



Ref. No. HIRECT/SEC/2023-24/21

July 28, 2023

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

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

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

Sub: Annual Report for the financial year 2022-23 and Notice convening the 65th Annual General Meeting, etc.

Dear Sir/ Madam,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the 65th Annual General Meeting scheduled to be held on Wednesday, August 23, 2023 at 11:00 am IST through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

The notice convening the 65th AGM, forming part of Annual Report is being sent to the members by email whose email addresses are registered with the Company/Depository participant(s)/RTA. The Annual Report is also uploaded on the website of the Company at www.hirect.com. The details such as the manner of casting vote through e-voting and attending the AGM through VC/OAVM has been set out in the Notice of the AGM.

The Company has fixed Wednesday, August 16, 2023 as the cut-off date to record the entitlement of the members to cast their vote (remote e-voting and voting at the Annual General Meeting) for the business to be transacted at the ensuing 65th AGM of the Company scheduled to be held on Wednesday, August 23, 2023.

Kindly acknowledge and take the same on record.

We request you to take the above on records.

Thanking you,

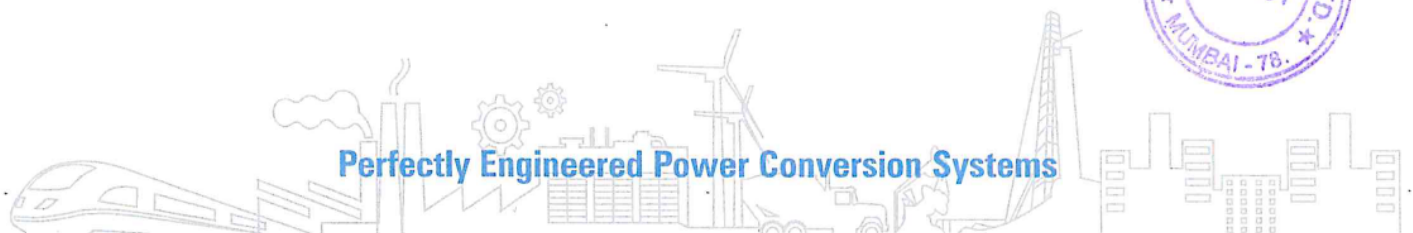
Yours Faithfully,

For Hind Rectifiers Limited

Meenakshi Anchlia
Company Secretary & Compliance Officer
Membership No. A30545

Encl: As above

CC : National Securities Depository Limited/ Central Depository Services (India) Limited





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 **65th Annual General Meeting ("AGM")** of the members of **HIND RECTIFIERS LIMITED** will be held on **Wednesday, August 23, 2023 at 11:00 am IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")**, to transact the following business: -

ORDINARY BUSINESS

- To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2023, together with reports of the Board of Directors and Auditors thereon**

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

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended March 31, 2023 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

- To appoint a Director in place of Mr. Pawan Golyan (DIN: 00356807) who retires by rotation and, being eligible, offers himself for re-appointment.**

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

"RESOLVED THAT Mr. Pawan Golyan (DIN: 00356807), who retires by rotation under Article 171 and 172 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

- Ratification of Remuneration to Cost Auditors**

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

"RESOLVED THAT pursuant to the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountants, having Firm Registration Number R100675, re-appointed by the Board of Directors of the Company as cost auditors to conduct the audit of the cost records of the Company for the financial year 2023-24, being Rs. 80,000 (Rupees Eighty Thousand only) plus applicable tax be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

- To appoint Mr. Parimal Merchant (DIN: 00201962) as a Non-Executive Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and all applicable provisions of the SEBI Listing Regulations 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Parimal Merchant (DIN: 00201962), who was appointed by the Board of Directors as

Hind Rectifiers Limited

an Non-Executive and Independent Director and hold office upto August 11, 2023, pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, being so eligible, be and is hereby appointed as a Director (Non-Executive and Non-Independent) of the Company, liable to retire by rotation, w.e.f. August 12, 2023 for a term of five years.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

5. Re-appointment of Mr. Suramya Nevatia as a Managing Director & CEO (KMP) and Approval of Remuneration

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to 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 Regulations 2015, including any statutory modification or re-enactment thereof for the time being in force, consent of the Company be and is hereby accorded for the re-appointment of Mr. Suramya Nevatia (DIN: 06703910) as the Managing Director & Chief Executive Officer (KMP) of the Company, not liable to retire by rotation, for a further period of 3 (three) years from the expiry of his present term of office i.e. with effect from August 17, 2023 up to August 16, 2026 upon the terms and conditions of appointment including the payment of remuneration, perquisites, commission and other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with the liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration in such manner as may be agreed to between the Board of Directors and Mr. Suramya Nevatia subject to the same not exceeding the limits specified under the Companies Act, 2013 and SEBI Listing Regulations 2015 or any statutory modification or re-enactment thereof.”

“**RESOLVED FURTHER THAT** the Board of Directors, be and is hereby authorized to revise the remuneration of Mr. Suramya Nevatia from time to time to the extent the Board of Directors may deem appropriate provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, SEBI Listing Regulations, 2015 and/or any guidelines prescribed by the Government from time to time.”

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

6. To approve payment of managerial remuneration to Mr. Suramya Nevatia, Managing Director & CEO (KMP)

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

“**RESOLVED THAT** in terms of provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, and under SEBI Listing Regulations 2015 including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and in furtherance of the special resolution passed in the 62nd Annual General Meeting held on September 15, 2020 and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for payment of remuneration to Mr. Suramya Nevatia (DIN: 06703910), Managing Director & CEO (KMP), as set out in the Explanatory Statement, for the financial year 2022-23 and till the remaining tenure of his term i.e. upto August 16, 2023, notwithstanding that such remuneration may exceed the limit specified under Section 197 and



Schedule V of the Companies Act, 2013 in case of inadequacy or absence of profits, calculated in accordance with the applicable provisions of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the terms and remuneration as set out in the explanatory statement of this resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits, for the financial year 2022-23, and till the remaining tenure of his term i.e. upto August 16, 2023, the remuneration comprising salary, perquisites, and benefits approved by the Board of Directors be paid as minimum remuneration to the Managing Director.”

“**RESOLVED FURTHER THAT** save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mr. Suramya Nevatia, Managing Director & CEO (KMP), passed at the 62nd Annual General Meeting and the postal ballot dated January 1, 2023 shall continue to remain in full force and effect.”

“**RESOLVED FURTHER THAT** the Board (which will include its committee thereof) be and is hereby authorized to vary and/or revise the remuneration of Mr. Suramya Nevatia, Managing Director & CEO (KMP) within limits permissible under the Companies Act, 2013 and do all such acts, deeds, and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution.”

7. To approve payment of managerial remuneration to Mrs. Akshada Nevatia, Executive Director

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

“**RESOLVED THAT** in terms of provisions contained in Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, and under SEBI Listing Regulations 2015 including any statutory modifications or re-enactment thereof, and the Articles of Association of the Company and in furtherance of the special resolution passed in the 64th Annual General Meeting held on August 9, 2022 and subject to such other approvals as may be necessary, approval of the Members be and is hereby accorded for payment of remuneration to Mrs. Akshada Nevatia (DIN: 05357438), Executive Director, as set out in the Explanatory Statement, for the financial year 2022-23 and till the remaining tenure of her term i.e. upto January 14, 2026, notwithstanding that such remuneration may exceed the limit specified under Section 197 and Schedule V of the Companies Act, 2013 in case of inadequacy or absence of profits, calculated in accordance with the applicable provisions of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the terms and remuneration as set out in the explanatory statement of this resolution shall be deemed to form part hereof and in the event of inadequacy or absence of profits, for the financial year 2022-23, and till the remaining tenure of her term i.e. upto January 14, 2026, the remuneration comprising salary, perquisites and benefits approved by the Board of Directors be paid as minimum remuneration to the Executive Director.”

“**RESOLVED FURTHER THAT** save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mrs. Akshada Nevatia, passed at the 64th Annual General Meeting shall continue to remain in full force and effect.”

“**RESOLVED FURTHER THAT** the Board (which will include its committee thereof) be and is hereby authorized to vary and/or revise the remuneration of Mrs. Akshada Nevatia, Executive Director within limits permissible under the Companies Act, 2013 and do all such acts, deeds, and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution.”

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

Place : Mumbai
Date : May 26, 2023

Meenakshi Anchlia
Company Secretary



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NOTES:

1. Pursuant to the General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/PoD 2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.

The deemed venue for the 65th AGM shall be the Registered Office of the Company. The Company has engaged National Securities Depository Limited for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
4. Members of the Company are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Scrutinizer by email to maheshsoni@gmj.co.in with a copy marked to evoting@nsdl.co.in.
5. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. August 23, 2023. Members seeking to inspect such documents can send an email to investors@hirect.com.

Compliance Certificate under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditor of the Company is available and accessible for inspection by the Members at https://hirect.com/wp-content/uploads/2023/05/Compliance-Certificate_GMJ-2023.pdf.

Compliance Certificate under Regulation 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditor of the Company is available and accessible for inspection by the Members at https://hirect.com/wp-content/uploads/2023/05/Compliance-Certificate_Sweat-Equity-GMJ-2023.pdf.

The branch auditor of the Dehradun plant will continue till the conclusion of the 65th AGM. It has been decided that the Company will not appoint any branch auditor. The Statutory Auditors conduct the statutory audit of the Company.

6. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode.
7. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned depository participant and holdings should be verified from time to time.
8. Members are requested to address all correspondence, including dividend-related and IEPF matters, to RTA.



9. RTA Contact details:
ADROIT CORPORATE SERVICES PRIVATE LIMITED
 17-19, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road,
 Marol Naka, Andheri (E), Mumbai - 400059, Maharashtra, India
 Tel : +91 (0) 22 4227 0400 Fax : +91 (0) 22 2850 3748
 Email : info@adroitcorporate.com Website : www.adroitcorporate.com

10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at investors@hirect.com. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Companies Act, 2013, read with applicable IEPF rules.

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

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

12. In compliance with Section 108 of the Companies Act, 2013, read with the corresponding rules, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by the National Securities Depository Limited. For this purpose, the Company has entered into an agreement with National Securities Depository Limited for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mr. Mahesh Soni (Membership No. 3706), or failing him Ms. Sonia Chettiar (Membership No. 27582), partners of GMJ & Associates, Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
13. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. Wednesday, August 16, 2023, may cast their votes electronically. The e-voting period commences on Friday, August 18, 2023 (9:00 a.m. IST) and ends on Tuesday, August 22, 2023 (5:00 p.m. IST). The e-voting module will be disabled by NSDL thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Wednesday, August 16, 2023. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
14. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration

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Committee, Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.

15. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
16. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. Wednesday, August 16, 2023, may obtain the login ID and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. Wednesday, August 16, 2023, may follow steps mentioned in the Notice under Instructions for e-voting.
17. In compliance with the Circulars, the Annual Report 2022-23, the Notice of the 65th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company/ depository participant(s) (DP).
18. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Adroit Corporate Services Private Limited at info@adroitcorporate.com, to receive copies of the Annual Report 2022-23. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details.

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

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

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

19. Members may also note that the Notice of the 65th AGM and the Annual Report 2022-23 will also be available on the Company's website at <https://hirect.com/annual-report/>, websites of the stock exchanges, i.e. BSE



and NSE, at www.bseindia.com and www.nseindia.com, respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.

20. Information pursuant to Regulation 36 of SEBI Listing Regulations 2015 and Secretarial Standard on General Meeting (SS-2) with respect to the Director seeking appointment/re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Director has furnished the requisite consents/declarations for her appointment/re-appointment.
21. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Adroit Corporate Services Private Limited at info@adroitcorporate.com.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.

22. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.
23. As per Section 72 of the Companies Act, 2013, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. The form can be downloaded from the Company's website at <https://hirect.com/shareholder-enquiries/>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
24. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hirect.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.
25. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
26. The process and manner for e-voting and the process of joining meeting through video conferencing along with other details also form part of the Notice.

Instructions for remote e-voting and participation through VC

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

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




Step 1 : Access to NSDL e-Voting System

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

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

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

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Shareholders / Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers’ website directly.



Type of shareholders	Login Method
	<p>3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important Note

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number / folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.



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

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

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

General Guidelines for Members

1. Institutional / corporate members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to maheshsoni@gmj.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution/Power of Attorney / Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 / 022 - 2499 7000 or send a request to Mr. Sanjeev Yadav, Assistant Manager at evoting@nsdl.co.in.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to investors@hirect.com or info@adroitcorporate.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) to info@adroitcorporate.com or investors@hirect.com. If you are an Individual shareholders holding securities in Demat mode, you are requested to refer to the login method explained at **Step 1 i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.



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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for access to NSDL e-voting system. After successful login, you can see link of "VC / OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least two days prior to the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investors@hirect.com.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Members who do not wish to speak during the AGM but have queries or seeking any information concerning the accounts of the Company are requested to send the same in advance at least two days prior to the meeting mentioning their name, Demat account number/folio number, email id, mobile number at investors@hirect.com. These queries will be replied to by the Company suitably.



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS, AND REGULATION 36 OF THE SEBI LISTING REGULATIONS 2015

Item No. 3

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 May 26, 2023 on the recommendation of the Audit Committee has approved the re-appointment and remuneration of M/s N. Ritesh & Associates, cost accountants (Firm Registration Number: R100675), to conduct the audit of the cost records of the Company for the financial year 2023-24 at a remuneration of Rs. 80,000 (Rupees Eighty Thousand only) plus applicable tax.

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

In making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee of Directors considered the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board 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, 2024.

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

The Board recommends passing the resolution as set out in item no. 3 of this notice as an ordinary resolution.

Item No. 4

Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the applicable rules made thereunder, the Board of Directors of the Company at its meeting held on May 26, 2023, basis on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Parimal Merchant (DIN: 00201962) as a Director (Non-Executive and Non-Independent) for a term of 5 (five) years effective from August 12, 2023 to August 11, 2028 (both days inclusive) and he shall be liable to retire by rotation.

The second term of Mr. Parimal Merchant as an Independent and Non-Executive Director is up to August 11, 2023. The Nomination and Remuneration Committee, based on the performance evaluation, experience, and contributions made by Mr. Parimal Merchant during his tenure, considered to continue the association as the same would be beneficial to the Company and hence recommended it to the Board.

In accordance with the provisions of the Companies Act, 2013 read with the applicable rules made thereunder and SEBI Listing Regulations 2015 and the Articles of Association of the Company, Mr. Parimal Merchant being an Independent Director, holds office up to August 11, 2023. The Company has received a notice in writing from a Member of the Company under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Parimal Merchant for the office of a 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 business hours on any working day up to the date on the Annual General Meeting.

Mr. Parimal Merchant is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. He is not debarred from holding the office of a Director by virtue of any order of the Securities and Exchange Board of India or any other such authority.



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Mr. Parimal Merchant would be entitled for remuneration under Section 197, 198 and Schedule V and Regulation 17 of the SEBI Listing Regulations 2015 including sitting fees as permitted by law, and by himself or on a beneficial basis for any other person as may be approved by the Board from time to time, subject to such further approvals, as applicable.

Mr. Parimal Merchant does not hold any equity shares of the Company by himself or on beneficial basis for any other person as on date of this Notice and is not inter-se related to any Director or Key Managerial Personnel of the Company.

He does not have any material pecuniary relationships or transactions with the Company or any of the Directors, which would have any potential conflict with the interests of the Company at large.

Other disclosures and details of terms and conditions of appointment of Mr. Parimal Merchant as stipulated under Regulation 36 of the SEBI Listing Regulations 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are provided in Annexure A(ii) to this Explanatory Statement and should be taken and read as part hereof.

Mr. Parimal Merchant is interested in the resolution set out in item no. 4 of the Notice with regard to his appointment. Relatives of Mr. Parimal Merchant may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, KMPs of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the Notice.

The Board is of the view that Mr. Parimal Merchant's knowledge, skills, expertise and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends his appointment as a Director (Non-Executive and Non-Independent) of the Company.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the SEBI Listing Regulations 2015.

The Board accordingly recommends this ordinary resolution set out in item no. 4 of the Notice for approval by the Members of the Company.

Item No. 5

The Board of Directors of the Company at its meeting held on May 26, 2023, based on the recommendation of the Nomination and Remuneration Committee has, subject to the approval of members, re-appointed Mr. Suramya Nevatia (DIN: 06703910) as "Managing Director & CEO (KMP)" for a further period of 3 (three) years from the expiry of his present term, i.e. August 17, 2023, on terms and conditions including remuneration.

The Company has received a Notice under Section 160(1) of the Companies Act, 2013 from a Member signifying his intention to propose Mr. Suramya Nevatia's re-appointment as a Managing Director. 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 business hours on any working day up to the date on the Annual General Meeting.

The Board is proposed to seek Member's approval for the re-appointment of and remuneration payable to Mr. Suramya Nevatia as Managing Director & CEO (KMP) of the Company, in terms of the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations 2015 including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Broad particulars of the terms of re-appointment and remuneration payable to Mr. Suramya Nevatia, w.e.f. August 17, 2023 are as under:

1. Basic Salary : Rs. 2,00,000 p.m.
2. Benefits, Perquisites, and Allowances :
 - a) House Rent Allowance Rs. 1,75,000 p.m.
 - b) Special Allowance Rs. 85,000 p.m.



- c) Company's contribution to Provident Fund
 - d) 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.
 - e) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place subject to a ceiling of one month's basic.
 - f) Gratuity payable at a rate of half month's salary for each completed year of service.
 - g) Chauffeur 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 the Nomination and Remuneration Committee and approved by the Board.

Minimum remuneration : In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Suramya Nevatia, Managing Director & CEO (KMP), the payment of salary, perquisites, and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

The resolutions passed by the shareholders through postal ballot on January 1, 2023 related to issuance of sweat equity shares and remuneration payable to Mr. Suramya Nevatia, Managing Director & CEO (KMP) shall remain intact.

