97

Note: Secured by first charge against all movable and immovable assets both present and future situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the Company ranking pari-passu in favour of ICICI Bank Ltd., Union Bank of India and TJSB Sahakari Bank Ltd.

**Note 26 - TRADE PAYABLES**

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Total outstanding dues of micro enterprises and small enterprises	153.59	82.04
Total outstanding dues of creditors other than micro and small enterprises	3,132.92	2,698.26
TOTAL	3,286.51	2,780.30

Note: Also refer Note 44 of Financial Statements

Note 27 - OTHER CURRENT FINANCIAL LIABILITIES

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Financial Liabilities valued at Amortised Cost		
Current maturities of long term debt*	499.20	279.43
Interest Accrued But not Due	1.62	13.90
Unclaimed Dividend	8.20	11.39
Sundry Creditors for Capital Goods	85.21	19.71
Provision for Bonus	32.09	31.49
Other Payables	180.22	178.81
TOTAL	806.54	534.73

* 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 (xii) in Note 22 of the Financial Statements.

Note 28 - OTHER CURRENT LIABILITIES

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Advances		
Advance from Customers	100.80	95.78
Advance for Sale of Asset	-	10.00
Others		
Statutory Liabilities	68.08	174.20
TOTAL	168.88	279.98

Note 29 - CURRENT PROVISIONS

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Provision for Employee Benefits (refer note 49)		
Provision for Gratuity	26.54	33.94
Provision for Leave encashment	6.46	12.00
Provision for Warranty (refer note 56)	254.98	
TOTAL	287.98	45.94

**Hind Rectifiers Limited****Note 30 - REVENUE FROM OPERATIONS**

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Sale of Products	23,581.60	10,999.48
Sale of Services	1,916.88	1,662.23
Other Operating Income		
Export Incentives	15.81	11.69
GST Incentives	-	32.11
TOTAL	25,514.29	12,705.51

Note: Refer Note 52 of the Financial Statements

Note 31- OTHER INCOME

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Interest Income	20.67	24.83
Dividend Income	1.12	0.75
Other Non Operating Income		
Credit Balance Written Back	9.54	16.32
Exchange Rate Fluctuation	30.15	0.76
Miscellaneous Income	0.07	0.22
TOTAL	61.55	42.88

Note 32 - COST OF MATERIALS CONSUMED

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Opening Stock of Raw Materials	1,774.18	1,316.74
Add: Purchases of Raw Materials	19,475.44	8,836.66
Add: Conversion and Processing Charges	1,086.75	614.30
Total	22,336.37	10,767.70
Less: Closing Stock of Raw Materials	3,036.64	1,774.18
TOTAL	19,299.73	8,993.52


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

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
<u>Opening Inventory</u>		
Finished Goods	67.05	41.88
Work-In-Progress	1,552.37	1,283.62
Stock-In-Trade	-	21.78
	1,619.42	1,347.28
<u>Closing Inventory</u>		
Finished Goods	536.16	67.05
Work-In-Progress	1,781.42	1,552.37
Stock-In-Trade	-	-
	2,317.58	1,619.42
Add/(Less) Excise duty on Finished Goods	-	(7.61)
Add/(Less) Trfd to CWIP	(10.73)	-
TOTAL	(708.89)	(279.75)

Note 34 - EMPLOYEE BENEFITS EXPENSE

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Salaries, Wages, Bonus, Gratuity etc.	2,002.43	1,609.08
Contribution to Provident Fund, Superannuation, Employees State Insurance Scheme	108.62	109.97
Staff Welfare Expenses	120.09	109.12
TOTAL	2,231.14	1,828.17

Note 35 - FINANCE COSTS

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Interest		
Interest on Bank Borrowings	479.62	375.03
Interest on Deposits & Loans	-	8.37
Other Interest	25.28	16.41
Interest on Term Loan	195.34	129.93
TOTAL	700.24	529.74

**Hind Rectifiers Limited****Note 36 - DEPRECIATION AND AMROTIZATON EXPENSE**

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Depreciation on Property, Plant & Equipment	174.91	152.29
Depreciation on Assets held for sale	1.07	-
Amortization on Intangible assets	95.88	78.44
TOTAL	271.86	230.73

Note 37 - OTHER EXPENSES

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Consumable Stores, Tools and Instruments	55.23	46.85
Electricity, Water and Fuel Charges	182.86	155.67
Packing	157.55	109.85
Repairs		
To Machinery	16.90	7.98
To Building	38.78	6.47
To Other Assets	21.91	19.87
Rent	17.50	14.85
Rates and Taxes	10.85	14.78
Insurance	9.73	6.20
Travelling, Conveyance and Vehicle Expenses	284.93	219.53
Directors' Travelling, Conveyance and Sitting Fees	1.90	3.32
Printing and Stationery	14.62	12.99
Postage, Telegram and Telex	30.43	29.61
Advertisement and Publicity	24.76	1.44
Bad Debts	551.46	-
Liquidated Damages	337.56	-
Provision for Doubtful debts	189.90	14.02
Provision for Doubtful debts witten back	(707.66)	(0.98)
Commission	82.01	20.96
Legal and Professional Charges	176.10	94.11
Payment to Auditors (refer note 40)	2.69	4.19
Transit Insurance and Freight	96.61	108.80
Bank Charges	83.08	65.59
Impairment loss on assets held for sale	-	12.23
Warranty Expenses	254.98	-
Miscellaneous Expenses	227.22	57.20
TOTAL	2,161.90	1,025.53

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

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Current Tax		
Current Tax on taxable Income for the year	-	-
Total Current Tax Expense	-	-
Deferred Tax		
Deferred Tax Charge / (Credit)	485.83	119.72
MAT Credit (taken)/ utilised	-	(49.41)
Total Deferred Tax expense / (benefit)	485.83	70.31
Other Comprehensive Income	2.30	3.27
TOTAL	488.13	73.58

A reconciliation of the Income Tax expenses to the amount computed by applying the statutory income tax rate to the profit before Income taxes is summarized below:

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Enacted Income tax rate in India applicable to the Company	29.12%	33.06%
Profit before tax	1,672.81	213.50
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	487.12	70.58
Tax effects of the amounts which are not deductible / (taxable) in calculating taxable income		
Add/Less:-		
Tax on sale of land and building due to applicability of section 50C of the Income Tax Act, 1961.	40.70	-
Tax rate change on deferred tax asset	(32.11)	100.78
Additional prior year MAT recognized during this year	-	(49.41)
Tax impact on expense which not-deductible (penalty type, donation, capital expenditure)	7.66	1.06
Earlier year un-recognised deferred tax asset recognized during the year	(16.27)	(42.20)
Others	1.03	(7.24)
TOTAL	488.13	73.58



Hind Rectifiers Limited

The movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2018:

(₹ In lacs)

Particulars	Deferred Tax Asset/ (Liabilities) as on 1st April, 2017	Credit/ (charge) in Equity	Credit/ (charge) in Statement of Profit & Loss	Deferred Tax Asset/ (Liabilities) as on 31st March, 2018	Payment	Credit/ (charge) in Statement of Profit & Loss	Deferred Tax Asset/ (Liabilities) as on 31st March, 2019
Depreciation	(123.30)		(24.74)	(148.04)		(24.62)	(172.66)
Disallowance under Income Tax Act with respect to Employee Benefits	75.74		(5.36)	70.38		9.56	79.94
Provision	287.20		(55.67)	231.53		(111.17)	120.36
Impairment of Assets	-		3.40	3.40		(3.40)	-
Right Issue Expenses	-	8.68	(1.74)	6.94		(1.49)	5.45
Loss of Earlier years	545.50		(38.88)	506.62		(357.01)	149.61
MAT Credit Entitlement	338.05		49.41	387.46	115.00	-	502.46
TOTAL	1,123.19	8.68	(73.58)	1,058.29	115.00	(488.13)	685.16