As the Managing Director and CEO (KMP), Mr. Suramya Nevatia will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company shall from time to time in its absolute discretion determine and entrust to him, subject, nevertheless to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.

He will, to the best of his skill and ability, endeavor to promote the interests and welfare of the Company and to conform to and comply with the directions & regulations of the Company and also such orders and directions as may from time to time be given to him by the Board of Directors of the Company.

He shall at all times act in the best interests of the Company and all its stakeholders (including its minority shareholders) and keep the Board of Directors informed of any developments or matters that have materially impaired or are reasonably likely to materially impair, the interests of the Company and/or any of its stakeholders.

The Managing Director & CEO (KMP) shall devote the whole of his time, attention and abilities to manage the business of the Company and shall use his best endeavour to promote its interest and welfare.

If at any time the Managing Director & CEO (KMP) ceases to be a director of the Company, for any reason whatsoever, he shall cease to be the Managing Director & CEO (KMP) and this is with the Company shall stand terminated forthwith. Similarly, if at any time the Managing Director & CEO (KMP) ceases to be in the employment of the Company for any cause/reason whatsoever, he shall cease to be a Director of the Company.

In case the profits of the Company are inadequate or loss the remuneration of the Managing Director & CEO (KMP) is proposed as per the provisions of Section II Part II of Schedule V of the Companies Act, 2013.

1. The aforesaid 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 the Companies Act, 2013 is annexed as Annexure B(i) and forms an integral part of this explanatory statement.



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The office of the Director designated as Managing Director & CEO (KMP) may be terminated by the Company or by him by giving the 3 (three) months prior notice in writing.

Mr. Suramya 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 his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The above explanatory statement together with Annexures A(iii) and B(i) 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 Regulations 2015, annual remuneration payable to Directors, who are the promoter or the Member of the promoter group exceeds five percent of the net profit calculated as per Section 198 of Companies Act, 2013.

Mr. Suramya Nevatia is interested in the resolution as the same is for his own appointment. Mrs. Akshada Nevatia, Executive Director and Mr. Suramya Nevatia's 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 in item no. 5 of the Notice for approval by the Members of the Company.

Item No. 6

The Members of the Company at the 62nd Annual General Meeting held on September 15, 2020 had appointed Mr. Suramya Nevatia as Joint Managing Director & CEO (KMP) of the Company effective from August 17, 2020 for a period of three years up to August 16, 2023.

Pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013, a company having inadequate / no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

During the financial year ended March 31, 2023, the profits were not adequate in reference to Section 197 read with Schedule V of the Companies Act, 2013 due to reduction in turnover, higher material cost ratio, and increased finance cost and therefore the remuneration paid to the Managing Director has exceeded the limits prescribed under the relevant provisions of the Companies Act, 2013.

The details of remuneration of Mr. Suramya Nevatia, Managing Director & CEO (KMP) are as under. It is proposed to pay the same in case of inadequacy or absence of profits in reference to Section 197 read with Schedule V of the Companies Act, 2013 for the financial year 2022-23 and till the remaining tenure of his term i.e. upto August 16, 2023. This is recommended by the Nomination and Remuneration Committee and approved by the Board, subject to the approvals of the members of the company.

1. Basic Salary : Rs. 2,00,000 p.m.
2. Benefits, Perquisites, and Allowances:
 - a) House Rent Allowance Rs. 1,75,000 p.m.
 - b) Special Allowance Rs. 85,000 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 the Company's policy.



- e) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place subject to a ceiling of one month's basic.
- f) Gratuity payable at a rate of half month's salary for each completed year of service.
- g) Chauffeur driven Company's car

3. Commission : Such remuneration by way of commission, in addition to the above salary, benefits, allowances 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 the Nomination and Remuneration Committee and approved by the Board.

Minimum remuneration : In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director & CEO (KMP), the payment of salary, perquisites, and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

The resolution passed by the shareholders through postal ballot on January 1, 2023 related to issuance of sweat equity shares and remuneration payable to Mr. Suramya Nevatia, Managing Director & CEO (KMP) shall remain intact.

In the event of inadequacy of profits or loss calculated as per Section 198 of the Companies Act, 2013 in financial year, Mr. Suramya Nevatia is entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board from time to time for the financial year 2022-23 and till the remaining tenure of his term i.e. upto August 16, 2023. It may be noted that the remuneration proposed to be paid to Mr. Suramya Nevatia is same as approved by the members of the Company at the 62nd AGM and postal ballot dated January 1, 2023.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to special resolution at item no. 6 is annexed hereto.

Mr. Suramya Nevatia is interested in the resolution as the same is for his own remuneration. Mrs. Akshada Nevatia, Executive Director and Mr. Suramya Nevatia's 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 special resolution set out in item no. 6 of the Notice for approval by the members of the Company.

Item No. 7

The Members of the Company at the 64th Annual General Meeting held on August 9, 2022 had re-appointed Mrs. Akshada Nevatia as an Executive Director of the Company effective from January 15, 2023 for a period of three years that is up to January 14, 2026.

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/ no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

During the financial year ended March 31, 2023, the profits were not adequate in reference to Section 197 read with Schedule V of the Companies Act, 2013, due to reduction in turnover, higher material cost ratio, and increased finance cost and therefore the remuneration paid to the Executive Director has exceeded the limits prescribed under the relevant provisions of the Companies Act, 2013.

The details of remuneration of Mrs. Akshada Nevatia, Executive Director are as under. It is proposed to pay the same in case of inadequacy or absence of profits in reference to Section 197 read with Schedule V of the Companies Act, 2013 for the financial year 2022-23 and till the remaining tenure of her term i.e. upto January 14, 2026. This is recommended by



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Nomination and Remuneration Committee and approved by the Board, subject to the approvals of the members of the company.

1. Basic Salary : 1,50,000/- p.m.
2. Benefits, Perquisites, and Allowances:
 - (i) House Rent Allowance Rs. 1,25,000/- p.m.
 - (ii) Special Allowance Rs. 70,000/-p.m.
 - (iii) Company's contribution to Provident Fund
 - (iv) 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 the Company's policy.
 - (v) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place subject to a ceiling of one month's basic.
 - (vi) Gratuity is payable at a rate of half month's salary for each completed year of service.
 - (vii) Chauffer Driven Company's Car.
3. Commission : Such remuneration by way of commission, in addition to the above salary, benefits, allowances 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.

Minimum remuneration : In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mrs. Akshada Nevatia, Executive Director, the payment of salary, perquisites, and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

In the event of inadequacy of profits or loss calculated as per Section 198 of the Companies Act, 2013 in financial year Mrs. Akshada Nevatia is entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board from time to time for the financial year 2022-23 and till the remaining tenure of her term i.e. upto January 14, 2026. It may be noted that the remuneration proposed to be paid to Mrs. Akshada Nevatia is same as was approved by the members of the Company at their 64th AGM.

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to special resolution at item no. 7 is annexed hereto.

Mrs. Akshada Nevatia is interested in the resolution as the same is for her own remuneration. Mr. Suramya Nevatia, Managing Director & CEO (KMP) and Mrs. Akshada Nevatia's 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 special resolution set out in item no. 7 of the Notice for approval by the members of the Company.

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

Place : Mumbai
Date : May 26, 2023

Meenakshi Anchlia
Company Secretary

Annexure A

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

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

(i) Pawan Golyan (DIN: 00356807)	
Date of first appointment on the Board	March 24, 1998
Date of Birth	July 2, 1958
Age	64 years
Qualifications, Experience and Expertise/Brief Resume or Profile	<p>Mr. Pawan Kumar Golyan is a B. Com Graduate from Kathmandu University. He is the Chairman of Golyan Group and has worked across different business fields including finance, marketing and management for over 35 years. Today he leads a conglomerate with business interest across several industries.</p> <p>Expertise: Industrialist, Financial Services, Sustainable Energy, Marketing and Management, Business and Corporate Planning, Governance and Leadership, Strategy, Risk Management, Create new business models</p>
Number of Meetings of the Board attended during the financial year 2022-23	One out of five
List of Directorship / Membership / Chairmanship of Committees of other Board as on March 31, 2023 (excluding Foreign Companies)	Directorship of other Board : Nil Directorship of other listed entities: Nil Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil
Shareholding in Hind Rectifiers Limited as on March 31, 2023	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	No
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 sitting fees sought to be paid and sitting fees last drawn by Mr. Golyan has been given in the Corporate Governance Report part of the Annual Report. Mr. Pawan Golyan's office as Director shall be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director : NA	
Skills and capabilities required for the role for which appointment is proposed and the manner in which the proposed appointee meets such requirements in the case of Independent Director : NA	
List of listed companies from which the new director / proposed appointee has resigned in the last three years : NA	



Hind Rectifiers Limited

(ii) Mr. Parimal Merchant (DIN: 00201962)	
Date of first appointment on the Board	February 7, 2013
Date of Birth	September 27, 1960
Age	62 years
Qualifications, Experience and Expertise/Brief Resume or Profile	<p>Mr. Parimal Merchant graduated from Mumbai with Bachelor in Commerce and Law and has completed ICWA. He obtained his PhD from BITS Pilani in 2018. His professional career includes around 46 years of work experience in Capital Markets, Consultancy, and Teaching. He has been associated with the Management program for Family Businesses for more than 25 years. At present, he is the Director of the Global Family Managed Business program at S. P. Jain School of Global Management.</p> <p>Expertise: Law, Capital Markets, Family Managed Business, Extend and create new business models, Governance and Leadership, Risk Management, Evaluate Corporate Strategy and Culture</p>
Number of Meetings of the Board attended during the financial year 2022-23	Three out of five
List of Directorship / Membership / Chairmanship of Committees of other Board as on March 31, 2023 (excluding Foreign Companies)	<p>Directorship of other Board :</p> <ol style="list-style-type: none"> 1. Ashish Life Science Private Limited 2. Sunjewels Private Limited 3. Dalal and Broacha Stock Broking Private Limited <p>Directorship of other listed entities: Nil Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil</p>
Shareholding in Hind Rectifiers Limited as on March 31, 2023	Nil
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	No
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 sitting fees sought to be paid and sitting fees last drawn by Mr. Parimal Merchant has been given in the Corporate Governance Report part of the Annual Report. Mr. Parimal Merchant's office as Director shall be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director : NA	
Skills and capabilities required for the role for which appointment is proposed and the manner in which the proposed appointee meets such requirements in the case of Independent Director : NA	
List of listed companies from which the new director / proposed appointee has resigned in the last three years : NA	



(iii) Mr. Suramya Nevatia (DIN: 06703910)	
Date of first appointment on the Board	August 17, 2020
Date of Birth	January 26, 1989
Age	34 years
Qualifications, Experience and Expertise/Brief Resume or Profile	<p>Mr. Suramya Nevatia has done graduation from H. R. College of Commerce & Economics, Mumbai in 2009 and MSC in Marketing Management from Aston University, Birmingham, U.K. in 2010 with First class merit. He has also done Post Graduate Diploma in Family Managed Business from S.P. Jain Institute, Mumbai.</p> <p>He joined the Company in 2011. He was promoted as Chief Executive Officer w.e.f June 1, 2016 and as KMP w.e.f June 1, 2018.</p> <p>He was appointed as Joint Managing Director & CEO (KMP) of the Company w.e.f. August 17, 2022 for a period of three years. The Board in its meeting held on November 11, 2020 on the recommendation of the Nomination and Remuneration Committee decided to change his designation to "Managing Director & CEO (KMP)" instead of "Joint Managing Director & CEO (KMP)" for his remaining tenure i.e. up to August 16, 2023.</p> <p>He has deep exposure in Marketing, Production, Operation and Management, Strategic Development and Risk Management. He has in-depth knowledge of the core business of the Company i.e. Electronic and Electro-Mechanical Equipments.</p> <p>He is looking after and involved in all the operations and management of the Company. His function includes envisioning the Company's growth strategy and being responsible for the overall operations of the Company.</p> <p>He has more than one decade of experience in the manufacturing industry with a strong track record of executing business turnarounds. He serves numerous operations and business roles.</p> <p>Expertise: Production, Operation and Management, Strategic Development, and Implementation Management, Performance Review and Marketing Management, Planning and Risk Management, Governance and Leadership</p>
Number of Meetings of the Board attended during the financial year 2022-23	Five out of five
List of Directorship / Membership / Chairmanship of Committees of other Board as on March 31, 2023 (excluding Foreign Companies)	<p>Directorship of other Board :</p> <ol style="list-style-type: none"> 1. Elventive Tech Private Limited 2. Tokenised Telecom Towers Private Limited <p>Directorship of other listed entities: Nil Membership of Committees of other Board: Nil Chairmanship of Committees of other Board: Nil</p>



Hind Rectifiers Limited

(iii) Mr. Suramya Nevatia (DIN: 06703910)	
Shareholding in Hind Rectifiers Limited as on March 31, 2023	2574768 Equity Shares
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mr. Suramya Nevatia and Mrs. Akshada Nevatia are related to each other.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn has been given in the Notice of 65th AGM and Corporate Governance Report part of the Annual Report respectively. Mr. Suramya Nevatia's office as Director shall not be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director : NA	
Skills and capabilities required for the role for which appointment is proposed and the manner in which the proposed appointee meets such requirements in the case of Independent Director : NA	
List of listed companies from which the new director / proposed appointee has resigned in the last three years : NA	

(iv) Mrs. Akshada Nevatia (DIN : 05357438)	
Date of first appointment on the Board	January 15, 2017
Date of Birth	August 21, 1987
Age	35 years
Qualifications, Experience and Expertise/Brief Resume or Profile	<p>Mrs. Akshada Nevatia has done Graduation in Psychology from S. P. College, Pune, and Masters in Clinical Psychology from Fergusson College, Pune. She has done Diploma in Family Managed Business from S. P. Jain Institute, Mumbai.</p> <p>She is having approximately five years of experience in Darode Jog Properties in the 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. January 15, 2017. She has more than thirteen years of experience as an entrepreneur. She is the 'Promoter Group entity' of the Company.</p> <p>Expertise: Entrepreneur, Finance, Accounts and Banking, General Corporate Management, Corporate Governance and Leadership, Strategy Planning, Risk Management, Understanding of the needs and viewpoints of customers, partners, employees, governments, and other stakeholders.</p>
Number of Meetings of the Board attended during the financial year 2022-23	Five out of five
List of Directorship / Membership / Chairmanship of Committees of other Board as on March 31, 2023 (excluding Foreign Companies)	<p>Directorship of other Board :</p> <p>1. Elventive Tech Private Limited</p> <p>Directorship of other listed entities: Nil</p> <p>Membership of Committees of other Board: Nil</p> <p>Chairmanship of Committees of other Board: Nil</p>



(iv) Mrs. Akshada Nevatia (DIN : 05357438)	
Shareholding in Hind Rectifiers Limited as on March 31, 2023	5850 Equity Shares
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Mr. Suramya Nevatia and Mrs. Akshada Nevatia are related to each other.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn has been given in the Corporate Governance Report part of the Annual Report and Notice of 65th AGM. Mrs. Akshada Nevatia's office as Director shall be subject to retirement by rotation.
Justification for choosing the appointee for appointment as Independent Director : NA	
Skills and capabilities required for the role for which appointment is proposed and the manner in which the proposed appointee meets such requirements in the case of Independent Director : NA	
List of listed companies from which the new director / proposed appointee has resigned in the last three years : NA	

Annexure B (i)

Disclosure as required under Section II of Part II of Schedule V to the Companies Act, 2013 – Mr. Suramya Nevatia

General Information

- (i) Nature of Industry: The Company is engaged in design, manufacturing, and marketing of electronic, electrical, electro-mechanical equipment such as transformers, converters, rectifiers, motors, panels, HVAC, power supplies, & battery chargers, for railway and general industries like power-plant, steel, cement, etc.
- (ii) Date or expected date of commencement of commercial production: The Company was incorporate in year 1958 and already commenced its business activity.
- (iii) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (iv) Financial Performance based on given indicators:

(Rs. in crore)

Particulars	2022-23	2021-22
Total Income	359.36	372.44
Depreciation	5.14	4.49
Tax expense	(2.32)	3.36
Total Expenses	362.90	356.79
Net Profit / (Loss)	(6.36)	7.80
Paid-up Capital	3.42	3.31
Reserves & Surplus	108.29	104.13

**Hind Rectifiers Limited**

- (v) Foreign Investment or Collaboration, if any: The Company does not have any investment outside India. The Company has Technical Collaboration for the manufacturing of Power Conversion Equipment & Controllers.

Information about the appointee:

- (i) Background Details : Mr. Suramya Saurabh Nevatia, (DIN: 06703910), aged 34 years has done graduation from H. R. College of Commerce & Economics, Mumbai in 2009 and MSC in Marketing Management from Aston University, Birmingham, U.K. in 2010 with First class merit. He has also done Post Graduate Diploma in Family Managed Business from S.P. Jain Institute, Mumbai.

He joined the Company in 2011. He was promoted as Chief Executive Officer (CEO) w.e.f. June 1, 2016 and as Key Managerial Personnel w.e.f. June 1, 2018. And from then the Company has gained from his visionary approach. Under his guidance and directions, the expansion plan of the Company was completed in the financial year 2017-18. The Company has achieved major growth under his leadership.

He was appointed as Joint Managing Director & CEO (KMP) of the Company w.e.f. August 17, 2022 for a period of three years. The Board in its meeting held on November 11, 2020 on the recommendation of the Nomination and Remuneration Committee decided to change his designation as "Managing Director & CEO (KMP)" instead of "Joint Managing Director & CEO (KMP)" for his remaining tenure i.e. up to August 16, 2023.

He has deep exposure in Marketing, Production, Operation and Management, Strategic Development, Risk Management, Implementation Management, Performance Review, etc. He has in-depth knowledge of the core business of the Company i.e. Electronic and Electro-Mechanical Equipment's.

- (ii) Past Remuneration : Mr. Suramya Nevatia is the Managing Director of the Company and his past remuneration for the last three years is as under:-

(Rs. in lakhs)

Particular	2020-21 [#]	2021-22	2022-23 [^]
Remuneration	38.71	61.47	1138.11

[#] Appointed as Managing Director w.e.f. August 17, 2020.