Note 39 - EXCEPTIONAL ITEMS

Exceptional Items for the year ended 31st March 2019 include the following:

- i) Profit on sale of Unit II of Dehradun Plant of ₹ 96.80 Lacs
- ii) Loss on insurance claim of ₹ 51.75 lacs

Note 40 - PAYMENT TO AUDITORS (Excluding Service Tax & GST)

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
As Auditor	2.65	2.65
For Tax Audit	-	0.70
For Certification	0.04	0.37
For out of Pocket expenses	-	0.46
TOTAL	2.69	4.18

Note 41 - EARNINGS PER SHARE

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Profit after taxation as per Statement of Profit & Loss	1179.08	131.45
Weighted Average Number of Equity Shares Outstanding	16563723	16563723
Basic and Diluted Earnings per Share (₹)	7.12	0.79

**Note 42 - INTANGIBLE ASSETS UNDER DEVELOPMENT**

During the year, the Company has incurred an expenditure of ₹ 244.47 lacs on the development of various products and completed the development process of the products of ₹ Nil (including ₹ Nil incurred upto 31st March 2018) and the balance of ₹ 560.89 lacs (including ₹ 316.42 lacs incurred upto 31st March, 2018) related to the products still under development is clubbed under Intangible Assets under Development and ₹ 12.55lacs relating to project which has been discarded has been charged in the Statement of Profit and Loss under Other Expenses.

Note 43 - RESEARCH AND DEVELOPMENT

The recurring expenditure of ₹ 188.79 lacs (Previous year ₹124.62 lacs) and Capital Expenditure of ₹ 314.25 lacs (Previous Year ₹ 187.94 lacs) spent in Research and Development during the year have been debited to respective account.

Note 44 - TRADE PAYABLES

The details of amounts due to Micro and Small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the company are as under:

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
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 45 - CONTINGENT LIABILITIES

Contingent Liabilities in respect of the following:

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
i. Claims against the company not acknowledged as debt		
Claims of Sales Tax disputed by Company	42.49	126.24
Claims of Income Tax disputed by Company	-	-
Claims of Excise disputed by the Company	139.40	154.71
ii. Guarantees excluding financial guarantees		
Guarantee given by the banks to the third parties on behalf of the company	1,106.40	1,069.76
iii. Other money for which the company is contingently liable		
Letters of credit opened by the bankers of the Company in favour of the third parties	117.48	206.79
Letter of Credit discounted with bank	47.64	34.28

**Hind Rectifiers Limited****Note 46 - 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 ₹ 39.02 lacs (Previous year ₹ 80.44 lacs) and on account of Capital Purchase ₹ 572.27 lacs (Previous year ₹ 200.98 lacs)

Note 47 - OTHER COMPREHENSIVE INCOME

Amounts recognised in Other Comprehensive Income i.e. Items that will not be reclassified to profit and loss in subsequent year includes Actuarial Gains/(Loss) on post-employment defined benefit plan (net of deferred tax)

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Actuarial Gains/(Loss) on post-employment defined benefit plan	7.90	11.74
Tax on above	(2.30)	(3.27)
Net Other Comprehensive Income / (Loss)	5.60	8.47

Note 48 - FAIR VALUE HIERARCHY

Fair value hierarchy is not applicable to the company except in the case of Non current investments which is covered in level 2 investments. The fair value of Non Current Investments is considered at cost of ₹10 lakhs since the same are taken for loan.

Note 49 - DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS "**(a) Defined Contribution Plans:**

The Company's contribution to Provident Fund, Superannuation Fund & Pension Fund that has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense is as under:

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Employer's Contribution to Provident Fund	37.12	37.51
Employer's Contribution to Superannuation Fund	13.26	14.74
Employer's Contribution to Pension Fund	37.11	35.07

(b) Defined Benefit Plans:**(i) Gratuity**

The company has a defined benefit gratuity plan (funded and non funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Valuation as at	31st Mar 2019	31st Mar 2018
Employee Attrition Rate	1%-2%	1%-2%
Discount rate(s)	7.60%	7.60%
Expected rate(s) of salary increase	4.00%	3.50%



(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
I. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year		
Funded	283.44	320.06
Non Funded	103.85	116.62
	387.29	436.68
2. Expenses Recognised in Profit and Loss Account		
<u>Current Service Cost</u>		
Funded	23.22	30.28
Non Funded	8.57	5.70
	31.79	35.98
<u>Interest Cost</u>		
Funded	18.99	21.20
Non Funded	3.22	3.44
	22.21	24.64
<u>Past Service Cost</u>		
Funded	-	4.58
Non Funded	-	-
	-	4.58
3. Recognised in Other Comprehensive Income		
<u>Actuarial (Gain)/ Loss</u>		
Funded	(10.36)	(5.86)
Non Funded	1.50	(8.77)
	(8.86)	(14.63)
4. Benefits paid		
Funded	21.53	86.82
Non Funded	0.48	13.14
	22.01	99.96
5. Present value of defined benefit obligation at the end of the year.		
Funded	293.76	283.44
Non Funded	116.66	103.85
	410.42	387.29
II. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	228.92	288.90
2. Adjustments to Opening Fair Value of Plan asset	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
Expected return on plan assets	17.07	21.06
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses		
Actual Return on plan assets in excess of the expected return	(0.96)	(2.88)
5. Contributions by employer (including benefit payments recoverable)	1.45	8.66
6. Benefits paid	(21.53)	(86.82)
7. Fair value of plan assets at the end of the year	224.95	228.92



(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
III. (a) Expense recognised in the Statement of Profit and Loss for the year		
<u>Current Service Cost</u>		
Funded	23.22	30.28
Non Funded	8.57	5.70
	31.79	35.98
<u>Past Service Cost</u>		
Funded	-	4.58
Non Funded	-	-
	-	4.58
<u>Interest Cost</u>		
Funded	18.99	21.20
Non Funded	3.22	3.44
	22.21	24.64
<u>Expected Return on plan assets</u>		
Funded	(17.07)	(21.06)
Non Funded	-	-
	(17.07)	(21.06)
<u>Components of defined benefit costs recognized in profit or loss</u>		
Funded	25.14	35.00
Non Funded	11.79	9.14
	36.93	44.14
(b) Included in other Comprehensive Income		
Actuarial (Gain) / Loss recognized for the period	(8.86)	(14.63)
Return on Plan Assets excluding net interest	0.96	2.88
Actuarial (Gain) / Loss recognized in OCI	(7.90)	(11.75)
IV. Net Asset/(Liability) recognised in the Balance Sheet		
1. Fair value of plan assets as at 31 March 2019		
Funded	224.95	228.92
Non Funded	-	-
	224.95	228.92
2. Present value of defined benefit obligation as at 31 March 2018		
Funded	293.76	283.44
Non Funded	116.66	103.85
	410.42	387.29
3. Amount recognised in Balance Sheet		
Funded	68.81	54.52
Non Funded	116.66	103.85
	185.47	158.37



Expected cashflows based on past service liability:

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Within 1 year	48.27	45.05
1-2 year	45.46	28.11
2-3 year	41.99	37.25
3-4 year	18.89	39.25
4-5 year	31.94	17.61
Above 5 years	153.33	128.52

Sensitivity Analysis

(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
i. Discount rate Sensitivity		
Increase by 0.5%	335.03	322.34
Decrease by 0.5%	360.82	334.53
ii. Salary growth rate Sensitivity		
Increase by 0.5%	356.41	334.07
Decrease by 0.5%	338.29	322.70
iii. Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	348.21	327.46
W.R. x 90%	346.60	326.68

Note 50 - RELATED PARTY DISCLOSURES AS PER IND AS 24

I. List of related parties

Name of Related Party	Relationship	Percentage of shareholding
Mr. S. K. Nevatia (Promoter)	Key Management Personnel (CMD)	0.96
Mrs. Akshada Nevatia (Promoter Group)	Relative of Key Management Personnel	0.04
Mr. Suramya Nevatia (Promoter)	Key Management Personnel (CEO)	12.17
Mr. Saurabh Nevatia (Promoter group)	Relative of Key Management Personnel	20.83
Mr. Pawan Kumar Golyan (Relative of Promoter and Promoter Group)	Relative of Key Management Personnel	Nil
Mr. Anil Kumar Nemani	Key Management Personnel (CFO)	Nil
Ms. Meenakshi Anchlia	Key Management Personnel (CS)	Nil
Force Motion Technology LLP	Enterprise of Relative of Key Management Personnel	Nil

Note:

- Mr. S.K. Nevatia, Mrs. Akshada Nevatia, Mr. Suramya Nevatia & Mr. Saurabh Nevatia are related to each other. Mr. Pawan Golyan is relative of Mr. S.K. Nevatia.
- The Promoter & Promoter group holds 75% stake in Force Motion Technology LLP

**Hind Rectifiers Limited****II. Transactions during the year**

(₹ In lacs)

Sr.No.	Nature of transaction	KMP of Company	Relative of KMP	Total
1	Loan Received	-	-	-
2	Loan Repaid	(120.00)	(1.50)	(121.50)
3	Income Sale	-	0.30	0.30
4	Expenditure	-	-	-
i.	Remuneration	205.53 (106.01)	91.85 (75.13)	297.38 (181.14)
ii.	Directors Sitting Fees	-	-	-
		-	(0.23)	(0.23)
iii.	Rent	3.00	5.40	8.40
		-	(6.60)	(6.60)
iv.	Purchase	-	249.35	249.35
		-	(92.35)	(92.35)

(*) Figures in bracket represent previous year's amount.



III. Balances Receivable / Payable with Related Parties

(₹ In lacs)

Sr. No.	Nature of transaction	KMP of Company	Relative of KMP	Total
1	<u>Trade Payables</u>			
	Force Motion Technology	-	74.44	74.44
		-	(8.63)	(8.63)
2	<u>Other Current Financial Liabilities</u>			
	<u>Salary and Other Accrued Expenses</u>			
	Salary Payable to Mr. S K Nevatia	-	-	-
		(3.00)	-	(3.00)
	Salary Payable to Mrs. Akshada Nevatia	-	-	-
		-	(0.70)	(0.70)
	Salary Payable to Mr. Suramya Nevatia	-	-	-
		-	(1.16)	(1.16)
	Salary Payable to Mr. Saurabh Nevatia	-	-	-
		-	(1.45)	(1.45)
	Salary Payable to Mr. Anil Nemani	-	-	-
		(1.29)	-	(1.29)
	Salary Payable to Ms. Meenakshi Anchlia	-	-	-
		(0.50)	-	(0.50)
3	<u>Other Current Financial Liabilities</u>			
	<u>Others</u>			
	Rent Payable to Mr. Suramya Nevatia	(0.27)	-	(0.27)
		-	(0.27)	(0.27)
4	<u>Security Deposits</u>			
	Deposit Given to Mr. Suramya Nevatia	1.50	-	1.50
		-	(1.50)	(1.50)

(*) Figures in bracket represent previous year's amount.

**Hind Rectifiers Limited****IV. Disclosure in respect of material transactions with related parties during the year (included in II above)**

(₹ In lacs)

Sr. No.	Particulars	As at 31st Mar 2019	As at 31st Mar 2018
1	Loan Received Nil	-	-
2	Loan Repaid / Deposits Given Mr. S K Nevatia Mr. Suramya Nevatia	- -	120.00 1.50
3	Income Sale Force Motion Technology	0.30	-
4	Expenditure		
i.	Remuneration		
	Mr. S K Nevatia	145.08	69.94
	Mrs. Akshada Nevatia	29.14	15.49
	Mr. Suramya Nevatia (as KMP) #	23.86	-
	Mr. Suramya Nevatia	4.77	29.14
	Mr. Saurabh Nevatia	57.94	30.50
	Mr. Anil Kumar Nemani	28.19	28.19
	Ms. Meenakshi Anchlia	8.40	7.88
ii.	Directors Sitting Fees		
	Pawan Kumar Golyan	-	0.23
	Bharat Swaroop	-	-
iii.	Rent		
	Saurabh Nevatia	4.80	4.80
	Suramya Nevatia	0.60	1.80
	Suramya Nevatia (as KMP) #	3.00	-
iv.	Purchase		
	Force Motion Technology	249.35	92.35

Mr. Suramya Nevatia was appointed as the Key Managerial Personnel of the Company w.e.f. 1st June, 2019.

Note 51 - SEGMENT INFORMATION

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

Note 52 - REVENUE FROM OPERATIONS

Revenue from Operations for the year ended 31st March 2019 are net of Goods and Services Tax (GST), however sales for year ended 31st March 2018 are gross of Excise Duty & Service Tax. The Net Revenue from Operations (Net of GST/Excise Duty/Service Tax) as applicable are stated as below:



(₹ In lacs)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
Net Revenue from Operations	25,514.29	12,569.20

Note 53 - DIVIDEND

The Board of Directors have recommended a dividend of ₹ 0.40 Per equity share of ₹ 2/- each (Previous year ₹ Nil). The same is subject to the approval of members of the company in the AGM to be held on 8th August, 2019.

Note 54 - STOCK OPTIONS

Stock option scheme was approved by the members in their meeting held on 13th August, 2018. However during the year ended 31st March 2019, no stock options has been granted by the company.

Note 55 - MISCELLANEOUS EXPENSES

Miscellaneous expenses under Other Expenses includes the Provision for Advance to Suppliers of ₹ 98.99 lacs (Previous Year ₹ Nil)

Note 56 - PROVISION FOR WARRANTY

A provision is recognised for expected warranty claims and after sales services on products sold, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within warranty period after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns during the warranty period for all products sold.

Note 57

All the financial assets and financial liabilities are valued at amortised cost. However, considering the materiality of the transactions and also due to uncertainty of the date of receipt/ payment, the cost/ book value of certain assets such as rental security deposit, retention money and earnest money deposits is considered as the amortised cost.

Note 58 - Financial Risk Management Framework

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. CREDIT RISK

Credit risk is the risk that counter party will not meet 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.

(i) Trade receivables

Customer credit is managed by concerned business manager subject to the Company's established policy procedures and

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control related to customer credit risk management.

Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as medium, as its customers are located in several jurisdictions and industries and operate in largely independent markets and their credit worthiness are monitored at periodical intervals.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Particulars	Less Than 180 Days	More Than 180 Days
As at 31 March 2019		
Expected loss rate	-	24.28%
Gross carrying amount of doubtful Trade Receivables	-	1220.60
Loss allowance provision during the year *	-	189.90
As at 31 March 2018		
Expected loss rate	-	25.00%
Gross carrying amount of doubtful Trade Receivables	-	1,179.62
Loss allowance provision during the year (after subtracting provision made as on 31st March 2017 & 31st March 2016)	-	14.02

* 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 ₹ 189.90 lacs is after subtracting the balance in provision account as on 31st March 2018 and is provided at the expected loss rate on the gross carrying amount of debtors.