[^] The remuneration of Mr. Suramya Nevatia includes 5,50,000 equity shares allotted as sweat equity shares during the year in pursuant to the approval of the shareholders of the Company obtained through postal ballot dated January 1, 2023. For details, refer Note no. 69 to the audited annual financial statement.

- (iii) Recognition or Awards: Under the leadership of Mr. Suramya Nevatia the expansion plan of the Company was completed in the financial year 2017-18 and set up a new plant at Sinnar, Nashik in the financial year 2022-2023.
- (iv) Job Profile and his suitability: Mr. Suramya Saurabh Nevatia is successfully looking after and involving in Operation and Management, Strategic Development, and Implementation Management, Performance Review and Marketing Management, Planning and Risk Management. His function includes envisioning the Company's growth strategy and is responsible for the overall operations of the Company. He is the Promoter of the Company.
- (v) Proposed Remuneration: The details of remuneration as set out in item no. 5 /6 of the said resolution above.
- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): 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.



(vii) Pecuniary Relationship directly or indirectly with the company or relationship with managerial personnel, if any: Apart from receiving Managerial Remuneration, Mr. Suramya Saurabh Nevatia (Promoter) does not have any other pecuniary relationship with the Company except to the extent of his shareholding in the company.

Mrs. Akshada Nevatia (wife of Mr. Suramya Saurabh Nevatia) Executive Director is holding 5850 number of equity shares of the Company as on date.

Other Information

- (i) Reason of loss or inadequate profits: Profit was adversely affected due to reduction in turnover, higher material cost ratio, and increased finance cost.
- (ii) Steps taken or proposed to be taken for improvement: The Company is actively focusing on value engineering to reduce design cost, increasing in the number of orders of new products and selling them at a price which will create a growth and profit enhancement.
- (iii) Expected Increase in productivity and profits in measurable terms: The Company is actively implementing the theory of constraints to boost productivity and set up with modern machines to reduce production time.

Annexure B (ii)

Disclosure as required under Section II of Part II of Schedule V to the Companies Act, 2013 – Mrs. Akshada Nevatia

General Information

- (i) Nature of Industry: The Company is engaged in design, manufacturing, and marketing of electronic, electrical, electro-mechanical equipment such as transformers, converters, rectifiers, motors, panels, HVAC, power supplies, & battery chargers, for railway and general industries like power-plant, steel, cement, etc.
- (ii) Date or expected date of commencement of commercial production: The Company was incorporate in year 1958 and already commenced its business activity.
- (iii) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (iv) Financial Performance based on given indicators:

(Rs. in crore)

Particulars	2022-23	2021-22
Total Income	359.36	372.44
Depreciation	5.14	4.49
Tax expense	(2.32)	3.36
Total Expenses	362.90	356.79
Net Profit/(Loss)	(6.36)	7.80
Paid-up Capital	3.42	3.31
Reserves & Surplus	108.29	104.13

- (v) Foreign Investment or Collaboration, if any: The Company does not have any investment outside India. The Company has Technical Collaboration for the manufacturing of Power Conversion Equipment & Controllers.

**Hind Rectifiers Limited****Information about the appointee:**

- (i) 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 done Diploma in Family Managed Business from S. P. Jain Institute, Mumbai. She is having approximately five years of experience in Darode Jog Properties in the Real Estate Industry. She served as Management Corporate in Hind Rectifiers Limited from June 2015 to January 2017. She is associated with the Company as an Executive Director w.e.f. January 15, 2017. She has more than thirteen years of experience as an entrepreneur.
- (ii) Past Remuneration : Mrs. Akshada Nevatia is the Executive Director of the Company and her past remuneration for the last three years is as under:-

(Rs. In lakhs)

Particular	2020-21	2021-22	2022-23
Remuneration	46.21	52.74	46.21

- (iii) Recognition or Awards : NIL
- (iv) Job Profile and her suitability: Mrs. Akshada Nevatia is successfully looking after and involving in all the financial Strategy Planning, Risk Management and governance matter of the Company.
- (v) Proposed Remuneration: The details of remuneration as set out in item no. 7 of the said resolution above.
- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Comparative Remuneration with respect to industry, size of the Company, etc. is not possible to be complied 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.
- (vii) Pecuniary Relationship directly or indirectly with the company or relationship with managerial personnel, if any: Apart from receiving Managerial Remuneration, Mrs. Akshada Nevatia (Promoter Group entity) does not have any other pecuniary relationship with the Company except to the extent of her shareholding in the company.

Mrs. Suramya Nevatia (Spouse of Mrs. Akshada Nevatia) Managing Director & CEO is holding 2574768 number of equity shares of the Company as on date.

Other Information

- (i) Reason of loss or inadequate profits: Profit was adversely affected due to reduction in turnover, higher material cost ratio, and increased finance cost.
- (ii) Steps taken or proposed to be taken for improvement: The Company is actively focusing on value engineering to reduce design cost, increasing in the number of orders of new products and selling them at a price which will create a growth and profit enhancement.
- (iii) Expected Increase in productivity and profits in measurable terms: The Company is actively implementing the theory of constraints to boost productivity and set up with modern machines to reduce production time.



Hind Rectifiers Limited

**2022
2023**



**ANNUAL
REPORT**

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POWER
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SYSTEMS**

hirect.com



Hind Rectifiers Limited

65th Annual Report 2022-2023



IN LOVING MEMORY OF



Late Shri. S. K. Nevatia



Late Smt. Uma Nevatia





Board of Directors

Suramya Nevatia
Managing Director & CEO

Akshada Nevatia
Executive Director

Independent Director

Pradeep V. Goyal
Chairman of the Board

V. K. Bhartia

Parimal Merchant

Vandan Shah

Ashlesha Bodas

Non-Executive Non-Independent

Pawan Kumar Golyan

Key Managerial Personnel

Suramya Nevatia
Managing Director & CEO

A. K. Nemani
Chief Financial Officer

Anil Mehta
Joint Chief Financial Officer (w.e.f. February 2, 2023)

Meenakshi Anchlia
Company Secretary & Compliance Officer

Registrar And Transfer Agent

Adroit Corporate Services Private Limited
19-20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai 400059.

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Bankers

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

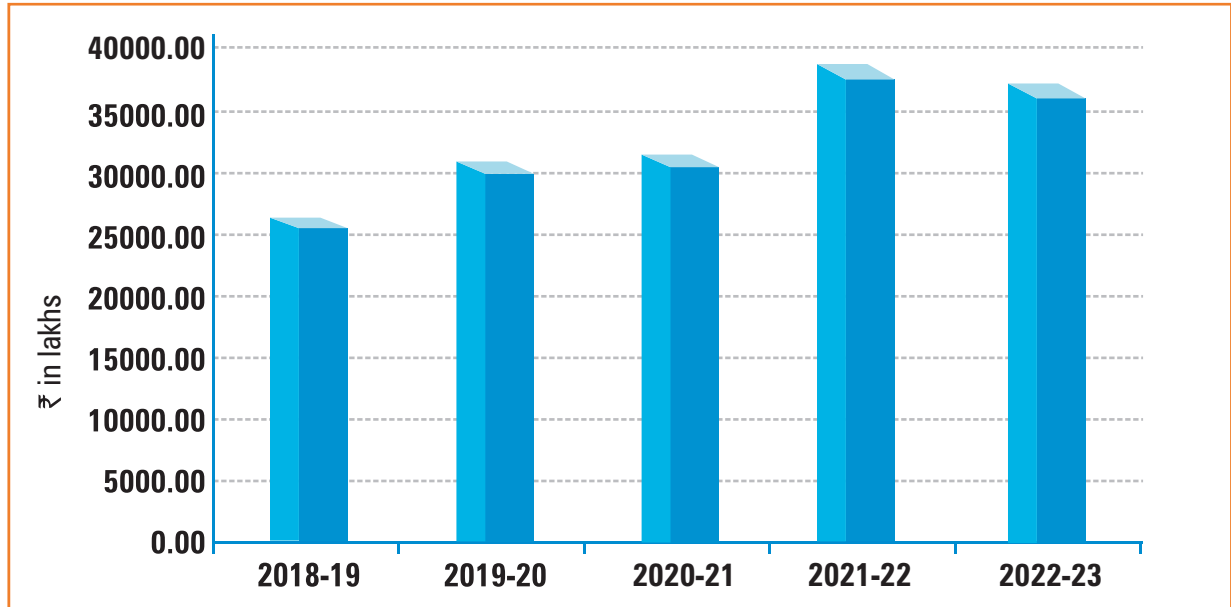
Statutory Auditors

M/s GMJ & Co.
Chartered Accountants

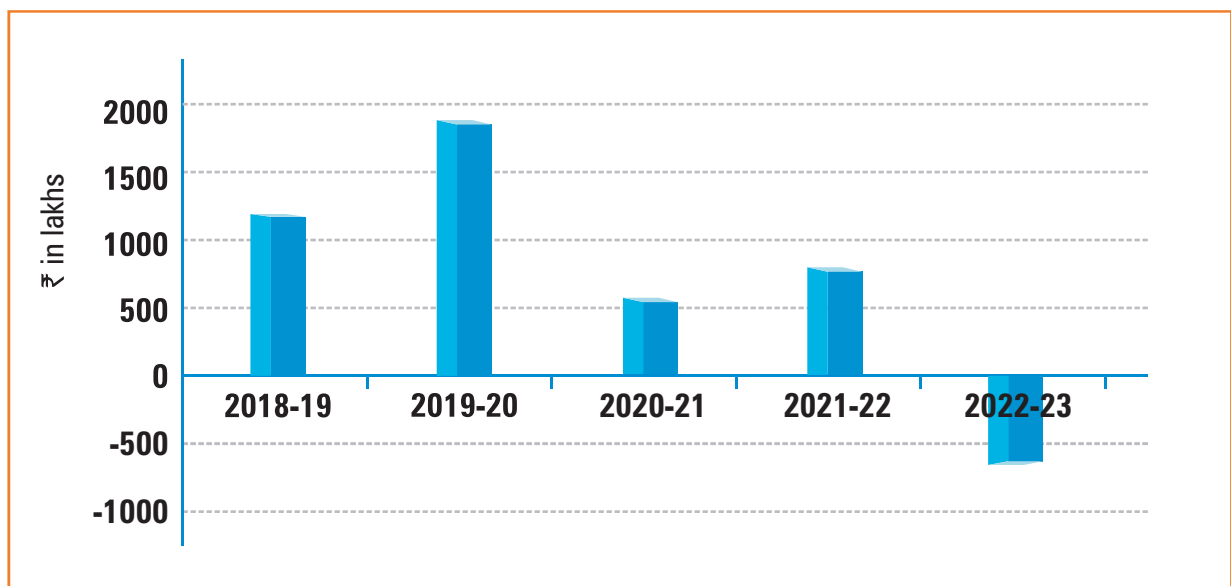
Secretarial Auditors

M/s GMJ & Associates
Company Secretaries

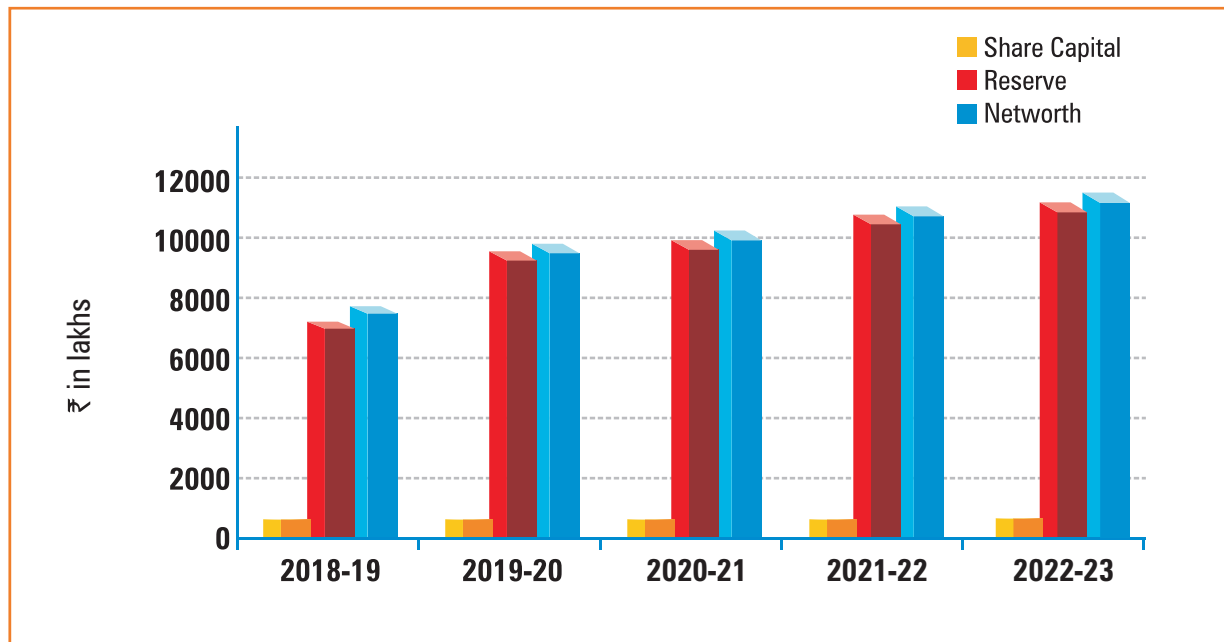
SALES



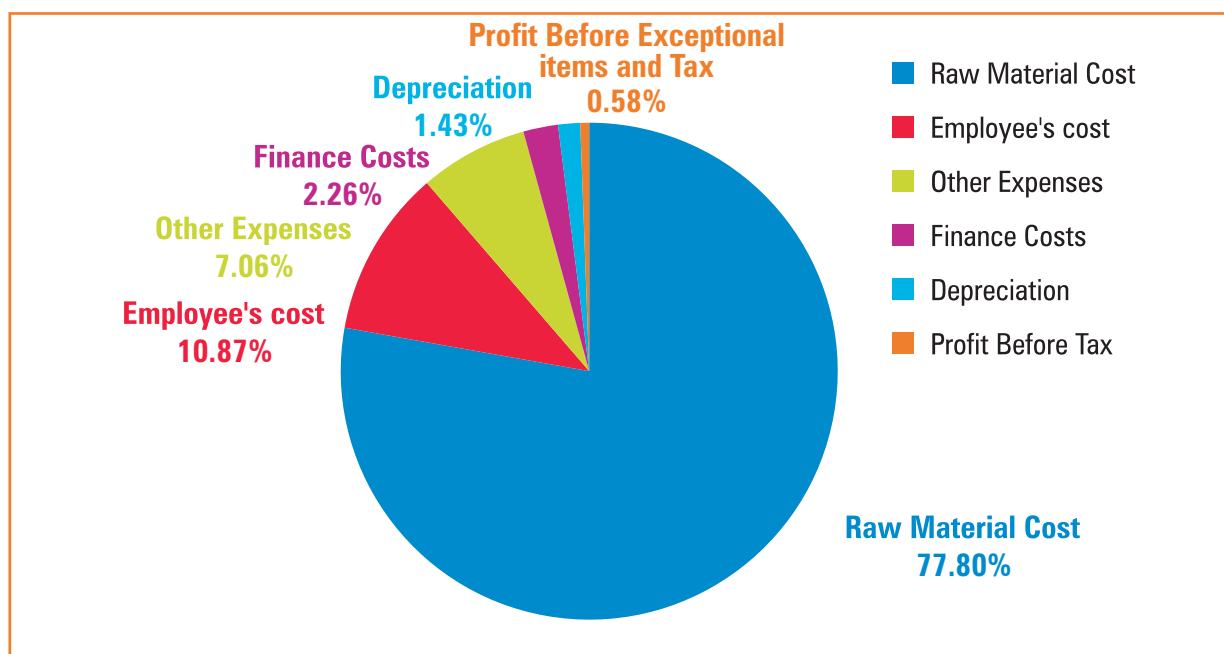
NET PROFIT AFTER TAX



NET WORTH



PERCENTAGE OF RUPEE SPENT DURING 2022 - 2023



HIGHLIGHTS

		2022-23	2021-22	2020-21	2019-20	2018-19	
INCOME :							
1	Net Operational Income	(₹ in lakhs)	35909.94	37210.06	30509.71	29962.05	25514.29
2	Profit before Finance Cost, Depreciation & Tax	(₹ in lakhs)	1535.12	2253.45	1990.31	3762.96	2591.96
3	Finance Cost	(₹ in lakhs)	812.96	688.13	871.54	731.63	700.24
4	Depreciation	(₹ in lakhs)	513.89	449.12	382.50	407.26	271.86
5	Gross Profit after Finance Cost & Depreciation but before Tax	(₹ in lakhs)	208.27	1116.2	736.27	2624.07	1619.86
6	Exceptional Items	(₹ in lakhs)	(1,076.63)	–	–	–	45.05
7	Profit after Tax	(₹ in lakhs)	(636.29)	779.85	533.14	1847.91	1179.08
EQUITY SHARE DATA :							
8	Sales & other Income per equity Share	(₹)	210	225	184	181	154
9	Earnings per equity share before exceptional item						
	- Basic	(₹)	2.66	4.71	3.22	11.16	6.85
	- Diluted	(₹)	2.64	4.68	3.22	11.16	6.85
10	Earnings per equity share after exceptional item						
	- Basic	(₹)	(3.84)	4.71	3.22	11.16	7.12
	- Diluted	(₹)	(3.84)	4.68	3.22	11.16	7.12
10	Book value of equity share	(₹)	65.24	64.86	60.23	57.74	47.17
11	Networth	(₹ in lakhs)	11171.44	10743.95	9977.12	9563.82	7813.53
12	Market Price :						
	a) High	(₹)	268.80	288.00	180.20	269.95	165.00
	b) Low	(₹)	152.90	116.95	108.50	89.00	95.90
13	Dividend	(%)	–	20	20	40	20
RATIO :							
14	PBT / Net Operational Income	(%)	0.58	3.00	2.41	8.76	6.35
15	Profit after Tax / Networth	(%)	(5.70)	7.26	5.34	19.32	15.09
16	Total Liabilities / Total Assets	Times	0.62	0.56	0.59	0.61	0.58
17	Total Debt / Equity	Times	0.94	0.70	0.84	0.94	0.81
18	Total Outside Liability / Total net worth	Times	1.62	1.29	1.42	1.54	1.32
19	Current Ratio	Times	1.23	1.46	1.40	1.38	1.49
20	PBDIT / Finance Costs	Times	1.89	3.27	2.28	5.14	3.70



CHAIRMAN'S STATEMENT

Dear Shareholders,

I am writing to you today to share my thoughts on the 65th year of Hind Rectifiers Limited. It has been a remarkable journey for our company, and I am proud of what we have accomplished together.