Reconciliation of loss allowance provision for Trade Receivables

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Balance as at beginning of the year	814.17	1,002.94
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	189.90	14.02
Amounts written back during the year	707.66	202.79
Balance at end of the year	296.41	814.17

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)

	Currency	Change in rate	Effect on Profit before tax (₹ In lacs)
31-Mar-19	USD	+5%	3.44
	USD	-5%	(3.44)
	EURO	+5%	2.02
	EURO	-5%	(2.02)
31-Mar-18	USD	+5%	5.50
	USD	-5%	(5.50)
	EURO	+5%	(0.52)
	EURO	-5%	0.52

2. The impact on the Company's cash flow due to changes in the fair value of Other Payables

	Currency	Change in rate	Effect on cash flow (₹ In lacs)
31-Mar-19	USD	+5%	-
	USD	-5%	-
	EURO	+5%	(3.90)
	EURO	-5%	3.90
31-Mar-18	USD	+5%	-
	USD	-5%	-
	EURO	+5%	(7.38)
	EURO	-5%	7.38

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

- a. 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.
- b. Exposure of the company to commodity and commodity risks faced by it throughout the year.

1. Total exposure of the company to commodities in ₹ 2239.64 Lacs

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2. Exposure of the company to various commodities:

Commodity Name	Exposure towards the particular commodity (₹ In lacs)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		TOTAL
			OTC	Exchange	OTC	Exchange	
1. Copper	2,101.36	406.58 MT	N/A		N/A		N/A
2. Aluminium	138.28	55.34 MT	N/A		N/A		N/A
TOTAL	2,239.64	461.92 MT	N/A		N/A		N/A

3. In majority of orders, company do have price variation clause (PVC) issued by Indian Electrical and Electronics Manufacturers' Association (IEEMA) which covers all component of cost including commodities and accordingly company do not have any major risk due to fluctuation in commodities price.

(iii) Interest rate risk

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has loans taken from banks which are linked to MCLR rate of the bank, which are variable.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase/ Decrease in basis Points	Effect on profit before tax (₹ In lacs)
31-Mar-19	INR	+50	(20.63)
	INR	-50	20.63
31-Mar-18	INR	+50	(15.42)
	INR	-50	15.42

(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 lacs)

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

(₹ In lacs)

As at 31 March 2018	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
(a) Non Derivative financial instruments						
Long term borrowings	-	-	875.01	128.24	-	1,003.25
Short term borrowings						
Cash Credit Facilities	-	3,809.97	-	-	-	3,809.97
Trade payables						
Trade payables - Micro and small enterprises	-	82.04	-	-	-	82.04
Trade payables - other than micro and small Ent	-	2,698.26	-	-	-	2,698.26
Other financial liabilities						
Deposits from dealers and agents	-	-	-	-	17.76	17.76
Current maturities of long-term debt	-	279.43	-	-	-	279.43
Interest accrued on borrowings	-	13.90	-	-	-	13.90
Provision for Processing Fees	-	23.03	-	-	-	23.03
Unclaimed / Unpaid dividends	-	11.39	-	-	-	11.39
Creditors for Capital Supplies / Services	-	19.71	-	-	-	19.71
Provision for Bonus	-	31.49	-	-	-	31.49
Salary & Other Accrued Expenses	-	119.80	-	-	-	119.80
Other Payables	-	35.98	-	-	-	35.98
Total	-	7,125.00	875.01	128.24	17.76	8,146.01



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(iii) Financing arrangements

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

(₹ In lacs)

Particulars	31 March 2019	31 March 2018
Cash Credit Facilities	1,819.61	270.03
Total	1,819.61	270.03

(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 lacs)

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

(₹ In lacs)

As at 31 March 2018	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
(a) Non Derivative financial instruments						
Investments	-	-	-	-	10.00	10.00
Trade Receivables	-	5,538.54	-	-	-	5,538.54
Cash and Cash Equivalents	-	20.81	-	-	-	20.81
Other Bank Balances	-	205.21	-	-	-	205.21
Loans	-	2.83	2.65	0.35	3.65	9.48
Other financial Assets						
Security Deposits	-	-	60.18	-	-	60.18
Retention Money	-	-	151.90	-	-	151.90
Fixed Deposits with Banks (EMD)	-	-	13.15	-	-	13.15
Earnest Money Deposits	-	10.44	81.77	-	-	92.21
Interest Income accrued	-	5.62	-	-	-	5.62
Claims receivable	-	284.05	-	-	-	284.05
Total	-	6,067.50	309.65	0.35	13.65	6,391.15



Note 59 - 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 2019 and 31st March 2018 is as follows:

(₹ In lacs)

Particulars	As at 31st Mar 2019	As at 31st Mar 2018
Total Liabilities	10,638.97	8,640.30
Less: cash and cash equivalents	33.39	32.20
Adjusted net debt	10,605.58	8,608.10
Total equity	7,813.53	6,628.85
Adjusted net debt to adjusted equity ratio	1.36	1.30

Note 60

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

Note 61

The Financial Statements were authorised for issue by the directors on 18th May, 2019.

The accompanying notes are an integral part of the financial statements

As per our report attached
For, **RAVI A. SHAH ASSOCIATES,**
Chartered Accountants,
ICAI Firm Registration No.125079W

RAVI A. SHAH,
Proprietor
Membership No.116667

Place : Mumbai.
Date : 18th May, 2019

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

Place : Mumbai.
Date : 18th May, 2019

Minimum Voltage Relay



facebook.com/HindRectifiersLtd

linkedin.com/company/hind-rectifiers-ltd

MANUFACTURING UNITS

MUMBAI

Lake Road, Bhandup (W)
Mumbai - 400 078
P : +91 22 25696789
F : +91 22 25964114
E : marketing@hirect.com

DEHRADUN

Village Charba, New Khasra No. 66,
67 & 74, Vikas Nagar, Langa Road,
Dehradun - 248 197
P : +91 135 2697884

NASHIK

Plot No. 110, E-16 Road,
MIDC Satpur, Nashik - 422 007
P : +91 253 2350 610
F : +91 253 2350 669

BRANCH OFFICES

CHENNAI

No. 403, 4th Floor, C Block
Shivalaya Building, Ethiraj Salai
Egmore, Chennai - 600 008
P : +91 44 2824 1797
F : +91 44 2824 1796

KOLKATA

Flat No 4, 6th Floor
Chatterjee International Centre, 33A,
Jawaharlal Nehru Road, Kolkata - 700 071
P : +91 33 4016 8500
F : +91 33 4016 8507

NEW DELHI

7B/5024, Vyash Coop. Bank Bldg
Near D.A.V. School, Netaji Subhash Marg,
Daryaganj, New Delhi - 110 002
P : +91 11 4355 4801
F : +91 11 4355 4805



Hind Rectifiers Limited

hirect.com



HIND RECTIFIERS LIMITED

Lake Road, Bhandup (W), Mumbai - 400 078
Tel.: +91 22 2569 6789 Fax: +91 22 2596 4114 E-mail: investors@hirect.com
Website: www.hirect.com
CIN: L28900MH1958PLC011077

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **61st Annual General Meeting** of the members of **HIND RECTIFIERS LIMITED** will be held on **Thursday the 8th August, 2019 at 2:00 pm at Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400 020 Maharashtra**, 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, 2019, along with the Reports of the Board of Directors' and Auditors' thereon.
2. To declare a final dividend of ₹ 0.40 per Equity Share for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mrs. Akshada Nevatia (DIN: 05357438) as a Director, who retires by rotation and, being eligible, seeks re-appointment.