When Hirect was founded in 1958, the world was a very different place. The transistor had only recently been invented, and power electronics was in its infancy. But our founders had a vision for the future, and they set out to build a company that would help to shape it.

In an era of rapid technological advancements and disruptive forces, we have embraced change as an opportunity for growth. We have expanded our horizons, diversified our portfolio, and fortified our position in existing markets while venturing into new ones.

Our focus on research and development, coupled with a customer-centric approach, has enabled us to create cutting-edge solutions that cater to the ever evolving needs of our customers.

Today, I stand before you with immense pride, knowing that Hirect has not only weathered storms but has emerged stronger, more resilient, and poised for a future filled with boundless opportunities.

I would like to take this opportunity to thank all of our shareholders for their support over the years. I would also like to thank our employees, past and present, for their hard work and dedication. You are the heart and soul of Hirect, because of whom, everything we have done until now, has been possible.

Thank you for being an integral part of our journey.

Warm regards,

Pradeep Goyal
Chairman, Hind Rectifiers Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors present the 65th Annual Report together with the Audited Financial Statements for the year ended March 31, 2023.

(₹ in lakhs)

FINANCIAL RESULTS	Year ended 31.03.2023	Year ended 31.03.2022
Revenue from Operation	35909.94	37210.06
Other Income	25.96	34.38
Total Revenue	35935.90	37244.44
Profit Before Interest, Tax, Depreciation and Amortization (PBITDA)	1535.12	2253.45
Less: Finance Cost	812.96	688.13
Profit / Loss before Depreciation and Tax	722.16	1565.32
Less : Depreciation	513.89	449.12
Profit / (Loss) before Exceptional Item	208.27	1116.20
Exceptional Items	(1076.63)	–
Profit / (Loss) before Tax	(868.36)	1116.20
Less : Provision for Taxation - Current	–	313.02
Deferred	(232.07)	23.33
Profit / (Loss) after taxes	(636.29)	779.85
Other Comprehensive Income (Net of Tax)	11.41	10.05
Total Comprehensive Income for the year	(624.88)	789.90

OPERATIONS

Turnover of the Company during the year financial 2022-23 was ₹ 35909.94 lakhs as compared to ₹ 37210.06 lakhs in the financial year 2021-22. Profit before interest, depreciation and tax was ₹ 1535.12 lakhs compared to ₹ 2253.45 lakhs.

Profit during the year was adversely affected due to reduction in turnover, higher material cost ratio, and increased finance cost. The Company is working to improve the turnover and the material cost ratio & expects an improved performance during the financial year 2023-24.

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

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

Industrial business is likely to be increased considering the growth anticipated in various international and domestic projects in power sector and also infrastructure development planned by the Government of India. The Company has been certified for Aerospace Standards and registered with defence organizations and which is likely to bring additional revenue in the coming years.

In the financial year 2020-21, the Company decided to set up a new plant at MIDC Sinnar. During the year plant has been completed and started commercial production w.e.f. March 9, 2023.



The Company has healthy order bookings for the financial year 2023-24.

No material changes and commitments have occurred after the close of the year under review till the date of this Report which affect the financial position of the Company.

DIVIDEND

The Board does not recommend any dividend for the year under review and no amount is proposed to be transferred to Reserves.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2023 was ₹ 34,247,956. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights except allotted shares under HIRECT Employees Stock Option Plan – 2018 (ESOP 2018).

During the year under review, a special resolution for the issuance of 13,50,000 (thirteen lakhs fifty thousand) equity shares as sweat equity shares as a remuneration payable to Mr. Suramya Saurabh Nevatia, Managing Director and CEO (KMP) of the Company through the postal ballot was approved by the Members on January 1, 2023. The Nomination and Remuneration Committee of the Company allotted 5,50,000 sweat equity shares in the first trench on March 29, 2023. Disclosure in terms of Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014 is annexed as Annexure F and forms an integral part of this report.

Compliance Certificate under Regulation 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditor of the Company is available and accessible for inspection by the Members at https://hirect.com/wp-content/uploads/2023/05/Compliance-Certificate_Sweat-Equity-GMJ-2023.pdf

None of the Directors of the Company hold instruments convertible into equity shares of the Company as on March 31, 2023.

EMPLOYEES' STOCK OPTION SCHEME

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

The Company's Employees Stock Option Scheme viz. 'HIRECT Employees Stock Option Plan - 2018' or 'ESOP 2018' was passed by the members of the Company in the 60th Annual General Meeting on August 13, 2018 for 250000 options convertible into an equal number of equity shares.

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

The exercise price shall be based on the market price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the date of a meeting of the Committee on which grant is to be made. The maximum term of the options granted under the scheme shall be five years from the date of grant. The scheme contemplates a new issue of shares by the Company ("Primary Shares"). There is no change in the scheme. The scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulation, 2021.

During the year, a total of 23229 stock options were vested while 10255 shares were allotted by the Nomination and Remuneration Committee. A total of 10255 shares arose as a result of the exercise of options during the financial year under review. Listing and trading approval from the stock exchanges for the aforesaid shares received on April 10, 2023.

The details of the ESOP 2018, including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website, at <https://hirect.com/wp-content/uploads/2023/05/Disclosures-pursuant-to-SEBBI-2023.pdf>.

Compliance Certificate under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 issued by the Secretarial Auditor of the Company is available and accessible for inspection by the Members at https://hirect.com/wp-content/uploads/2023/05/Compliance-Certificate_GMJ-2023.pdf.

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PUBLIC DEPOSITS

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

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pawan Golyan, Non-Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the Annual General Meeting.

The term of Mr. Suramya Nevatia, Managing Director & CEO (KMP) is up to August 16, 2023. The Board of Directors based on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Suramya Nevatia as Managing Director & CEO (KMP) of the Company for a period of three years with effect from August 17, 2023 to August 16, 2026, 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. The Board recommends his re-appointment for the consideration of the members of the Company at the Annual General Meeting.

The term of Mr. Parimal Merchant, Independent and Non-Executive Director is up to August 11, 2023. The Nomination and Remuneration Committee, based on the performance evaluation, experience, and contributions made by Mr. Parimal Merchant during his tenure, considered to continue the association as the same would be beneficial to the Company and hence recommended it to the Board. The Board of Directors has appointed Mr. Parimal Merchant as Non-Executive Non-Independent Director of the Company for a period of five years with effect from August 12, 2023 to August 11, 2028, subject to the approval of members in forthcoming Annual General Meeting. The Board recommends his re-appointment for the consideration of the members of the Company at the Annual General Meeting.

The notice of the Annual General Meeting (AGM) sets out details of the above reappointments including brief profile.

The shareholders at the 64th AGM held on August 9, 2022, reappointed Mrs. Akshada Nevatia as Whole-time Director designated as an Executive Director, effective January 15, 2023, till January 14, 2026.

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

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

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

In the Board's opinion, the Independent Directors are persons of high repute and integrity and possess the relevant expertise and experience in their respective fields and fulfill all the conditions of independence specified in the Companies Act, 2013 and SEBI Listing Regulations 2015. All the Independence Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board/Committees of the Company.

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

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

KEY MANAGERIAL PERSONNEL

Mr. Suramya Nevatia, Managing Director & CEO, Mr. A.K. Nemani, Chief Financial Officer, Mr. Anil Mehta, Joint Chief Financial Officer and Ms. Meenakshi Anchlia, Whole Time Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

During the year under review, there were no changes in the Key Managerial Personnel of the Company except that Mr. Anil Mehta has been appointed as Joint Chief Financial Officer w.e.f. February 2, 2023.

BOARD MEETINGS

Five 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.

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

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

SIGNIFICANT AND MATERIAL ORDERS

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

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

BHANDUP PLANT

As per the Board's decision dated February 2, 2023, to close down the manufacturing operations at Bhandup, the Notice of intended closure was issued to the workers working at the Bhandup plant, its registered Trade Union and the appropriate authorities in compliance with applicable laws. The Company was notified through the Assistant Labour Commissioner's office and the Company was called for conciliation proceedings. In spite of ongoing conciliation proceedings, the Unionized Workmen through Trade Union filed a complaint before the Industrial tribunal seeking interim relief and stay on the intended closure. The Industrial tribunal passed an Interim order and imposed a stay on the intended closure of the manufacturing operations at Bhandup, thereby restraining the Company from closing its manufacturing operations at Bhandup. Aggrieved by the arbitrary order of the Industrial Tribunal, the Company has filed a writ petition challenging the impugned Interim order of the Industrial Tribunal and the same is pending before the Hon'ble Bombay High Court.

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed, and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;

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- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

BOARD EVALUATION

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

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information, and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contributions and inputs in meetings, etc. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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

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

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture, or Associate Companies as on March 31, 2023.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis and in the ordinary course of business. Disclosure in Form AOC-2 in terms of Sections 134 and 188 of the Companies Act, 2013 for material-related party transactions is annexed as Annexure D and forms an integral part of this report. All related party transactions are mentioned in the notes to the financial statement.

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

The policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company viz. <https://hirect.com/policies/>.

VIGIL MECHANISM / WHISTLEBLOWER POLICY

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

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



BOARD DIVERSITY

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

NOMINATION AND REMUNERATION POLICY

The Company has the appropriate mix of Executive, Non-Executive Directors to maintain the independence of the Board. The policy of the Company on the Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the website of the Company viz. <https://hirect.com/policies/>.

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

The salient features of the policy are:

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

CORPORATE SOCIAL RESPONSIBILITY

HIRECT's CSR initiatives and activities are aligned with the requirements of Section 135 of the Companies Act, 2013. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure E of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is available on the Company's website at <https://hirect.com/policies/>.

The Company has dissolved the Corporate Social Responsibility Committee as the required to be spent on CSR does not exceed ₹ 50 lakhs and the functions of such committee are being performed by the Board of Directors of the Company.

AUDIT COMMITTEE

The details pertaining to the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

During the year all the recommendations made by the Audit Committee were accepted by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI Listing Regulations 2015, the Management Discussion and Analysis is set out in this report.

CORPORATE GOVERNANCE REPORT

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

The Company has discontinued the Business Responsibility Report/Business Responsibility and Sustainability Report as the Company is not falling in the criterion specified for it by SEBI.

STATUTORY AUDITORS AND BRANCH AUDITORS

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

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The branch auditor of the Dehradun plant will continue till the conclusion of the 65th AGM. It has been decided that the Company will not appoint any branch auditor. This is aimed to rationalize all the things and efforts.

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

The Auditors' Report does not contain any qualifications, reservations, adverse remarks, or disclaimers.

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

The Statutory Auditor was present at the last AGM.

COST AUDITOR

As per the requirement of the 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 the audit of the same.

The Board of Directors on the recommendation of the Audit Committee, has re-appointed M/s N. Ritesh & Associates, Cost Accountants, (Firm Registration Number R100675) as Cost Auditor to audit the cost accounts of the Company for the financial year 2023-24. The Company has received his written consent that the appointment will be in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed there under. The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of the Company for the year ending March 31, 2024.

The remuneration of the Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and in terms of the Companies Act, 2013 and the rules there under. Requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the 65th Annual General Meeting of the Company.

The Cost Audit Report does not contain any qualifications, reservations, adverse remarks, or disclaimers.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, has re-appointed M/s GMJ & Associates, a firm of Company Secretaries (Peer Review Number: 647/2019) in Practice to undertake the Secretarial Audit of the Company. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for the financial year ending March 31, 2024.

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

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

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

SECRETARIAL STANDARDS

The Company has devised proper system to ensure compliance with the provisions of all applicable and mandatory Secretarial Standards issued by the Institute of Company Secretaries of India and that such system is adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

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



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

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

Based on the procedure for internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal auditors, statutory auditors, cost auditors, and secretarial auditors, including the audit of internal financial controls and the reviews performed by the management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial control with reference to the financial statements are adequate.

RISK MANAGEMENT

The Company has in place a Risk Management Policy which was 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. The Audit Committee has oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The risk management framework is reviewed regularly. The development and implementation of a risk management policy have been monitored by the Management regularly.

Furthermore, the Company has set up a robust internal audit function that reviews and ensures sustained effectiveness of internal financial control by adopting a systematic approach to its work.

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

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the Rules 5(2) and 5(3) of the aforesaid Rules form part of this Report. However, in terms of the first provision of

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Section 136(1) of the Companies Act, 2013, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company secretary to email ID investors@hirect.com, whereupon a copy would be sent.

PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance toward sexual harassment at the workplace and to this end, has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. All employees (permanent, contractual, temporary, trainees, etc.) are covered under the said Policy. The Internal Complaints Committees have also been set up to redress complaints received on sexual harassment.

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

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

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

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

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

ANNUAL RETURN

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('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 Demat account of the IEPF Authority.

Members are requested to claim the dividend(s), which have remained unclaimed/unpaid, by sending a written request to the Company at investors@hirect.com or to the Company's Registrar and Share Transfer Agent Adroit Corporate Services Private Limited at info@adroitcorporate.com or at their address at Adroit Corporate Services Private Limited, Unit: Hind Rectifiers Limited, 19-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400059 Maharashtra.

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

AWARDS AND RECOGNITION

The Company has been committed to ensure high standards of Environment and Safety practices. It is a matter of great satisfaction that these initiatives taken by the Company have been appreciated at various forums. The Company received the following accolades during the year from "National Society of Friends of the Trees":-

Land Scape – Bonsai

Rank I

Garden attached to Factories and Industrial Establishment area above 5000 Sq. Mts. Rank II



Outstanding Specimen of Bonsai	Rank II
Hybrid Tea Rose	Rank II
Collection of Bonsai	Rank III
Miniature Rose	Rank III

ENERGY, TECHNOLOGY, AND FOREIGN EXCHANGE

Information on the conservation of energy, technology absorption, foreign exchange earnings and outgo is required to be given pursuant to the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014. The same is annexed as Annexure C 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 the conduct of operations in such a manner so as to ensure the safety of all concerned and compliance with environmental regulations.

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

ACKNOWLEDGMENT

Hind Rectifiers Limited completed 65 years of incorporation on April 25, 2023. In its 65 years of existence, Hind Rectifiers has spread its wings from a small manufacturing unit based out of Sasoon Dock Colaba to gaining global recognition in the Transportation and Industrial sectors. We thank our customers, Indian Railways, vendors, investors, bankers, and employees for their continued support since its inception.

The Directors would like to express their sincere appreciation for the assistance and cooperation received from the banks, Government authorities, customers, vendors, and investors 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. The Directors look forward to the long-term future with confidence.

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2023

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO

ANNEXURE "A (i)" TO THE DIRECTORS' REPORT**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

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

To,

The Members,

HIND RECTIFIERS LIMITED

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2023**, complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minutes, forms and returns filed and other records maintained by **HIND RECTIFIERS LIMITED** for the Financial Year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 ("the Act"); and Rules made thereunder;
- ii. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the Audit period);
 - (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit period);
 - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the Audit period)
- vi. We have also examined compliance with the applicable clauses of the following:
 - a) Secretarial Standards issued by the Institute of Company Secretaries of India.
 - b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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



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

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

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

We further report that:

1. The Board of Directors of the Company 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 that took place during the period under review.
2. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
3. Adequate notices are given to all the Directors to schedule the Board Meetings, Board Committee Meetings and wherever necessary consent for shorter notice was given by Directors, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period, the Company had following specific events:

1. The Company has passed a Special Resolution through Postal Ballot, for seeking approval of Members for issuance of 13,50,000 (thirteen lakhs fifty thousand) Equity Shares as Sweat Equity Shares and remuneration payable to Mr. Suramya Saurabh Nevatia, Managing Director and CEO (KMP) of the Company, which was approved by the Members on January 1, 2023 in accordance with the provisions of the Act & SEBI (SBEB & SE), Regulations, 2021.
2. The Nomination and Remuneration Committee of the Board of Directors of the Company has in accordance with the provisions of the Act & SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, allotted 5,50,000 Equity shares on non-cash consideration having face value ₹ 2/- each to Mr. Suramya Saurabh Nevatia, Managing Director and CEO (KMP) of the Company.
3. During the year under review, Nomination and Remuneration Committee of the Company at their meeting held on May 26, 2022 vested 23,229 options (effective date was 10.06.2022) to the eligible employees under HIRECT Employees Stock Option Plan - 2018.
4. The Nomination and Remuneration Committee of the Board of Directors of the Company has in accordance with the terms of HIRECT Employees Stock Option Plan-2018, allotted 10,255 Equity Shares of face value ₹ 2/- each at their meeting held on March 2, 2023 to the eligible employees of the Company who exercised their stock options under this scheme.