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, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20, being ₹ 50,000/- (Rupees Fifty Thousands only) plus applicable tax be and is hereby ratified and confirmed."

5. INCREASE IN BORROWING LIMITS FROM ₹ 150 CRORE TO ₹ 250 CRORE

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

"**RESOLVED THAT** in supersession of the resolution passed by the members at the Annual General Meeting of the company held on 13th August, 2015 and pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules, if any, made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors (including any Committee thereof) to borrow any sum or sums of money, in Indian Rupees and/or in any foreign currency from time to time, at its discretion, from Financial Institution(s) and/or Bank(s) and/or Institutional Investor(s) and/or Body Corporate and/or foreign lender(s) and/or entity(s), etc. on such terms and conditions, with or without security as the Board of Directors may think fit for the purpose of the business of the Company or for such other approved purpose and that the money borrowed together with the money already borrowed by the Company (apart from temporary



loans obtained/to be obtained from the Company's Bankers in the ordinary course of business) shall not, at any time exceed ₹ 250 crore (Rupees Two hundred Fifty crore)."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/ writings/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Key Managerial Personal of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

6. CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE IN RESPECT OF BORROWINGS UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013.

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

"**RESOLVED THAT** in supersession of the resolution passed by the members at the Annual General Meeting of the company held on 13th August, 2015 and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the members of the company be and is hereby accorded, to the Board of Directors of the Company (including any Committee thereof) to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company, in addition to the existing charges mortgages and hypothecations created by the company, to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company shall not exceed a sum of ₹ 250 crore (Rupees Two Hundred Fifty Crore only) for the Company."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/ writings/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Key Managerial Personnel of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

7. RE-APPOINTMENT OF MRS. AKSHADA NEVATIA AS AN EXECUTIVE DIRECTOR AND APPROVAL OF REMUNERATION

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, consent of the members be and is hereby accorded to re-appoint Mrs. Akshada Nevatia (DIN: 05357438) as a Whole-time Director designated as "Executive Director" of the Company, liable to retire by rotation, for a further period of 3 (three) years from the expiry of her present term of office, i.e. with effect from 15th January, 2020 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and



conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mrs. Akshada Nevatia, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof."

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

8. APPROVAL OF RELATED PARTY TRANSACTION WITH MR. SURAMYA NEVATIA CHIEF EXECUTIVE OFFICER

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

"RESOLVED THAT pursuant to the provisions of section 188(1) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of the members be and is hereby accorded to the revision in the remuneration of Mr. Suramya Nevatia, Chief Executive Officer and KMP (related party) w.e.f 1st April, 2019 as detailed in the Explanatory Statement."

"RESOLVED FURTHER THAT the Board of Directors on the recommendation of Nomination and Remuneration Committee have the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to effect change in the designation and responsibilities of the persons holding office or place of profit within the maximum limit approved by the members."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution."

9. APPROVAL OF RELATED PARTY TRANSACTION WITH MR. SAURABH NEVATIA CHIEF EXECUTIVE OFFICER, NASHIK PLANT

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

"RESOLVED THAT pursuant to the provisions of section 188(1) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of the members be and is hereby accorded to the revision in the remuneration of Mr. Saurabh Nevatia, Chief Executive Officer Nashik Plant (related party) w.e.f 1st April, 2019 as detailed in the Explanatory Statement."

"RESOLVED FURTHER THAT the Board of Directors on the recommendation of Nomination and Remuneration Committee have the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to effect change in the designation and responsibilities of the persons holding office or place of profit within the maximum limit approved by the members."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution."



10. APPROVAL OF GIVING GUARANTEE(S) AND/OR PROVIDING COMFORT LETTER FOR LOAN UNDER SECTION 185 OF COMPANIES ACT, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017, approval of members of the Company be and is hereby accorded for giving of guarantee(s), and/or providing comfort letter in connection with any Loan to be taken by Force Motion Technology LLP, being entity covered under the category of 'a person in whom any of the Director of the Company is interested' as specified in the explanation to sub section 2 of the said section, of an aggregate outstanding amount not exceeding ₹ 2.00 Crore (Rupees Two Crore only) per annum."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Guarantee and/or comfort letter, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable."

NOTES

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the special business under item nos. 4 to 10 of the accompanying notice is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
The instrument appointing the proxy, duly completed, stamped and signed, should be deposited at the registered office of the Company not less than forty eight hours before the time of the Annual General Meeting.
Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.
4. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
7. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate Attendance Slip or copies of the Annual Report and Accounts will not be made available at the Annual General Meeting venue.



8. Electronic copy of the Annual Report along with Notice of the 61st Annual General Meeting for Financial Year 2018- 19 is available on the Company's website www.hirect.com and is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a physical copy of the same. Members are requested to support Green initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares in dematerialized form) or with Adroit Corporate Services Private Limited, the Registrar and Transfer Agent of the Company (in case of shares held in physical form). For any communication, the members may also send requests to the Company's email ID: investors@hirect.com.
9. Brief resume of all Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of the Companies in which they hold Directorships, Memberships/Chairmanships for Board/Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards-2 on General Meetings are annexed as Annexure A hereto.
10. All documents referred to in the notice are open for inspection at the Registered Office of the Company during office hours on all working days (except Sunday and public holidays) between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting and also at the meeting.

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
11. The cut-off date for the purpose of determining the members eligible for participation in remote e-voting (e-voting from a place other than venue of the Annual General Meeting) and voting at the Annual General Meeting is Thursday 1st August, 2019. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If members opt for remote e-voting, then they should not vote at the meeting and vice versa. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the meeting can attend the meeting and participate in the meeting, but shall not be entitled to cast their vote again.
12. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice, holds shares as of the cut-off date i.e. 1st August, 2019, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if the member is already registered with CDSL for remote e-voting, then he/she can use his/her existing User-ID and password for casting the vote. Only a member who is entitled to vote shall exercise his/her/its vote through e-voting and any recipient of this Notice who has no voting rights as on the Cut-off Date should treat the same as intimation only.
13. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 8th September, 2017.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.
14. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has

**Hind Rectifiers Limited**

displayed the details of unpaid and unclaimed dividends lying with the Company as on 13th August, 2018 (date of the previous Annual General Meeting) on the website of the Company viz. www.hirect.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

15. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2018-19, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. 2nd September, 2018. Details of shares transferred to the IEPF Authority are available on the website of the Company viz. www.hirect.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

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

16. Due dates for transfer of unclaimed/unpaid dividends for the financial year 2011-12 and thereafter to the Investor Education and Protection Fund (IEPF):

Dividend for the year	Dividend Declaration Date	Due Date of transfer to the IEPF
2011 – 2012	07.08.2012	06.08.2019
2012 – 2013	12.08.2013	11.08.2020
2013 – 2014	14.08.2014	13.08.2021

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

ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit : Hind Rectifiers Limited]

17-20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (East), Mumbai 400059,
Tel: +91 (0) 22 42270400 | Fax: +91 (0)22 28503748
info@adroitcorporate.com
www.adroitcorporate.com

18. Members holding shares in physical mode:
- (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/RTA, if not registered with the Company as mandated by SEBI;
 - (b) are advised to register the nomination (Form SH-13) in respect of their shareholding in the Company;
 - (c) are requested to register/update their e-mail address with the Company/RTA for receiving all communications from the Company electronically.
19. Members holding shares in electronic mode:
- (a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts;



- (b) are advised to contact their respective DPs for registering the nomination;
 - (c) are requested to register/update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
20. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
21. The Register of Members and Share Transfer Books of the Company will remain closed from 1st August, 2019 to 8th August, 2019 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
22. The dividend on Equity Shares, if declared at the Annual General Meeting, will be paid between 8th August, 2019 and 15th August, 2019 to members whose names appear on the record of Depositories [National Securities Depository Limited and Central Depository Services (India) Limited] on 1st August, 2019 (for shares held in demat mode) and in the Register of members of the Company (for shares held in physical mode).
23. Voting through electronic means Instructions for shareholders voting electronically are as under:-
- I. Pursuant to Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of remote e-voting to exercise their right to vote at the 61st Annual General Meeting. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The Board has appointed Mr. Mahesh Soni or failing him Mrs. Sonia Chettiar, of M/s. GMJ & Associates, Practising Company Secretary as the Scrutinizer to scrutinize the remote e-voting and the voting process at the Annual General Meeting in a fair and transparent manner.