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

For **GMJ & ASSOCIATES**

Company Secretaries

ICSI Unique Code P2011MH023200

CS MAHESH SONI

PARTNER

Membership No: F3706

Certificate of Practice No.:2324

UDIN: F003706E000369093

Peer Review Certificate No.: 647/2019

Place : Mumbai

Date : May 26, 2023

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



Hind Rectifiers Limited

ANNEXURE I

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
ICSI Unique Code P2011MH023200

CS MAHESH SONI
PARTNER
Membership No : F3706
Certificate of Practice No. : 2324
UDIN: F003706E000369093
Peer Review Certificate No.: 647/2019

Place : Mumbai
Date : May 26, 2023



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

SECRETARIAL COMPLIANCE REPORT OF HIND RECTIFIERS LIMITED FOR THE YEAR ENDED MARCH 31, 2023

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

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

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

We have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings / submissions made by the listed entity to the stock exchange,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- (i.) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii.) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

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

Hind Rectifiers Limited

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

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

Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observation / Remarks by PCS
1	<u>Secretarial Standard</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI 	Yes	
3	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents / information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s) / section of the website 	Yes	
4	<u>Disqualification of Director:</u> None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity	Yes	
5	<u>Details related to Subsidiaries of listed entities have been examined w.r.t.:</u> (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA NA	The Company does not have any material subsidiaries The Company does not have material as well as other subsidiaries.



Sr. No.	Particulars	Compliance Status (Yes / No / NA)	Observation / Remarks by PCS
6	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	
7	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year / during the financial year as prescribed in SEBI Regulations	Yes	
8	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) The listed entity has provided details, detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee, in case no prior approval has been obtained.	Yes NA	No such case was reported during the Review period
9	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No action(s) has been taken against the listed entity/ its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder.	Yes	
12	<u>Additional Non-compliances, if any:</u> No additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	



Hind Rectifiers Limited

Assumptions & Limitation of scope and Review:

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

For GMJ & ASSOCIATES

Company Secretaries

ICSI Unique Code P2011MH023200

CS MAHESH SONI

PARTNER

Membership No: F3706

Certificate of Practice No.: 2324

UDIN: F003706E000369016

Peer Review Certificate No.: 647/2019

Place : Mumbai

Date : May 26, 2023

ANNEXURE "B" TO THE DIRECTORS' REPORT

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

- (i) The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary during the financial year 2022-23 and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

(₹ In lakhs)

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for financial year 2022-23	% increase in Remuneration in the financial year 2022-23	Ratio of remuneration of each Director, CEO, CFO & CS to median remuneration of employees
1	Pradeep Goyal Chairman of the Board and Non-Executive & Independent Director	4.00	33.33	0.64
2	Suramya Nevatia Managing Director & CEO (KMP)	1,138.11	1,751.49	183.27
3	Akshada Nevatia Executive Director	46.21	(12.00)	7.44
4	Pawan Golyan Non-Executive Director	0.25	–	0.04
5	V. K. Bhartia Non-Executive & Independent Director	3.00	(7.69)	0.48
6	Parimal Merchant Non-Executive & Independent Director	3.00	–	0.48
7	Vandan Shah Non-Executive & Independent Director	3.00	100.00	0.48
8	Ashlesha Bodas Non-Executive & Independent Director	1.00	100.00	0.16
9	Anil Kumar Nemani Chief Financial Officer (KMP)	30.24	(21.86)	4.87
10.	Anil Mehta Joint Chief Financial Officer (KMP)	6.04	–	–
11.	Meenakshi Anchlia Company Secretary (KMP)	13.77	16.69	2.22

Note: 1. Remuneration of Mr. Suramya Nevatia includes 5,50,000 equity shares allotted as sweat equity shares during the year in pursuant to the approval of the shareholders of the Company obtained through postal ballot dated January 1, 2023. For details, refer Note no. 69 to the audited annual financial statement.

2. Remuneration of Mr. Anil Kumar Nemani includes ₹ 3.42 lakhs on account of the exercise of 2500 options under the ESOP 2018 during the financial year 2022-23.

3. Mr. Anil Mehta was appointed as Joint Chief Financial Officer (KMP) w.e.f. February 2, 2023.



Hind Rectifiers Limited

- (ii) The median remuneration of employees (excluding managerial personnel) of the Company during the financial year was ₹ 6.21 lakhs. The median remuneration is based on remuneration paid during the period April 1, 2022 to March 31, 2023.
- (iii) In the financial year, there was an increase of 19.55 % in the median remuneration of employees (excluding managerial personnel).
- (iv) There are 416 permanent employees (excluding workers) on the rolls of the Company as on March 31, 2023.
- (v) Average percentage increase in the salaries of employees (excluding managerial personnel) in the last financial year i.e. 2022-23 was 19.55 %. The average increase in the remuneration of employees other than the Managerial Personnel is in line with the industry practice.
- (vi) It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2023

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO

ANNEXURE "C" 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 forms part of the Directors Report for the year ended March 31, 2023.

I CONSERVATION OF ENERGY

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

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

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

II TECHNOLOGY ABSORPTION, ADOPTION, INNOVATION

(i) Efforts in brief made towards technology absorption

- Successfully completed the type tests of Transformers with Hirect Make Aluminium Tank and supplied to Indian Railways.
- Successfully developed, type tested and commissioned Traction Motors.
- Successfully completed the customer type testing of Locomotive Converter.
- Successfully completed the customer type testing of Battery Charger.
- Successfully completed the customer type testing of Communication Protocol Equipment.

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

- Avoiding major imports of Aluminium Tanks.
- With the development of Converters, Motors, Battery Chargers and Communication Equipments we have added new products in our portfolio.
- New Generation HF Rectifiers will increase the efficiency of electrostatic precipitators and improve our industrial sales with the complete solution.

(iii) In case of imported technology

(Imported during the last three years reckoned from the beginning of the financial year)

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

(iv) Expenditure incurred on Research and development

(₹ In lakhs)

Particulars	2022-23	2021-22
Capital	514.89	341.03
Recurring	692.12	560.50
Total	1207.01	901.53
Total R&D expenditure as % of net operational income	3.36	2.42

**Hind Rectifiers Limited****III Foreign exchange earnings and outgo**

(₹ In lakhs)

Particulars	2022-23	2021-22
Foreign exchange earned		
1. Export of goods on FOB Basis, Commission and Service charges	824.56	511.52
Foreign exchange used		
1. Raw materials, stores, and spare parts, capital goods, and other products	3686.52	3712.19
2. Expenditure in foreign currency	207.42	224.31

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2023**Pradeep Goyal** **Suramya Nevatia**
Chairman Managing Director & CEO

ANNEXURE "D" TO THE DIRECTORS' REPORT

FORM NO. AOC 2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

The Company has not entered into any contract/arrangement/ transaction with its related parties, which is not in the ordinary course of business or not at arm's length during the financial year 2022-23. The Company has laid down policies and processes/procedures so as to ensure compliance with the subject, section in the Companies Act, 2013 and the corresponding Rules and SEBI Listing Regulations 2015.

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

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

- (i) Mr. Saurabh Nevatia, CEO, Nashik Plant is the relative of Mr. Suramya Nevatia, Managing Director & CEO (KMP), and Mrs. Akshada Nevatia, Executive Director of the Company.
- (ii) Force Motion Technology LLP ("FMT LLP")
Mr. Suramya Nevatia and Mrs. Akshada Nevatia are Designated Partners in FMT LLP. Mr. Saurabh Nevatia is a partner in FMT LLP.

(b) Nature of contracts / arrangements / transactions

- (i) Mr. Saurabh Nevatia is a regular employee of the Company and remuneration is paid as a senior employee of the Company. The said remuneration has been approved by the members in the 64th Annual General Meeting as a related party transaction.
- (ii) The transaction involves the sale of loco transformer to FMT LLP. The consideration for the sale of loco transformers up to ₹ 100 crore excluding GST, freights, and price variation clause. The said transaction was approved on March 23, 2022, by the members by way of postal ballot.

(c) Duration of the contracts / arrangements / transactions

- (i) Mr. Saurabh Nevatia is a regular employee of the Company. He has been working in the Company since 1988.
- (ii) The transaction involves the sale of loco transformer to FMT LLP from February 1, 2022 to March 31, 2024.

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

- (i) Total remuneration ₹ 90.27 lakhs paid to Mr. Saurabh Nevatia in the financial year 2022-23.
- (ii) Terms and conditions with respect to price were determined at prevailing railway tenders price and such other arms' length criteria and factors as are generally accepted for related party transactions.

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

- (i) The Board has approved the said transactions as on May 26, 2022.
- (ii) The Board has approved the said transactions as on February 12, 2022.

(f) Amount paid as advances if any: Nil

3. Details of contracts or arrangements or transactions not in the ordinary course of business.

There were no contracts or arrangements or transactions entered into during the financial year 2022-23, which were not in the ordinary course of business.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2023

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO

ANNEXURE “E” TO THE DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies
(Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company :

Our CSR initiatives are guided and regulated by our CSR Policy (‘Policy’). The Policy was first adopted on March 2, 2016 and the same was amended subsequently to be aligned with applicable regulatory changes including:

- (i) Formulation and recommendation of Annual Action Plan.
- (ii) Oversight of the Board of Directors of the Company on utilization/disbursement of CSR Funds towards sanctioned CSR activities of the Company, including noting of the utilization certificate to be placed by the CFO of the Company.

At present, our CSR activities focus on skill development, livelihood, etc.

2. Composition of CSR Committee:

The Board has decided to dissolve the Corporate Social Responsibility Committee w.e.f. June 11, 2021, as the amount required to be spent on CSR, does not exceed ₹ 50 lakhs and the functions of this Committee are being performed by the Board of Directors of the Company.

3. Web-link where the Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

<https://hirect.com/wp-content/uploads/2022/02/Corporate-Social-Responsibility-Policy.pdf>

<https://hirect.com/wp-content/uploads/2022/06/annualactionplan.pdf>

4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135 : ₹ 16,19,11,420
 (b) Two percent of average net profit of the company as per sub-section (5) of Section 135 : ₹ 32,38,228
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years : Nil
 (d) Amount required to be set-off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 32,38,228
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 37,97,908
 (b) Amount spent in Administrative Overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 37,97,908
 (e) CSR amount spent or unspent for the Financial Year :

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
37,97,908	NIL		NIL		



(f) Excess amount for set-off, if any :

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of the average net profit of the Company as per Section 135(5)	32,38,228
(ii)	Total amount spent for the financial year	37,97,908
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,59,680
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	5,59,680

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years :

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) of the Act (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6) of the Act, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

If Yes, enter the number of Capital assets created / acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year : Not Applicable

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per subsection (5) of section 135 : Not Applicable

Place : Mumbai
Date : May 26, 2023

Pradeep Goyal
Chairman & Independent Director

Suramya Nevatia
Managing Director

ANNEXURE "F" TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO SWEAT EQUITY AS REQUIRED UNDER SECTION 54 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(13) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014

(a) The class of director or employee to whom sweat equity shares were issued:

Managing Director & CEO (KMP) of the Company

(b) The class of shares issued as Sweat Equity Shares:

Equity Shares

© The number of sweat equity shares issued to the directors, key managerial personnel or other employees showing separately the number of such shares issued to them, if any, for consideration other than cash and the individual names of allottees holding one percent or more of the issued share capital:

The sweat equity shares were issued to Mr. Suramya Nevatia, Managing Director & CEO (KMP) (DIN: 06703910) in lieu of value additions he has made in around twelve years and continues to make while in association with the Company in more than one tranches. Thus, no consideration was paid by Mr. Suramya Nevatia.

The shareholders approved quantum of sweat equity shares 13,50,000 and out of it, 5,50,000 equity shares were allotted during the reporting period.

The shareholding before and after the issues of 5,50,000 sweat equity shares to Mr. Suramya Nevatia is as follows:-

Pre-Allotment Shareholding: 20,24,768 equity shares (12.22% of the issued share capital of the Company)

Post-Allotment Shareholding: 25,74,768 equity shares (15.04% of the issued share capital of the Company)

(d) The reasons or justification for the issue:

The Sweat Equity Shares had been issued to Mr. Suramya Nevatia (DIN: 06703910) in lieu of the value additions he has made in around twelve years and continue to make while in association with the Company. So far Mr. Suramya Saurabh Nevatia has created value addition to the Company in the following manner:

Mr. Suramya Nevatia is successfully looking after and involving in Operation and Management, Strategic Development, and Implementation Management, Performance Review and Marketing Management, Planning and Risk Management. His function includes envisioning the Company's growth strategy and is responsible for the overall operations of the Company. He is the Promoter of the Company.

Mr. Suramya Nevatia has done graduation from H. R. College of Commerce & Economics, Mumbai in 2009 and MSC in Marketing Management from Aston University, Birmingham, U.K. in 2010 with First class merit. He has also done Post Graduate Diploma in Family Managed Business from S.P. Jain Institute, Mumbai.

He joined the Company in 2011. He was promoted as Chief Executive Officer (CEO) w.e.f. June 1, 2016 and as Key Managerial Personnel w.e.f. June 1, 2018. And from then the Company has gained from his visionary approach. Under his guidance and directions, the expansion plan of the Company was completed in the financial year 2017-18. Since then the Company has achieved major growth in turnover and profit.

He has deep exposure in Marketing, Production, Operation and Management, Strategic Development and Risk Management. He has in-depth knowledge of the core business of the Company i.e. Electronic and Electro-Mechanical Equipments.

(e) The principal terms and conditions for issue of sweat equity shares, including pricing formula:

Quantum: The quantum of sweat equity shares is 13,50,000. Out of it, 5,50,000 equity shares were allotted during the reporting period.



Lock-in: The Sweat equity shares are locked in for a period of 18 (Eighteen) months from the date of Trading Approval.

Pricing: The Sweat Equity Shares were issued at a Fair Market Value of ₹ 246.10/- per share on the basis of valuation report dated December 2, 2022 received from the merchant bankers Corporate Professionals Capital Private Limited (SEBI Registration No: INM000011435).

Pari Passu: The equity shares are ranked pari passu in all respects with the existing Equity Shares of the Company.

(f) The total number of shares arising as a result of issue of sweat equity shares:

Total 13,50,000 sweat equity shares were approved by the shareholders and out of it, 5,50,000 equity shares were allotted during the reporting period.

(g) The percentage of the sweat equity shares of the total post-issued and paid-up share capital:

Post-Allotment Shareholding of Mr. Suramya Nevatia is 15.04% (Post-Allotment Holding: 25,74,768 equity shares) of the issued share capital of the Company.

(h) The consideration (including consideration other than cash) received or benefit accrued to the company from the issue of sweat equity shares;

The Sweat Equity Shares were issued to Mr. Suramya Saurabh Nevatia in lieu of the value additions he has made in around twelve years and continue to make while in association with the Company, in one or more tranches as may be decided from time to time on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws. Thus, no consideration was paid by Mr. Suramya Saurabh Nevatia.

Total 5,50,000 sweat equity shares were allotted in the first trench during the reporting period.

(i) The diluted Earnings Per Share (EPS) pursuant to issuance of sweat equity shares

The Company's diluted earning per share (after exceptional item) as on March 31, 2023 pursuant to the issue of sweat equity shares calculated in accordance with the applicable accounting standards was ₹ -3.84/-.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2023

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO

REPORT ON CORPORATE GOVERNANCE

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

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

The Company has a strong legacy of fair, transparent, and ethical governance practices.

The Company emphasizes fairness and transparency to all stakeholders. Shareholders can communicate any grievance to the Company Secretary's office through a dedicated mail Id. The Stakeholders' Relationship Committee oversees the redressal of these complaints. The Annual General Meeting (AGM) is another forum where they can interact with the Board.

CORPORATE ETHICS

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

BOARD OF DIRECTORS

The Board comprises of eight members. Chairmanship of the Board is a non-executive position and separate from that of the Managing Director & CEO. There are two Executive Directors and the remaining six Directors are Non-Executive Directors. Out of the two Executive Directors, one is the Managing Director & CEO - KMP (Promoter of the Company) and the other is an Executive Director (woman director and member of the Promoter Group). One Director is a Non-Independent Non-Executive Director. The remaining five Non-Executive Directors are Independent Directors including one Woman Director.

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

The Board comprises qualified members who bring in the required skills, competence, and expertise that allow them to make effective contributions to the Board and its Committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

Name of the Director	Expertise in the specific functional area
Mr. Pradeep Goyal	Industrialist, Manufacturing domain, Business Management and Administration, significant background in technology, anticipate technological trends, Risk Management, Governance, Leadership, Strategic Development and Financial Reporting



Name of the Director	Expertise in the specific functional area
Mr. Suramya Nevatia	Production, Operation and Management, Strategic Development, and Implementation Management, Performance Review and Marketing Management, Planning and Risk Management, Governance and Leadership
Mrs. Akshada Nevatia	Entrepreneur, Finance, Accounts and Banking, General Corporate Management, Corporate Governance and Leadership, Strategy Planning, Risk Management, Understanding of the needs and viewpoints of customers, partners, employees, governments, and other stakeholders
Mr. Pawan Kumar Golyan	Industrialist, Financial Services, Sustainable Energy, Marketing and Management, Business and Corporate Planning, Governance and Leadership, Strategy, Risk Management, Create new business models
Mr. V. K. Bhartia	Organizational and Business Management, Accounts-Finance, capital allocation, and financial reporting processes, Principal Executive Officer, Manufacturing, Marketing, Governance and Leadership, Strategy Planning and Risk Management
Mr. Parimal Merchant	Law, Capital Markets, Family Managed Business, Extend and create new business models, Governance and Leadership, Risk Management, Evaluate Corporate Strategy and Culture
Mr. Vandan Shah	Industrialist, Manufacturing domain and Strategy Planning, Risk Management, Exports, Experience in developing strategies to grow sales and enhance enterprise reputation, Business Administration, and Management including Financial Management, Governance and Leadership
Mrs. Ashlesha Bodas	Strategy Management, Risk Management, Business Development, Statutory and Legal Compliances, Governance and Leadership, Fundraising and Project Management

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

None of the Directors on the Board are members of more than ten committees or chairman of more than five committees (being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of the SEBI Listing Regulations 2015) across all the companies in which they are directors. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2023 have been made by the directors. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors of the Company serves as independent director in more than seven listed companies and where any independent director is serving as whole-time director in any listed company, such director is not serving as independent director in more than three listed companies.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the SEBI Listing Regulations 2015.

The minutes of the meetings of all the Board Committees are placed before and noted by the Board. All the recommendations made by all the Committees during the year under review were accepted by the Board. The Chairmen of all the Board Committees were present in the last AGM held on August 9, 2022.

In accordance with the SEBI Listing Regulations 2015, no employee, including key managerial personnel or director or promoter of a listed entity, 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 securities of the Company, without prior approval from the Board as well as from shareholders by way of an ordinary resolution. No such instances were reported during the financial year 2022-23.

Hind Rectifiers Limited

The details of the composition of the Board, category, the shareholding of directors, number of directorships held by the directors in other companies, and memberships / chairmanships of the committees in other companies are given below:-

Name of the Director, DIN and Date of Appointment	Category of Director	Directorship in other Listed Companies and Category of Directorship (as on 31.3.2023)	No. of Directorships in other Indian Companies (as on 31.03.2023) excluding Hind Rectifiers Limited		No. of Board Committee positions in other Indian Public Companies (as on 31.03.2023) excluding Hind Rectifiers Limited		Shareholding in the Company as on 31.03.2023
			Public	Private	Member	Chairman	
Mr. Pradeep Goyal DIN 00008370 (28.03.2008)	Independent Non-Executive Director (Chairman of the Board)	Pradeep Metals Limited (Chairman and Managing Director) Uniphos Enterprises Limited (Non-Executive Independent Director)	2	3	2	2	NIL
Mr. Suramya Nevatia DIN 06703910 (17.08.2020)	Non-independent Executive and Promoter Director (Managing Director & CEO KMP)	-	0	2	0	0	2574768
Mrs. Akshada Nevatia DIN 05357438 (15.01.2017)	Non-Independent Executive Director and member of Promoter Group	-	0	1	0	0	5850
Mr. Pawan Kumar Golyan DIN 00356807 (24.03.1998)	Non-Independent Non-Executive Director	-	0	0	0	0	NIL
Mr. V. K. Bhartia DIN 00019810 (18.04.2007)	Independent Non-Executive Director	-	0	1	0	0	NIL
Mr. Parimal Merchant DIN 00201962 (07.02.2013)	Independent Non-Executive Director	-	0	3	0	0	NIL
Mr. Vandan Shah DIN 00759570 (15.01.2017)	Independent Non-Executive Director	Hercules Hoists Limited (Non-Executive Independent Director)	1	4	2	0	50655
Mrs. Ashlesha Bodas DIN 00935512 (26.06.2020)	Independent Non-Executive Director	-	0	10	0	0	NIL

Note:

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

INDEPENDENT DIRECTORS

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

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

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

MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors of the Company met on May 26, 2022 and February 2, 2023.

Attendance record at the meetings of the Independent Directors during the financial year 2022-23 is given below.

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

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

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

Hind Rectifiers Limited
PERFORMANCE EVALUATION

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

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

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

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 provide certain parameters like attendance, acquaintance with business, communication inter se Board members, effective participation, domain knowledge, compliance with code of conduct, vision & strategy, integrity, and maintenance of confidentiality, independence of behavior and judgment, etc. which is in compliance with applicable laws, regulations, and guidelines.

BOARD MEETING

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

The maximum gap between any two Board meetings was less than one hundred and twenty days. The dates and timings of the meetings are decided well in advance. Video-conferencing facilities are used to facilitate Directors to participate in the meetings.

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

The Board members are expected to rigorously prepare for, attend and participate in Board and applicable Committee meetings. Each member is expected to ensure their other current and planned future commitments do not materially interfere with their responsibilities with us.

The Board of Directors met five times during the financial year 2022-23 i.e. on 26.05.2022, 9.08.2022, 11.11.2022, 2.12.2022 and 2.02.2023.

The details of the attendance of Directors at Board meetings held during the financial year 2022-23 and at the last AGM held on August 9, 2022 are as follows:

Name of the Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. Pradeep Goyal	5	5	Yes
Mr. Suramya Nevatia	5	5	Yes
Mrs. Akshada Nevatia	5	5	Yes
Mr. Pawan Kumar Golyan	5	1	No



Name of the Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings Attended	Whether attended last AGM
Mr. V. K. Bhartia	5	4	Yes
Mr. Parimal Merchant	5	3	Yes
Mr. Vandan Shah	5	5	Yes
Mrs. Ashlesha Bodas	5	3	No

RELATIONSHIP BETWEEN DIRECTORS

There are no inter-se relationships between the Board members except Mr. Suramya Nevatia and Mrs. Akshada Nevatia are related to each other.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all the information available with the Company. All Board meetings are governed by a structured agenda backed by comprehensive background information. During the financial year 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations 2015, has been placed before the Board for its consideration. The Board is routinely presented with all the information mentioned in the SEBI Regulations and the Companies Act, 2013 whenever it is applicable and materially significant. The Board periodically reviews the compliance reports of all laws applicable to the Company.

POST-MEETING MECHANISM

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

BOARD SUPPORT

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

FAMILIARIZATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia explains the role, functions, duties, responsibilities disclosure, confidentiality, etc. 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, SEBI Listing Regulations 2015 and other relevant acts, rules, and regulations. In a view to familiarize him with the Company's operations, the Managing Director & CEO, and Executive Director 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 persons.

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

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

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

Hind Rectifiers Limited
CONFLICT OF INTERESTS

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

INSIDER TRADING CODE

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'.

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

COMMITTEES OF THE BOARD

For better Corporate Governance, promoting transparency, and enhancing the credibility of the financial disclosures of the Company, the Board has constituted Committees that conform to the requirements of the SEBI Listing Regulations 2015 and the Companies Act, 2013. Details of the Committees of the Board and other related information are as follows:

AUDIT COMMITTEE

The constitution and the broad terms of reference for the Audit Committee of the Company are in accordance with provisions of the SEBI Listing Regulations 2015 and the Companies Act, 2013. The Audit Committee comprises of four Directors with a majority of Independent Directors. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their comparable experience and background. The CEO Nashik Plant and the Chief Financial Officer / Joint Chief Financial Officer of the Company are permanent invitees to the Audit Committee meeting. The Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee. The CFO assists the Committee in the discharge of its responsibilities.

The previous Annual General Meeting of the Company was held on August 9, 2022, and was attended by Chairman of the Audit Committee.

The Audit Committee met four times during the year i.e. on 26.05.2022, 9.08.2022, 11.11.2022 and 2.02.2023. The maximum gap between any two meetings was less than one hundred and twenty days. All the decisions at the Audit Committee meetings were taken unanimously.

The composition of the Audit Committee and the attendance of its members at the aforesaid meetings held during the financial year 2022-23 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 ^	Independent Non-Executive	3	3
Mr. Pradeep Goyal	Independent Non-Executive	4	4
Mr. Parimal Merchant, Chairman ^	Independent Non-Executive	4	3
Mr. Vandan Shah	Independent Non-Executive	4	4
Mr. Suramya Nevatia	Managing Director & CEO	4	4

^ Mr. V. K. Bhartia ceased to be Member and Chairman of the Audit Committee w.e.f. December 3, 2022. Mr. Parimal Merchant was appointed as Chairman of the Audit Committee w.e.f. December 3, 2022.



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

The primary objective of the Audit Committee is to monitor and provide effective supervision of the financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity, and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor, and the cost auditor. The Committee further reviews the processes and controls including compliance with laws, Insider Trading Codes, Whistle Blower Policy, Management's discussion and analysis of the financial condition and results of operations, recommends the appointment of internal auditors and secretarial auditors, reviews and recommends audit fees, audit, reviews and approves related party transactions, grants omnibus approvals from time to time, take note of disclosures by promoters under Regulation 31(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, etc.

NOMINATION AND REMUNERATION COMMITTEE

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

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

The Nomination and Remuneration Committee also assists the Board in discharging its responsibilities relating to compensation of the Company's Executive Directors and senior management.

The Nomination and Remuneration Committee has the overall responsibility of approving and evaluating the compensation plans for Executive Directors and senior management. The Nomination and Remuneration Committee reviews and recommends to the Board for its approval, the salary, incentives/commission, other benefits, compensation, and employment agreements for the Executive Directors and senior management.

The Committee is working as a compensation committee under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for HIRECT Employees Stock Option Plan-2018 (ESOP 2018).

The Committee met four times during the year i.e. on 26.05.2022, 2.12.2022, 2.03.2023, and 29.03.2023.

The previous Annual General Meeting of the Company was held on August 9, 2022, and was attended by the Chairman of the Nomination and Remuneration Committee.

The composition of the Committee and the attendance of its members at the aforesaid meeting held during the financial year 2022-23 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 ^	Independent Non-Executive	2	2
Mr. Pradeep Goyal	Independent Non-Executive	4	4
Mr. Parimal Merchant	Independent Non-Executive	4	3
Mr. Vandan Shah, Chairman ^	Independent Non-Executive	2	2

^ Mr. V. K. Bhartia ceased to be Member and Chairman of the Nomination and Remuneration Committee w.e.f. December 3, 2022. Mr. Vandan Shah was appointed as the Member and Chairman of the Nomination and Remuneration Committee w.e.f. December 3, 2022.

The Company Secretary acts as the Secretary to the Committee.

Hind Rectifiers Limited
NOMINATION AND REMUNERATION POLICY

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

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

This policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company pays remuneration by way of salary, benefits, perquisites, allowances (fixed component), and commission (variable component). The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission, if any, payable out of the profits for financial year and within the ceilings prescribed under the Companies Act, 2013, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director & CEO and the Executive Director.

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

The Company has an Employee Stock Option Scheme named HIRECT Employees Stock Option Plan-2018 (ESOP 2018).

REMUNERATION OF DIRECTORS

The appointment and remuneration of Managing Director & CEO and Executive Directors are governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration of Managing Director & CEO and Executive Director comprises of salary, perquisites, allowances, contributions to provident fund, retirement benefit funds, commission if any, 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.

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 ₹ 25,000 for attending each meeting of the Board, Audit Committee, Nomination & Remuneration Committee, and Stakeholder Relationship Committee.

The details of remuneration / sitting fees paid to the Directors of the Company during the financial year 2022-23 are as under:

(₹ in lakhs)

Name of the Director	Salary	Benefits	Bonus / Commission / Stock Options	Sitting Fees	Total
Mr. Pradeep Goyal	–	–	–	4.00	4.00
Mr. Suramya Nevatia ^	24.00	37.48	1076.63	–	1138.11
Mrs. Akshada Nevatia	18.00	28.21	–	–	46.21
Mr. Pawan Kumar Golyan	–	–	–	0.25	0.25
Mr. V. K. Bhartia	–	–	–	3.00	3.00
Mr. Parimal Merchant	–	–	–	3.00	3.00
Mr. Vandan Shah	–	–	–	3.00	3.00
Mrs. Ashlesha Bodas	–	–	–	1.00	1.00

^ The remuneration of Mr. Suramya Nevatia includes 5,50,000 equity shares allotted as sweat equity shares during the year, in pursuant to the approval of the shareholders of the Company obtained through postal ballot dated January 1, 2023. For details, refer Note no. 69 to the audited annual financial statement.

Mr. Suramya Nevatia and Mrs. Akshada Nevatia are entitled to remuneration comprising of salary, perquisites, commission, and benefits as per the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations 2015 and resolutions

passed by the shareholders in the respective Annual General Meeting. The commission is subject to adequate profits being earned. The notice period is three months and there is no provision for payment of severance fees. The sitting fee indicated above also includes payment for Board level committee meetings.

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

A brief profile and other particulars of the Director seeking appointment/re-appointment are given in the notice of the 65th Annual General Meeting and forms part of the Report.

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee has been constituted to strengthen investor relations and to inter-alia, resolve the grievances of security holders including complaints related to the non-receipt of annual reports, non-receipt of declared dividends, issues concerning de-materialization, general meeting, review of measures taken for the effective exercise of voting rights by shareholders, various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend /annual reports/statutory notices by the shareholders of the Company, etc. The Committee reviews the annual audit report submitted by the independent auditors on the annual internal audit conducted on the Registrar and Transfer Agent operations as mandated by SEBI including the mechanism of investor grievance redressal, compliances stipulated by SEBI, and other matters concerning the functioning of the Registrar and Transfer Agent.

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

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, Maharashtra.

Phone : 022- 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 available on the Company's website viz. www.hirect.com.

The previous Annual General Meeting of the Company was held on August 9, 2022 and was attended by the Chairman of the Stakeholders Relationship Committee.

The following table shows the nature of complaints received from the shareholders during the financial year 2022-23.

Nature of complaints	No. of complaints received during the financial year 2022-23	No of complaints resolved during the financial year 2022-23
Non-receipt of Dividend Warrant	Nil	Nil
Non-receipt of Annual Report	Nil	Nil
Non-receipt of Share Certificate	Nil	Nil
Other	Nil	Nil

Hind Rectifiers Limited

The above table includes complaints received from SEBI SCORES. There were no complaints pending as on March 31, 2023.

The Stakeholders Relationship Committee met two times during the financial year i.e. on 26.05.2022 and 11.11.2022.

The composition of the Stakeholders Relationship Committee and the attendance of its members at the aforesaid meeting held during the financial year 2022-23 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	2
Mr. Parimal Merchant ^	Independent Non-Executive	2	2
Mr. Suramya Nevatia ^	Non-Independent Executive	Nil	NA

^ Mr. V. K. Bhartia ceased to be Member and Chairman of the Stakeholders Relationship Committee w.e.f. December 3, 2022. Mr. Parimal Merchant and Mr. Suramya Nevatia were appointed as the Chairman and Member of the Stakeholders Relationship Committee respectively w.e.f. December 3, 2022.

RISK MANAGEMENT COMMITTEE

Business Risk Evaluation and Management is an ongoing process within the organization. The Company has 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 Listing Regulations 2015.

The Risk Management Committee of the Company comprises three members i.e. Mr. Parimal Merchant, Non-Executive and Independent Director, Mr. Suramya Nevatia, Managing Director & CEO and Mr. A. K. Nemani, Chief Financial Officer of the Company. The Risk Management Committee met three times during the financial year i.e. on 26.07.2022, 21.09.2022 and 2.03.2023. Mr. Parimal Merchant and Mr. Suramya Nevatia attended all the meetings and Mr. A. K. Nemani attended one meeting.

The previous Annual General Meeting of the Company was held on August 9, 2022 and was attended by the Chairman of the Risk Management Committee.

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

The Committee shall meet at least twice a year; to identify and evaluate the impact of risk reported by various departments; to review the effectiveness of the corrective measures submitted by the concerned departments; to provide guidance to the concerned departments, in case, a better course of action is there to tackle/reduce/mitigate the risk(s); to generally monitor, review and whenever necessary, update the risk management plan/policy and process to ensure that there is timely and effective reporting of risks; to inform the management from time to time; to evaluate risks related to cyber security; any other functions as may be necessary or required under the SEBI Listing Regulations 2015, etc.

CORPORATE SOCIAL RESPONSIBILITY

The details of CSR spending have been provided in Annexure E to the Director's Report i.e. Annual Report on CSR Activities. The Company formulated a Corporate Social Responsibility Policy, which is available on the website of the Company at <https://hirect.com/policies/>.

The Company has dissolved the Corporate Social Responsibility Committee as the required to be spent on CSR does not exceed ₹ 50 lakhs and the functions of such committee are being performed by the Board of Directors of the Company.

The Board identifies the areas of CSR activities, decides the amount of expenditure to be incurred on the identified CSR activities, formulates and approves a CSR annual action plan, reviews the Company's initiatives and programs, etc.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial Year	Date	Time	Venue
62nd AGM	31.03.2020	15.09.2020	11:30 am (IST)	The meeting were held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
63rd AGM	31.03.2021	12.08.2021	4:00 pm (IST)	
64th AGM	31.03.2022	9.08.2022	2:30 pm (IST)	

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

62nd AGM		
Sr. No.	Subject matter of the resolutions	Status of implementation
1.	Appointment of Mr. Suramya Nevatia as the Joint Managing Director & CEO (KMP)	Implemented

63rd AGM		
NIL		

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

No extraordinary general meeting of the members was held during the financial year 2022-23.

POSTAL BALLOT

During the financial year 2022-23, the Company sought the approval of the shareholders by way of postal ballot, through a notice dated December 2, 2022, on the issuance of sweat equity shares and remuneration payable to Mr. Suramya Nevatia, Managing Director & CEO (KMP) of the Company as a special resolution.

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

The voting period for remote e-voting commenced on Saturday, December 3, 2022 at 9.00 a.m. (IST) and ended on Sunday, January 1, 2023 at 5.00 p.m. (IST). The report on the result of the postal ballot through remote e-voting for approving the aforementioned resolution was provided by the Scrutinizer on Monday, January 2, 2023.

**Hind Rectifiers Limited**

The details of e-voting on the aforementioned resolution(s) are provided hereunder: Description of the Resolution

Approval of the issuance of sweat equity shares and remuneration payable to Mr. Suramya Nevatia, Managing Director & CEO (KMP) of the Company

Votes in favour of the Resolution(s)			Votes against the Resolution(s)			Total number of members whose votes were declared invalid	Invalid Votes
Number of Members Voted	Number of valid Votes cast (shares)	% of total number of valid votes cast	Number of Members Voted	Number of valid Votes cast (shares)	% of total number of valid votes cast		Total number of invalid votes cast (shares)
118	1697735	98.59	12	24284	1.41	Nil	

The special resolution was passed with the requisite majority on January 1, 2023.

PROCEDURE FOR POSTAL BALLOT :

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, and 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs and SEBI Listing Regulations 2015.

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

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 SEBI Listing Regulations 2015. The approved financial results are forthwith sent to the Stock Exchanges and are published in Free Press (English newspaper) and Navshakti (local language (Marathi) newspaper) within forty-eight hours of approval thereof. Annual General Meeting and postal-ballot related notices are published in Business Standard (English newspaper) and Mumbai Lakshdeep (local language (Marathi) newspaper) within due course.