The instructions to members for voting electronically are as under:-

- (i) The voting period begins on Monday, 5th August, 2019 at 9:00 am and ends on Wednesday, 7th August, 2019 at 5:00 pm. During this period member's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 1st August, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/Members.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.



- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:-

For members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is sent with this notice.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member ID/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Hind Rectifiers Limited.
- (xii) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles.



The m-Voting app can be downloaded from Google Play Store and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- (xx) Note for Non-Individual members and Custodians
- Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be email to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.
- (xxii) At the Annual General Meeting, the Chairman shall, at the end of the discussion on the resolutions on which voting is to be held, may allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- (xxiii) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xxiv) The results declared along with the Scrutinizer's Report shall be displayed at the Registered Office of the Company and placed on the Company's website www.hirect.com and on website of CDSL e-Voting www.evotingindia.com within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

Meenakshi Anchlia
Company Secretary

Place : Mumbai
Date : May 18, 2019.



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

Item No. 4

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors, at its meeting held on 18th May, 2019, on recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants (Firm Registration Number: R100675), to conduct the audit of the cost records of the Company for Financial Year 2019-20 at a remuneration of ₹ 50,000/- (Rupees Fifty Thousands only) plus applicable tax.

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

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval by the members of the Company.

Item No. 5 and 6

The members of the Company had vide their special resolution at 57th Annual General Meeting, dated 13th August, 2015 accorded consent to the Board of Directors for borrowing any sum or sums of money in excess of aggregate of the paid-up share capital and its free reserves, excluding temporary loans obtained from the Company's bankers in the ordinary course of business, not exceeding the sum of ₹ 150 Crore (Rupees One Hundred Fifty Crore only).

The Company continues to evaluate various opportunities for its growth. This would require sufficient resources to be available for various activities including capital expenditure, working capital, expansion and general corporate purposes from time to time. It would, therefore, be prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements for its growth plans. The requirement of funds may be met by means of incurring debt, which may exceed the present approved limit of ₹ 150 Crore (Rupees One Hundred Fifty Crore).

Hence it is proposed to revise the overall borrowing limits of the Company, such that the money to be borrowed, together with the money already borrowed by the Company may exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, up to a limit not exceeding in the aggregate ₹ 250 Crore (Rupees Two Hundred Fifty Crore only).

The borrowings of the Company may, if necessary, be secured by way of charge/mortgage/pledge/ hypothecation on the Company's assets including in addition to existing charges comprising of the movable/ immovable, tangible/intangible properties of the Company, present or future in favour of the lender(s)/ agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the resolution at item no. 5 and 6. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent(s)/trustee(s) may contain the provisions to take over the substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of section 180(1)(a) of the Companies Act, 2013.

Vide Special resolution dated 13th August, 2015 passed by the members, the members had accorded their consent to the Board of Directors for creation of mortgages, charges, etc. for securing the borrowings upto ₹ 150 Crore (Rupees One



Hundred Fifty Crore only) in terms of section 180(1) (c) of the Companies Act, 2013.

In order to increase the earlier approved limit to ₹ 250 Crore (Rupees Two Hundred Fifty Crore only), the Directors recommend passing of the resolution as special resolution for the creation of security to secure an amount upto ₹ 250 Crore, for approval of the members. As per section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company, only with the consent of the Company by a Special Resolution.

The resolutions contained in Item No. 5 and 6 of the accompanying Notice; accordingly, seek members consent by way of Special Resolution for increasing the borrowing limits and creation of mortgages, charges, etc. thereon and for authorizing the Board of Directors (including Committee thereof authorised for the purpose) of the Company to complete all the formalities in connection therewith.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions, except to the extent of their shareholding.

The Board accordingly recommends the Special Resolutions set out at Item No. 5 and 6 of the Notice for the approval by the members of the Company.

Item No. 7

The Board of Directors of the Company at its meeting held on 18th May, 2019 has, subject to approval of members, re-appointed Mrs. Akshada Nevatia (DIN: 05357438) as a Whole-time Director, designated as "Executive Director", for a further period of 3 (three) years from the expiry of her present term, i.e., 15th January, 2020, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek member's approval for the re-appointment of and remuneration payable to Mrs. Akshada Nevatia as a Whole-time Director, designated as "Executive Director" of the Company, in terms of the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Broad particulars of the terms of re-appointment and remuneration w.e.f. 15th January, 2020 payable to Mrs. Akshada Nevatia are as under:

- 1) Basic Salary : ₹ 1,50,000/- p.m. (Rupees One Lac and Fifty Thosand only)
- 2) Benefits, Perquisites and Allowances:
 - i) House Rent Allowance ₹ 75,000/- p.m.
 - ii) Special Allowance ₹ 1,20,000/- p.m.
 - iii) Company's contribution to Provident Fund
 - iv) Mediclaim Policy and/or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad as per the company's policy.
 - v) Reimbursement of actual travelling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
 - vi) Gratuity payable at a rate of half month's salary for each completed year of service.
 - vii) Chaufer Driven Company's Car.
- 3) Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 read with Schedule V of Companies Act, 2013 as may be recommended by nomination and Remuneration Committee and approved by the Board.

As the profits of the company are inadequate the remuneration of the Executive Director is proposed as per the provisions of



Section II Part II of Schedule V of the Companies Act, 2013.

1. The aforesaid re-appointment and remuneration have been approved by a resolution passed by the Nomination and Remuneration Committee and the Board.
2. The Company has not defaulted on any debts or debentures or interest payable thereon.
3. The resolution proposed above is a Special Resolution and payment of proposed remuneration is for a period of three years.

The information pursuant to Section II of Part II of Schedule V of Companies Act, 2013 is annexed as Annexure B and forms an integral part of this explanatory statement.

The agreement entered into between the Company and Executive Director is open for inspection at the Registered Office of the Company during office hours on all working days (except Sunday and public holidays) between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and also at the Meeting.

The office of the Whole-time Director designated as "Executive Director" may be terminated by the Company or by her by giving the 3 (three) months prior notice in writing.

The Company has also received notice in writing, from her under section 160 of the Companies Act, 2013, proposing the candidature for appointment as Director of the Company. Notice received under section 160 of the Companies Act, 2013 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day upto the date of the Annual General Meeting.

Mrs. Akshada Nevatia satisfies all the conditions set out in Schedule V to the Companies Act, 2013 as also conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

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

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

Mrs. Akshada Nevatia is interested in the resolution as the same is for her own appointment. Mr. S. K. Nevatia, Chairman and Managing Director (KMP) and Mr. Suramya Nevatia, Chief Executive Officer (KMP) and their relatives may be deemed to be interested in the said resolution.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions, except to the extent of their shareholding.

The Board accordingly recommends the Special Resolution set out at Item No. 7 of the Notice for the approval by the members of the Company.

Item No. 8

The provisions of Section 188 of the Companies Act, 2013 that govern the Related Party Transactions requires a Company to obtain prior approval of the Board of Directors and in certain cases approval of the members is also required.