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

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

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

The Company facilitates an ongoing dialogue with its internal stakeholders which includes the following communication channels:

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



NOMINATION

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

GENERAL SHAREHOLDER INFORMATION

AGM : 65th Annual General Meeting for the financial year 2022-23 is scheduled to be held on Wednesday, August 23, 2023 at 11:00 am. The Company is conducting the meeting through VC / OAVM pursuant to the MCA and SEBI Circulars. For details please refer to the notice of this Annual General Meeting.

Remote e-voting dates : From August 18, 2023 (9:00 am IST) to August 22, 2023 (5:00 pm IST)

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

ANNUAL REPORTS AND ANNUAL GENERAL MEETINGS

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

The Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. However, Members desiring a physical copy of the Annual Report for the financial year 2022-23, may either write to us or email us at investors@hirect.com, to enable the Company to dispatch a copy of the same. Please include details of Folio No./DP ID and Client ID and holding details in the said communication.

WEBSITE

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

FINANCIAL YEAR

The Company follows April to March as its financial year. The financial results for every quarter have been declared within the time prescribed in the SEBI Listing Regulations 2015. The details for the forthcoming financial year 2023-24 are as follows.

Financial Year 2023-24	April 1, 2023 to March 31, 2024
Financial reporting for the quarter ended June 30, 2023	On or before August 14, 2023
Financial reporting for the quarter ended September 30, 2023	On or before November 14, 2023
Financial reporting for the quarter ended December 31, 2023	On or before February 14, 2024
Financial reporting for the year ended March 31, 2024	Audited Results on or before May 30, 2024

The Board does not recommend any dividend for the year under review.

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

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

Hind Rectifiers Limited

unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of Section 125 of the Companies Act, 2013. The details of unclaimed/unpaid dividends are available on the website of the Company viz. <https://hirect.com/shareholder-enquiries/>.

MANDATORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF INVESTORS EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA) IN CASE OF UNPAID / UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS

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

Shares that 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.

DISCLOSURE RELATING TO UNCLAIMED SUSPENSE ACCOUNT

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

Particulars	Number of Shareholders	Number of Equity Shares
The aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the financial year 2022-23	4	7875
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the financial year 2022-23	Nil	Nil
Less: Number of shares transferred to Investor Education and Protection Fund (IEPF) during the financial year 2022-23	Nil	Nil
The aggregate number of shareholders and outstanding shares in the suspense account at the end of the financial year 2022-23	4	7875

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

LISTING ON STOCK EXCHANGES

The Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company has paid the requisite Annual Listing and Custodial Fees to the Stock Exchanges and Depositories viz. CDSL and NSDL, respectively for the financial years 2022-23 and 2023-24.

Address of Stock Exchanges
BSE Limited

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

National Stock Exchange of India Limited

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

STOCK CODE / SYMBOL

BSE Limited – 504036

National Stock Exchange of India Limited – HIRECT

Demat ISIN : INE835D01023

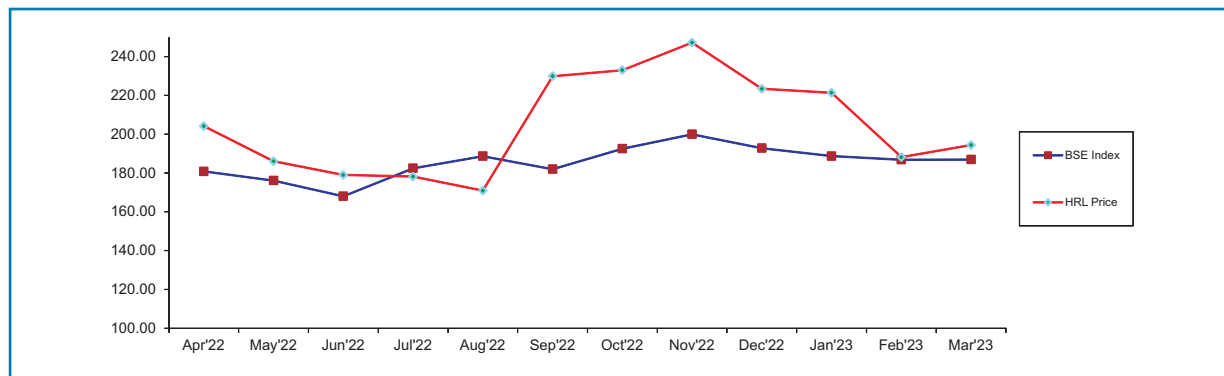


MARKET PRICE DATA

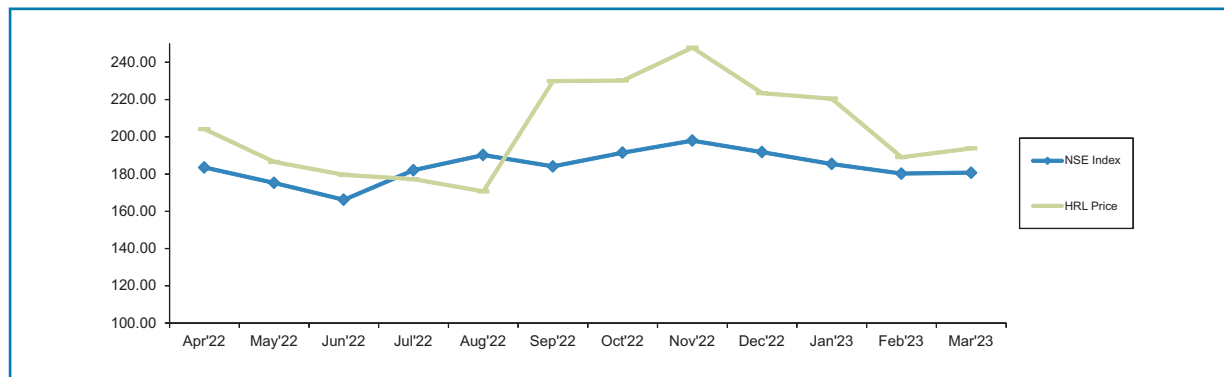
The monthly high / low market price of equity shares of Hind Rectifiers Limited during the financial year 2022-23 is as under.

Month	BSE		NSE	
	High	Low	High	Low
April 2022	235.00	185.05	234.95	186.10
May 2022	209.95	172.65	214.20	172.50
June 2022	195.30	152.90	197.00	154.00
July 2022	192.00	174.40	193.00	173.00
August 2022	184.90	163.00	185.00	160.30
September 2022	268.00	165.65	268.80	167.00
October 2022	249.00	214.65	251.00	214.15
November 2022	259.90	205.85	260.45	204.00
December 2022	246.35	182.00	253.75	180.00
January 2023	237.00	205.10	235.00	210.45
February 2023	230.55	185.20	231.90	186.35
March 2023	231.65	187.00	232.50	189.00

RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS BSE SENSEX



RELATIVE PERFORMANCE OF HIND RECTIFIERS SHARES VERSUS NSE SENSEX



**Hind Rectifiers Limited**

The Company's shares have not been suspended from trading. The Company has appointed the below-mentioned agency as Registrar and Transfer Agent.

ADROIT CORPORATE SERVICES PRIVATE LIMITED

[Unit: Hind Rectifiers Limited]

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

Andheri (East), Mumbai – 400059 Maharashtra

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

Email : info@adroitcorporate.com

Website : www.adroitcorporate.com

SHARE TRANSFER SYSTEM

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the web link at <https://hirect.com/shareholder-enquiries/> and on the website of the Company's Registrar and Transfer Agent at https://www.adroitcorporate.com/RNT/Form_ISR-4.pdf. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI, vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Registrar and Transfer Agent, for assistance in this regard. Any service request can be processed only after the folio is KYC Compliant.

Shareholders holding more than 1% of the shares as on March 31, 2023

The details of public shareholders holding more than 1% of the equity as on March 31, 2023 are as follows:

Name of Shareholder	No. of Shares	% (percentage of holding)
BTR Industries Ltd	2400000	14.02
Cassini Partners L.P. Managed by Habrok	492347	2.88
Habrok India Master LP	460145	2.69
Niraj Bajaj	300000	1.75
Veena K Jagwani	247200	1.44
Sunaina Kejriwal	213180	1.24
Niraj Bajaj	179553	1.05



Shareholding Pattern as on March 31, 2023

Category	No. of shares held	% of Shareholding
Promoters and Promoter Group	7548856	44.08
Directors and their relatives	70075	0.41
Mutual Funds and UTI	750	0.00
Banks / Financial Institutions	2250	0.01
Foreign Portfolio Investors	1071754	6.26
Investor Education and Protection Fund	226360	1.32
Non-Resident Indians	122585	0.72
Resident Individuals & HUF	5354410	31.27
Key Managerial Personnel	2500	0.01
Clearing Members	721	0.00
Foreign Companies	2400000	14.02
Others	323717	1.89
Total	17123978	100.00

Distribution of Shareholding as on March 31, 2023

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 100	5971	216543	1.26
101-500	1965	503668	2.94
501-1000	484	373653	2.18
1001-2000	334	494290	2.89
2001- 3000	134	348192	2.03
3001- 4000	57	205416	1.20
4001- 5000	32	149541	0.87
5001-10000	67	472873	2.76
10001-20000	38	580301	3.39
20001-50000	16	524588	3.06
50001 & Above	30	13254913	77.41
Total	9128	17123978	100.00

Hind Rectifiers Limited
DEMATERIALIZATION OF SHARES

1,39,84,433 equity shares representing 81.67 % of total equity share capital were held in dematerialized form with NSDL and CDSL as on March 31, 2023.

Status of Dematerialization of Equity Shares as on March 31, 2023

Particulars	No. of Shareholders	No. of Shares	% to Paid-up Capital
National Securities Depository Limited	4216	1,13,19,507	66.10
Central Depository Services (India) Limited	4780	26,64,926	15.56
Total Dematerialized	8996	1,39,84,433	81.67
Shares held in Physical form	132	31,39,545	18.33
Grand Total	9128	1,71,23,978	100.00

OUTSTANDING GDRs / ADRs / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE, AND LIKELY IMPACT ON EQUITY SHARES

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

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK

The details are disclosed in note no. 67 to the audited financial statement.

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

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

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

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

Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year : 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 no. 40 to the Financial Statement. Consolidated Financial Statement is not applicable to the Company.

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

The details of the number of complaints filed and disposed of during the year and pending as on March 31, 2023, are given in the Directors' report.

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

Details of special resolution proposed to be transacted through postal ballot

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



Plant Locations

- i. Lake Road, Bhandup West, Mumbai - 400078 Maharashtra
- ii. Plot No. 110/111, M.I.D.C., Satpur, Nashik - 422007 Maharashtra
- iii. Plot No. A-84, MIDC Malegaon, Sinnar, Nashik – 422113 Maharashtra
- iv. New Khasara No. 64-67 & 74, Village Chharba, Langha Road, Vikas Nagar, Dehradun – 248197 Uttarakhand

Compliance Officer

Ms. Meenakshi Anchlia, Company Secretary & 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

The Company has obtained the following credit ratings during the financial year 2022-23.

- (i) Credit Rating issued by CRISIL on May 19, 2022.

Ratings reaffirmed at 'CRISIL BBB-/CRISIL A3'; outlook revised to 'Positive'; rated amount enhanced for bank debt

Details are as under:-

Total Bank Loan Facilities Rated	₹ 132 Crore (Enhanced from ₹ 120 Crore)
Long-Term Rating	CRISIL BBB-/Positive (Outlook revised from 'Stable' and rating reaffirmed)
Short-Term Rating	CRISIL A3 (Reaffirmed)

- (ii) Credit Rating issued by CRISIL on November 25, 2022.

Ratings reaffirmed at 'CRISIL BBB- / CRISIL A3'; outlook revised to 'Stable'

Details are as under:-

Total Bank Loan Facilities Rated	₹ 132 Crore
Long-Term Rating	CRISIL BBB-/Stable (Reaffirmed and outlook revised to 'Stable')
Short-Term Rating	CRISIL A3 (Reaffirmed)

- (iii) Credit Rating issued by CRISIL on February 13, 2023.

Rating outlook revised to 'Negative'; Rating reaffirmed

Details are as under:-

Total Bank Loan Facilities Rated	₹ 132 Crore
Long-Term Rating	CRISIL BBB- / Negative (rating reaffirmed and outlook revised from 'Stable')
Short-Term Rating	CRISIL A3 (Reaffirmed)

Hind Rectifiers Limited

LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

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

COMPLIANCES WITH GOVERNANCE FRAMEWORK

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

RELATED PARTY TRANSACTIONS

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

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

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

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

DETAILS OF NON-COMPLIANCE

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

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Company has in place a detailed Code of Conduct for Board members and senior management. The said Code of Conduct is available on the website of the Company viz. <https://hirect.com/wp-content/uploads/2022/12/Code-of-Conduct.pdf>. The Code of Conduct is applicable to all Directors and senior management. The members of the Board and senior management have submitted their affirmation on compliance with the code for the effective period. A declaration by the Managing Director & CEO affirming compliance with the Code of Conduct is appended to this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial 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 SEBI Listing Regulations 2015 is provided below:



THE BOARD

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

SHAREHOLDERS RIGHTS

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

MODIFIED OPINION(S) IN AUDIT REPORT

There are no modified opinions in the audit report.

REPORTING OF INTERNAL AUDITOR

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

CONSOLIDATE MULTIPLE FOLIOS

Members are requested to consolidate their shareholdings held under multiple folios. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and effort required to monitor multiple folios. It will also help in avoidance of multiple mailing.

Members are requested to convert their physical holdings into electronic holdings.

Members should transact through a registered intermediary. In case the intermediary does not act professionally, Members can take up the matter with SEBI.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

NORMS FOR FURNISHING OF PAN, KYC, BANK DETAILS, AND NOMINATION

Pursuant to Circular no SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI has mandated all the listed companies to record PAN, Nomination, Contact details, Bank A/c details and specimen signature for their corresponding folio numbers of holders of physical securities.

The folios wherein any one of the cited documents/details is not available on or after October 1, 2023, shall be frozen by the RTA.

The securities in the frozen folios shall be eligible:

- (i) To lodge any grievance or avail of any service, only after furnishing the complete documents/details as mentioned above;
- (ii) To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above-stated requirements.

The forms for updation of PAN, KYC Bank details, and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, etc. are available on the Company's website <https://hirect.com/shareholder-enquiries/>.

In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.



Hind Rectifiers Limited

The Company has dispatched a letter to the Members holding shares in physical form in relation to the above-referred SEBI Circular. Members who hold shares in dematerialized form and wish to update their PAN, KYC, Bank details and Nomination, are requested to contact their respective Dps.

MANAGEMENT DISCUSSIONS AND ANALYSIS

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

SECRETARIAL AUDIT

In terms of the Companies Act, 2013, the Company appointed M/s GMJ & Associates, Practicing Company Secretaries, (Peer Review Number: 647/2019) to conduct Secretarial Audit of records and documents of the Company for the financial year 2022-23. The Secretarial Audit Report is provided as Annexure to the Board's Report.

AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO /CFO CERTIFICATION

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

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors

Pradeep Goyal **Suramya Nevatia**
Chairman Managing Director & CEO

DECLARATION

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

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

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

All the Board members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the year ended on March 31, 2023.

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

Place : Mumbai
Date : May 26, 2023

Suramya Nevatia
Managing Director & CEO



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

We have examined the compliance of conditions of Corporate Governance by Hind Rectifiers Ltd. (hereinafter referred as 'the Company'), for the year ended 31 March, 2023 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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

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

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

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

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

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI Listing Regulations 2015 subject to the following:

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

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

For GMJ & Co.
Chartered Accountants
FRN. 103429W

CA Madhu Jain
Partner

Place : Mumbai
Date : May 26, 2023

ICAI Membership No. 155537
UDIN: 231555 37BGWQGR6752



CEO AND CFO CERTIFICATION

The Board of Directors
Hind Rectifiers Limited
Mumbai, Maharashtra

Re: Compliance Certificate for the Financial Statements for 2022-2023

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

1. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2023 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : May 26, 2023

Suramya Nevatia
Managing Director & CEO

A. K. Nemani
Chief Financial Officer

Anil Mehta
Joint Chief Financial Officer



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (LODR) Regulations, 2015)

To,
Hind Rectifiers Limited
 Lake Road,
 Bhandup (West),
 Mumbai - 400078.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hind Rectifiers Limited (CIN : L28900MH1958PLC011077)** and having registered office at Lake Road, Bhandup West, Mumbai – 400078 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para – C, Sub-clause 10(i) of the SEBI (LODR) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Pradeep Goyal	00008370	28/03/2008
2.	Mr. Suramya Nevatia	06703910	17/08/2020
3.	Ms. Akshada Nevatia	05357438	15/01/2017
4.	Mr. Pawan Kumar Golyan	00356807	24/03/1998
5.	Mr. Vijay Kumar Bhartia	00019810	18/04/2007
6.	Mr. Parimal Merchant	00201962	07/02/2013
7.	Mr. Vandan Sitaram Shah	00759570	15/01/2017
8.	Ms. Ashlesha Bodas	00935512	26/06/2020

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

For **GMJ & ASSOCIATES**
Company Secretaries
 ICSI Unique Code P2011MH023200

CS MAHESH SONI
 PARTNER

Membership No: F3706
 Certificate of Practice No.: 2324
 UDIN: F003706E000369137

Place : Mumbai
 Date : May 26, 2023

Peer Review Certificate No.: 647/2019

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

Industrial business is likely to be increased considering the growth anticipated in various international and domestic projects in power sector & also infrastructure development planned by the Government of India. The Company has been certified for Aerospace standards, and registered with Defence organizations, and which is likely to bring a additional revenue stream in coming years.

There is a good mix of SMEs, Large Companies and multinationals players in the market for our various product lines.

INFRASTRUCTURE AND NEW PRODUCTS DEVELOPMENT

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

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

OPPORTUNITIES AND THREATS

The Company has a strong brand and leadership position in the market for the equipment's of 3Ph locomotives and LHB coaches along with the pollution control and environmental protection equipment with updated technology.