Mr. Suramya Nevatia is working in the Company since 2011 as a regular employee and his present designation is Chief Executive Officer (Key Managerial Personnel). He looks after all the activities of the Company. Under his guidance and directions, expansion plan of the Company was completed in financial year 2017-18. The Company has achieved major growth in the turnover and profit.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their



meeting held on 18th May, 2019 has consented for increase in remuneration payable to Mr. Suramya Nevatia, Chief Executive Officer (KMP), w.e.f 1st April, 2019.

Since the above proposed remuneration exceeds the limit prescribed under Section 188 of the Companies Act, 2013, it shall require prior approval of the member's vide an Ordinary Resolution.

Mr. Suramya Nevatia is grandson of Mr. Sushil Kumar Rameshwarprasad Nevatia, Chairman and Managing Director (KMP) and spouse of Mrs. Akshada Nevatia, Executive Director. The details of the remuneration w.e.f. 1st April, 2019 are given below.

1. Salary : ₹ 2,00,000/- p.m.
2. Benefits, Perquisites and Allowances :
 - a) House Rent Allowance ₹ 1,00,000/- p.m.
 - b) Special Allowance ₹ 1,60,000/- p.m.
 - c) Company's contribution to Provident Fund
 - d) Medclaim policy and/or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad as per Company's policy
 - e) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
 - f) Gratuity payable at a rate of 15 days salary for each completed year of service
 - g) Chauffeur driven company's car
3. Commission: In addition to above salary and perquisites, such remuneration by way of commission not exceeding 5% of the net profit of the company in a particular financial year as may be recommended by Nomination and Remuneration Committee and approved by the Board.

The Board of directors with the recommendation of Nomination and Remuneration Committee can revise the aforesaid remuneration subject to the limit of ₹ 2.00 crore per annum (excluding commission)

Mr. Sushil Kumar Rameshwarprasad Nevatia, Chairman and Managing Director and Mrs. Akshada Nevatia, Executive Director and their relatives may be deemed to be interested in the said resolution.

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

The Board accordingly recommends the Ordinary Resolution set out at Item No. 8 of the Notice for the approval by the members of the Company.

Item No. 9

The provisions of Section 188 of the Companies Act, 2013 that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the members is also required.

Mr. Saurabh Nevatia is working in the Company since 1988 as regular employee and his present designation is Chief Executive Officer, Nashik Plant. He looks after all the activities of Nashik Plant. Under his guidance the Nashik Plant has achieved a major growth in the turnover and profit.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 18th May 2018 has consented for increase in remuneration payable to Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant w.e.f 1st April, 2019.

Since the above proposed remuneration exceeds the limit prescribed under Section 188 of the Companies Act, 2013, the



appointment will require prior approval of the member's vide an Ordinary Resolution.

Mr. Saurabh Nevatia is son of Mr. Sushil Kumar Rameshwarprasad Nevatia, Chairman and Managing Director (KMP), father in law of Mrs. Akshada Nevatia, Executive Director and father of Mr. Suramya Nevatia, Chief Executive Officer (KMP).

The details of the remuneration w.e.f. 1st April, 2019 are given below.

1. Salary : ₹ 2,00,000/- p.m.
2. Benefits, Perquisites and Allowances :
 - a) House Rent Allowance ₹ 1,00,000/- p.m.
 - b) Special Allowance ₹ 4,00,000/- p.m.
 - c) Company's contribution to Provident Fund
 - d) Medclaim policy and/or reimbursement of medical expenses including hospitalization, nursing home and surgical charges for self and family whether incurred in India or abroad as per Company's policy
 - e) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place subject to ceiling of one month's basic.
 - f) Gratuity payable at a rate of 15 days salary for each completed year of service
 - g) Superannuation, etc.
 - h) Chauffeur driven Company's car.

The Board of directors with the recommendation of Nomination and Remuneration Committee can revise the aforesaid remuneration subject to the limit of ₹ 3.00 crore per annum.

Mr. Sushil Kumar Rameshwarprasad Nevatia, Chairman and Managing Director, (KMP) Mrs. Akshada Nevatia, Executive Director and Mr. Suramya Nevatia, Chief Executive Officer (KMP) and their relatives may be deemed to be interested in the said resolution.

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

The Board accordingly commends the Ordinary Resolution set out at Item No. 9 of the Notice for the approval by the members of the Company.

Item No. 10

Force Motion Technology LLP (FMT LLP) is sister concern of the Company. FMT LLP is supplying some critical components to Hind Rectifiers Limited, maintains the quality as per the requirement and deliver the product within time. Further, it was also observed that business transactions with FMT LLP are cost efficient.

FMT LLP's principal business activities *inter alia* consists of manufacturing, designing and developing of all types of Induction Motors and Blowers for Indian Railways Electric Locomotives, EMU, Industries like Steel Plants, Manufacture Transformers and Chokes for Indian Railways.

FMT LLP requires working capital loan to meet its need enough inflow of cash to run their business smoothly. The funding requirement of FMT LLP is currently met through funds infused by the respective partners and unsecured loan however same is not sufficient to take care of increased business specially with Hind Rectifiers Limited and needs working Capital facility / loan upto ₹ 2.00 crore. The Company may be required to give guarantee(s) and/or provide comfort letter in connection with any loan to be taken by FMT LLP. The said Loan(s) shall be utilised by FMT LLP for its principal business activities and the matters connected and incidental thereto (the "Principal Business Activities").

FMT LLP is the entity covered under the category of 'a person in whom any of the Director of the Company is interested' as



specified in the explanation to sub-section 2 of the section 185 of Companies Act, 2013 and hence consent of the members is being sought by way of a special resolution pursuant to section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017) for giving of guarantee(s), and/or provide comfort letter in connection with any Loan to be taken by FMT LLP of an aggregate outstanding amount not exceeding ₹ 2.00 crore (Rupees Two crore only) per annum on the terms mentioned in the resolution set out at item no. 10 and necessary delegation of authority to the Board (including any committee thereof) for this purpose.

Mr. Sushil Kumar Rameshwarprasad Nevatia, Chairman and Managing Director (KMP), Mr. Suramya Nevatia, Chief Executive Officer (KMP) and Mrs. Akshada Nevatia, Executive Director and their relatives may be deemed to be interested in the said resolution.

Mrs. Akshada Nevatia, Executive Director, Mr. Suramya Nevatia, CEO (KMP) and Mr. Saurabh Nevatia, CEO Nashik Plant each of them hold twenty five percent stakes (aggregate seventy five percent stakes) in FMT LLP.

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

The Board accordingly recommends the Special Resolution set out at Item No. 10 of the Notice for the approval by the members of the Company.



Annexure A

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

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

Name	Mrs. Akshada Nevatia (DIN: 05357438)
Date of first appointment on the Board	15th January, 2017
Date of Birth	21st August, 1987
Age	31 years
Qualifications, Experience and Expertise/ Brief Resume	Mrs. Akshada Nevatia has done Graduation in Psychology from S.P. College, Pune and Masters in Clinical Psychology from Fergusson College, Pune. She has also done her Diploma in Family Managed Business from S. P. Jain Institute, Mumbai. She is having more than five years of experience in Darode Jog Properties in Real Estate Industry. She then served as Management Corporate in Hind Rectifiers Limited from June, 2015 to January, 2017. She is associated with our Company as an Executive Director w.e.f. 15th January, 2017 and member of Corporate Social Responsibility Committee of the Board. Mrs. Nevatia is having approximately five years experience in construction industry. She has more than 10 years of experience as an entrepreneur. She is looking after General Corporate and Corporate Governance and involving in all the financial, accounting and Banking matters of the Company. She is 'Promoter Group entity' of the Company.
Number of Meetings of the Board attended during the year.	Three out of four
List of Directorship/ Membership/ Chairmanship of Committees of other Board	Directorship of other Board : Nil Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil
Shareholding in Hind Rectifiers Limited	5850 Equity Shares
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Mr. S. K. Nevatia, Chairman and Managing Director (KMP) is the grandfather-in-law, Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant is father-in law and Mr. Suramya Nevatia, Chief Executive Officer (KMP) is spouse of Mrs. Akshada Nevatia.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person has been given in the Corporate Governance Report part of the 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



Annexure B

Disclosure as required under Section II of Part II of Schedule V to the Companies Act, 2013 is given hereunder

I. General Information

- (1) **Nature of Industry:** The Company is engaged in manufacturing and marketing of Semi Conductor Devices, Power Electronic Products and Loco Transformers.
- (2) **Date or expected date of Commercial Production:** N.A., since the Company has already commenced its business activities.
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.
- (4) **Financial Performance:**

(₹ In lacs)

Particular	For the financial year		
	2016-17	2017-18	2018-19
Net Operational Income	11148.49	12569.20	25514.29
Depreciation	199.75	230.73	271.86
Total Expenses	11347.04	12367.44	23894.43
Net Profit/(Loss) before Exceptional Items and Tax	(198.55)	201.76	1619.86
Exceptional Items	(779.33)	-	45.05
Net Profit/(Loss) for the year before tax	(977.88)	201.76	1664.91
Paid up Capital	301.16	331.27	331.27
Reserves and Surplus	5019.52	6297.58	7482.26
Earnings Per Share	(4.63)	0.79	7.12

Export Performance: (₹ In lacs)

2016-17	2017-18	2018-19
186.32	166.68	295.37

- (5) **Foreign Investments or collaborations, if any:** The Company does not have any investment outside India. The company has Technical Collaboration for manufacturing of Inverters, Converters, stacks etc.

II. Information about the Appointees

(1) Background details

Mrs. Akshada Nevatia has done graduation in Psychology from S.P. College, Pune and Masters in Clinical Psychology from Fergusson College, Pune. She has also done her Diploma in Family Managed Business from S. P. Jain Institute, Mumbai. She is having approximately five year experience in Darode Jog Properties in Real Estate Industry and four years in Hind Rectifiers Limited as Management (Corporate) and Executive Director w.e.f. 15th January, 2017.

**Hind Rectifiers Limited****(2) Past Remuneration**

Mrs. Akshada Nevatia* is Executive Director of the Company and her past remuneration for the last three years is as under :-

(₹ In lacs)

Particular	2016-17	2017-18	2018-19
Remuneration	4.53	15.49	29.14

*Mrs. Akshada Nevatia appointed as Director w.e.f. 15th January, 2017.

(3) Recognition and awards – Nil**(4) Job profile and her suitability**

Mrs. Akshada Nevatia is successfully looking after and involving in all the financial and governance matters of the Company from last five years.

(5) Remuneration Proposed

Proposed Remuneration is mentioned in the Explanatory Statement. Apart from receiving Managerial Remuneration, Mrs. Akshada Nevatia does not have any other pecuniary relationship with the Company except her relationship with the Director and Key Managerial Personnel as described in Annexure A and holding 5850 equity shares of the Company.

Comparative remuneration profile with respect to industry, size of Company, profile of the position and person: Comparative Remuneration with respect to industry, size of the Company, etc. is not possible to be compiled as it is difficult to call and compile information from such industries. In this regard, the Board is of the opinion that the proposed remuneration is not detrimental to the interest of either the Company or its other stakeholders.

III Other information: The Company is focusing on development of new products for railways and also for other applications. In view of various steps taken by the Company profit (PBITDA) for the year 2018-19 is ₹ 25.92 crore compared to the ₹ 9.62 crore in the year 2017-18.

Profit before tax for the year 2018-19 was ₹ 16.65 crore as compared to profit of ₹ 2.02 crore in the year 2017-18.

Nashik plant expansion for manufacture of Railway as well non Railway products was completed during the financial year 2017-18; this will help for further improving the performance. The Company has continued healthy order bookings for the year 2019-20. The healthy order book position provides revenue visibility in near term.

Disclosure :

Necessary disclosures shall be made in the Directors' Report annually and shareholders will be provided all the necessary information. The required information about the remuneration package, service contract, etc. is given in Corporate Governance Report part of the Annual Report.

61st Annual Report 2018-2019

hirect.com



Hind Rectifiers Limited

Registered Office: Lake Road, Bhandup (W), Mumbai 400 078 Email: investors@hirect.com CIN: L28900MH1958PLC011077

ATTENDANCE SLIP

D.P. ID*	Client ID*
L. F. No.	No. of Shares held

I/We hereby record my/our presence at the SIXTY FIRST ANNUAL GENERAL MEETING held on Thursday, 8th August, 2019 at 2:00 pm at Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400 020 Maharashtra.

Signature of Shareholder(s) 1 2 3

Name of the Proxy holder

Signature of the Proxy holder

* Applicable for investors holding shares in electronic form.

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

HIND RECTIFIERS LIMITED

Registered Office: Lake Road, Bhandup (W), Mumbai 400 078

Email: investors@hirect.com Website: www.hirect.com

CIN: L28900MH1958PLC011077

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 - Form No. MGT-11]

Member's Name	
Folio No. / Client ID	
DP ID	
Registered Address	
Registered E-Mail ID	

I/We, being member(s) of Hind Rectifiers Limited having shares, hereby appoint:

a) Name Address

E-Mail ID Signature or failing him;

b) Name Address

E-Mail ID Signature or failing him;

c) Name Address

E-Mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **SIXTY FIRST ANNUAL GENERAL MEETING** of the Company to be held on **Thursday, 8th August, 2019 at 2:00 pm** at **Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400 020 Maharashtra** and at any adjournment thereof in respect of such resolutions as are mentioned below:-



Hind Rectifiers Limited

<p>Route Map for</p> <p>61st Annual General Meeting of Hind Rectifiers Limited</p> <p>Babubhai Chinai Committee Room, 2nd Floor, IMC Bldg., IMC Marg, Churchgate, Mumbai-400 020 Maharashtra</p>	
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Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Consider and adopt the Audited Financial Statement, Report of the Board of Directors and Auditors		
2.	Declaration of dividend for the year ended March 31, 2019		
3.	Re-appointment of Mrs. Akshada Nevatia, who retires by rotation		
Special Business			
4.	Ratification of remuneration to Cost Auditors		
5.	Increase in Borrowing Limits from ₹ 150 crores to ₹ 250 crores		
6.	Creation of Charges on the Movable and Immovable Properties of the Company, both Present and Future in respect of Borrowings under Section 180(1)(a) of the Companies Act, 2013.		
7.	Re-appointment of Mrs. Akshada Nevatia as an Executive Director and Approval of Remuneration		
8.	Approval of Related Party Transaction with Mr. Suramya Nevatia, Chief Executive Officer (KMP)		
9.	Approval of Related Party Transaction with Mr. Saurabh Nevatia, Chief Executive Officer, Nashik Plant		
10.	Approval of giving Guarantee(s) and/or providing comfort letter for loan under Section 185 of Companies Act, 2013		

Signed this _____ day of _____ 2019

Signature of the member(s) _____

Signature of Proxy holder(s) _____

AFFIX REVENUE STAMP OF NOT LESS THAN ₹ 1

Note: 1) This form must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.

* 2) It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

3) A proxy need not be a member.

4) Please fill all details including details of members in above box before submission.