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

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

Development of new products in a shorter period and competing with a larger player, who is having technology from their parent Company, remains a challenge.

OUTLOOK

The government has aggressively increased Electric Locomotive production, electrification of new routes, and modernization of Railway facilities which has increased market demand. However railways is introducing more Distributed Power Rolling Stock (DPRS) like Vande Bharat Trains, and also private manufacturers of rolling stock for which the Company will have to adapt and develop new design of equipment as well.

RISK AND CONCERNS

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

Some product lines in the Industrial segment are also affected with the increased competition from the unorganized sector with shrinking margins. Delayed payment inflows from Railways have led to increase in working capital and very conservative financial support from Banks for completion of development activities and expansion of business volume remain matter of concern. Current global shortage of semiconductors & electronic components is also affecting our ability to meet On Time In Full (OTIF) deliveries.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

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

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

Our specialized products for specific applications in Pollution control, Electroplating, and Electrochemical industries are well stabilized in the industrial segment. Our capability of making custom-built designs is an added advantage for our brand.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The company's financial performance during the year was adversely affected due to reduction in turnover, higher material cost ratio and increased finance cost.

Considering the plan of Indian Railway & improved inquiry from industrial sector Company expects an improved performance for the upcoming year.

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

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

PERFORMANCE REVIEW

During the financial year ended March 31, 2023, revenue from operations decreased to ₹ 35909.94 lakhs as against ₹ 37210.06 lakhs in the preceding year. The Loss after Tax for the financial year ended March 31, 2023 is ₹ 636.29 lakhs as against profit after tax is ₹ 779.85 lakhs in the previous year.

Particulars	As at 31st March 2023	As at 31st March 2022	Change (%)	Reasons for change in ratios more than 25%
(a) Current Ratio (In Time)	1.23	1.46	(15.75)	-
(b) Debt-Equity Ratio (In Time)	0.94	0.7	34.29	The Debt Equity ratio increased due to Increase in debt and decrease in profitability
© Debt Service Coverage Ratio (In Time)	0.92	1.40	(34.29)	The Debt Service coverage ratio reduced due to increase in debt and decrease in profitability
(d) Return on Equity Ratio (in %)	(5.81)	7.53	(177.16)	The return on equity (ROI) reduced due to recognition of exceptional (notional) expenses during FY 2022-23 and decrease in profitability.

**Hind Rectifiers Limited**

Particulars	As at 31st March 2023	As at 31st March 2022	Change (%)	Reasons for change in ratios more than 25%
(e) Inventory turnover ratio (no of days)	86	71	21.13	--
(f) Trade Receivables turnover ratio (no of days)	69	76	(9.21)	--
(g) Trade payables turnover ratio (no of days)	63	55	14.55	--
(h) Net capital turnover ratio (In Time)	10.51	7.2	45.97	The Net Capital Turnover ratio decreased due to Decrease in turnover and increase in inventory.
(l) Net profit ratio (In %)	(1.77)	2.1	(184.29)	The Net profit ratio reduced due to recognition of exceptional (notional) expenses during FY 2022-23 and decrease in profitability.
(j) Return on Capital employed (In %)	(0.26)	9.89	(102.63)	The return on capital employed reduced due to recognition of exceptional (notional) expenses during FY 2022-23 and decrease in profitability.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 26, 2023**Pradeep Goyal** **Suramya Nevatia**
Chairman Managing Director & CEO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HIND RECTIFIERS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Hind Rectifiers Limited ("the Company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and total comprehensive deficit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

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

Hind Rectifiers Limited

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

**Other Matters**

1. We did not audit the financial statements/information of Dehradun branch included in the financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 1,140.15 lakhs for Dehradun as at 31st March, 2023 and total revenues of ₹ 6,672.31 lakhs for Dehradun for the year ended on that date, as considered in the financial statements. The financial statements/information of these branch have been audited by the branch auditor 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 branch, is based solely on the report of such branch auditor.
2. The comparative financial information of the Company for the quarter ended March 31, 2023 and for the period from 1 April, 2022 to 31 March, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard for Interim Financial Reporting [INDAS 34], prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India, have been audited by the predecessor auditor and the comparative financial statements for the year ended 31st March, 2022 prepared in accordance with the Indian Accounting Standard, prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India have been audited by predecessor auditor. The reports of the predecessor auditor on these comparative financial information and financial statements expressed an unmodified opinion respectively.

Our opinion on the Standalone Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the Financial Statement / financial information certified by the Board of Directors.

Other Information

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

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We obtained the other information and we have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the Standalone Ind AS Financial Statements and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Hind Rectifiers Limited

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, 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 audited financial statements received from the branch not audited by us but audited by the respective branch auditor whose report is furnished to us.
 - d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - f. In our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company.
 - g. On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
 - h. There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.
 - i. With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". **Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.**
 - j. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act .
 - k. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position as referred to Note 46 to the Standalone Ind AS Financial Statement.
 - ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses if any, on long term contracts.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Hind Rectifiers Limited

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend declared in previous year and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

UDIN: 23155537BGWQGL9498

for **GMJ & Co**

Chartered Accountants

FRN: 103429W

CA Madhu Jain

Partner

Membership No. 155537

Place : Mumbai
Date : May 26, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- i) In respect of the company's Property, plant and equipment and intangible assets:
- (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties and/or lease agreements where immovable properties are taken on lease are held in the name of the Company, except: (₹ In lakhs)

Sr. No.	Description of Property	Gross carrying value as at 31st March, 2023	Held in name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of Company (dispute if any)
1	Flat No. A-13, 11th Floor, Chatterjee International Centre, 33A, Jawaharlal Nehru Road, Kolkata – 700071.	57.84	M/s Chatterjee Polk Private Limited	No	7th July 2010	Pending for Registration

- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii) In our opinion and according to the information and explanations given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

Hind Rectifiers Limited

- v) The Company has not accepted deposits from public within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of examination of records of the Company, no undisputed amounts payable in respect of provident fund, Employees' State insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2023 for a period more than six months from the date they became payable.
 - (b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31, 2023, there are no dues that have not been deposited on the account of dispute.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix)
 - (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the bank. The company does not have dues to financial institution, government or debenture holders as at the balance sheet date.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) According to the information and explanations given to us by the management, the Company has obtained term loans from banks and Term loan taken from the banks are utilised for the purpose for which they were granted.
 - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
 - (e) The Company does not have any subsidiary and hence reporting on clause 3(ix)(e) of the Order is not applicable.
 - (f) The Company does not have subsidiaries or joint ventures and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x)
 - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon. The Company issued sweat Equity shares during the year.
- xi)
 - (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) According to the information and explanations given to us, there are no whistle blower complaints received by the company during the year.



- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to information and explanations given us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by Ind AS 24, Related Party Disclosures specified under section 133 of the Act read with the relevant rules issued thereunder.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of section 192 of the Companies act, 2013 are not applicable to the company.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on otherthan ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
 (b) There is no unspent CSR amount as on the March 31, 2023. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

UDIN: 23155537BGWQGL9498
 for **GMJ & Co**
 Chartered Accountants
 FRN: 103429W

CA Madhu Jain

Partner

Membership No. 155537

Place : Mumbai
 Date : May 26, 2023

Hind Rectifiers Limited

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

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

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

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

We have audited the internal financial controls over financial reporting of “Hind Rectifiers Limited” (“the Company”) as of March 31, 2023, in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN: 23155537BGWQGL9498
for **GMJ & Co**
Chartered Accountants
FRN: 103429W

CA Madhu Jain
Partner

Membership No. 155537

Place : Mumbai
Date : May 26, 2023



Hind Rectifiers Limited

BALANCE SHEET AS ON 31ST MARCH 2023

(₹ In lakhs)

Sr. No.	Particulars	Note No.	As at 31st Mar 2023	As at 31st Mar 2022
I.	ASSETS			
1	Non Current Assets			
a.	Property, Plant and Equipment	2	7,273.25	4,002.88
b.	Capital Work in Progress	3	687.41	1,768.84
c.	Intangible Assets	4	665.38	769.98
d.	Intangible Assets under Development	5	1,384.44	1,026.19
e.	Right to use leased asset	2A	13.86	33.77
f.	Financial Assets			
i.	Investments	6	12.75	12.75
ii.	Loans	7	0.12	0.03
iii.	Others	8	112.16	94.37
g.	Deferred tax Assets (net)	9	470.98	243.31
h.	Other Non Current Assets	10	51.69	219.87
			10,672.04	8,171.99
2	Current Assets			
a.	Inventories	11	9,244.24	7,702.12
b.	Financial Assets			
i.	Trade Receivables	12	6,756.11	6,777.97
ii.	Cash and Cash equivalents	13	12.56	26.76
iii.	Other Bank Balances	14	126.61	107.45
iv.	Loans	15	1.03	0.49
v.	Others	16	675.83	515.48
c.	Current Tax Assets (Net)	17	139.26	73.49
d.	Other current Assets	18	1,542.80	1,182.73
			18,498.44	16,386.49
3	Assets held for Sale	19	57.84	57.84
	TOTAL ASSETS		29,228.32	24,616.32
II.	EQUITY AND LIABILITIES			
1	Equity			
a.	Equity Share Capital	20	342.48	331.27
b.	Other Equity	21	10,828.96	10,412.68
			11,171.44	10,743.95
2	Liabilities			
	Non Current Liabilities			
a.	Financial Liabilities			
i.	Borrowings	22	2,433.38	2,088.33
ia.	Lease liabilities	2A	—	14.52
ii.	Other Financial Liabilities	23	20.25	18.25
b.	Provisions	24	520.51	526.70
			2,974.14	2,647.80
a.	Current Liabilities			
	Financial Liabilities			
i.	Borrowings	25	8,025.97	5,375.76
ia.	Lease Liabilities	2A	15.82	20.38
ii.	Trade Payables			
a.	total outstanding dues of micro and small enterprises	26	264.39	60.27
b.	total outstanding dues of creditors other than micro and small enterprises	26	5,047.27	4,701.40
iii.	Other Financial Liabilities	27	625.18	576.88
b.	Other Current Liabilities	28	834.94	246.04
c.	Provisions	29	269.17	243.19
d.	Current Tax Liabilities		—	0.65
			15,082.74	11,224.57
	TOTAL EQUITY AND LIABILITIES		29,228.32	24,616.32
	Corporate Information & Significant Accounting Policies	1		

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

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

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 26, 2023

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

Place : Mumbai
Date : May 26, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ In lakhs)

Sr. No.	Particulars	Note No.	Year Ended 31st Mar 2023	Year Ended 31st Mar 2022
1	Income			
a.	Revenue from operations	30	35,909.94	37,210.06
b.	Other income	31	25.96	34.38
	Total income		35,935.90	37,244.44
2	Expenses			
a.	Cost of materials consumed	32	29,012.17	28,931.29
b.	Purchases of stock-in-trade		–	–
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(1,055.37)	(98.00)
d.	Employee benefit expense	34	3,906.58	3,664.40
e.	Finance costs	35	812.96	688.13
f.	Depreciation and amortisation expense	36	513.89	449.12
g.	Other Expenses	37	2,537.40	2,493.30
	Total expenses		35,727.63	36,128.24
3	Profit / (Loss) before exceptional items and tax		208.27	1,116.20
4	Exceptional items	69	(1,076.63)	–
5	Profit / (Loss) before tax		(868.36)	1,116.20
6	Tax expense			
a.	Current tax		–	313.02
b.	Deferred tax	38	(232.07)	23.33
7	Net Profit / (Loss) after tax		(636.29)	779.85
8	Other comprehensive income / (loss)			
a.	Items that will not be reclassified to profit and loss			
	(i) Actuarial Gains / (Loss) on post-employment defined benefit plan		15.81	14.18
	(ii) Tax on above		(4.40)	(4.13)
9	Total Comprehensive income for period		(624.88)	789.90
10	Earnings per equity share			
	Earnings per share before exceptional item (face value of ₹ 2 each)			
a)	Basic		2.66	4.71
b)	Diluted		2.64	4.68
	Earnings per share after exceptional item (face value of ₹ 2 each)			
a)	Basic		(3.84)	4.71
b)	Diluted		(3.84)	4.68

The accompanying notes are an integral part of the financial statements

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

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 26, 2023

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

Place : Mumbai
Date : May 26, 2023

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

(₹ In lakhs)

Particulars	Balance as on beginning of the year	Changes in Equity Share Capital due to prior period errors	Restated balance as on beginning of year	Changes in Equity Share Capital during the year	Balance as on end of the year
Current Reporting period - As on 31st March 2023	331.27	–	331.27	11.21	342.48
Previous Reporting period - As on 31st March 2022	331.27	–	331.27	–	331.27

B. OTHER EQUITY**Current Reporting period**

(₹ In lakhs)

Particulars	Other Equity				Total Other Equity (refer note 21)
	Reserves & Surplus				
	Securities Premium	General Reserve	Share Based Payment Reserve	Retained Earnings	
As at 31 March 2022	1,152.01	6,543.65	43.18	2,673.84	10,412.68
Profit / (Loss) for the year	–	–	–	(636.29)	(636.29)
Other Comprehensive Income / (Loss)	–	–	–	11.41	11.41
Total Comprehensive Income for the Year	–	–	–	(624.88)	(624.88)
Sweat Equity (refer note 69)	1,342.55	–	–	–	1,342.55
Less: Utilised (refer note 69)	(276.92)	–	–	–	(276.92)
ESOP	8.51	–	33.27	–	41.78
Dividend	–	–	–	(66.25)	(66.25)
As at 31 March 2023	2,226.15	6,543.65	76.45	1,982.71	10,828.96

Previous Reporting period

(₹ In lakhs)

Particulars	Other Equity				Total Other Equity (refer note 21)
	Reserves & Surplus				
	Securities Premium	General Reserve	Share Based Payment Reserve	Retained Earnings	
As at 31 March 2021	1,152.01	6,543.65	–	1,950.19	9,645.85
Profit / (Loss) for the year	–	–	–	779.85	779.85
Other Comprehensive Income / (Loss)	–	–	–	10.05	10.05
Total Comprehensive Income for the Year	–	–	–	789.90	789.90
ESOP	–	–	43.18	–	43.18
Dividend	–	–	–	(66.25)	(66.25)
As at 31 March 2022	1,152.01	6,543.65	43.18	2,673.84	10,412.68

The accompanying notes are an integral part of the financial statements

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

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 26, 2023

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

Place : Mumbai
Date : May 26, 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ In lakhs)

	Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) Before Exceptional Item	208.27	1,116.20
	Add: Exceptional Items	(1,076.63)	–
	Net Profit / (Loss) After Exceptional Item	(868.36)	1,116.20
	Adjusted for		
	Depreciation & Amortization Expense	513.89	449.12
	Sweat equity shares issued	1,076.63	–
	Investment Income	(11.29)	(13.26)
	Interest Charged	812.96	688.13
	Operating Profit before Working Capital Changes	1,523.84	2,240.19
	Changes in		
	Trade & Other Receivables	(343.88)	1,756.38
	Inventories	(1,542.12)	(848.15)
	Trade & Other Payables	1,247.00	712.82
		(639.00)	1,621.05
	Cash Generated from Operations	884.83	3,861.24
	Direct Taxes Paid	(66.42)	(234.67)
	Net Cash from Operating Activities	818.41	3,626.57
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment, Capital Work in Progress, Intangible Assets and Intangible Assets under development	(2,942.42)	(2,007.42)
	Proceeds from disposal of Property, Plant and Equipment	5.85	2.90
	Purchases of Non Current Investments	–	(2.50)
	Interest Received	5.39	12.27
	Dividend Received	0.98	0.75
	Net Cash used in Investing Activities	(2,930.20)	(1,994.00)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds of ESOP	8.72	–
	Dividend paid	(66.25)	(66.25)
	Net Proceeds from Borrowings	2,995.26	(911.57)
	Interest Paid	(820.98)	(682.97)
	Net Cash used in Financing Activities	2,116.75	(1,660.79)
	Net Changes in Cash & Cash Equivalents (A + B + C)	4.96	(28.22)
	Cash & Cash Equivalents - Opening Balance	134.21	162.43
	Cash & Cash Equivalents - Closing Balance	139.17	134.21

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

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Opening balances		
Non Current borrowing (Refer Note 22)	2,088.33	1,125.18
Current Borrowings (Refer Note 25)	5,375.76	7,250.48
	7,464.09	8,375.66
Movements		
Non Current borrowing	345.05	963.15
Current Borrowings	2,650.21	(1,874.72)
	2,995.26	(911.57)
Closing balances		
Non Current borrowing (Refer Note 22)	2,433.38	2,088.33
Current Borrowings (Refer Note 25)	8,025.97	5,375.76
	10,459.35	7,464.09

The accompanying notes are an integral part of the financial statements

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

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 26, 2023

For and on behalf of the Board of Directors
PRADEEP GOYAL Chairman
SURAMYA NEVATIA Managing Director & CEO
A. K. NEMANI Chief Financial Officer
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MEENAKSHI ANCHLIA Company Secretary

Place : Mumbai
Date : May 26, 2023

1 - OTHER NOTES ON FINANCIAL STATEMENTS AS AT, AND FOR THE YEAR ENDED 31ST MARCH 2023

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.

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All other liabilities are classified as non-current.

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

d) Revenue recognition

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

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

The Company's obligation to repair and replace faulty products under standard warranty terms is recognised as a provision.

Sale of Products

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

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

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

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

Amounts disclosed in the revenue excludes GST.

Sale of services

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

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

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

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

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

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

Significant judgments are used in:

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



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

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

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

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

Interest income

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

Dividends

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

Export Incentives

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

Government Incentives

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

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

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

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

e) Taxes

Current tax

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

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

Deferred tax

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

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

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

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

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

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

f) **Property, Plant and Equipment**

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

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

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

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

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

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

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



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

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

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

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

g) Intangible assets

Intangible assets with finite useful lives that are acquired separately or developed in-house are carried at cost less accumulated amortisation and accumulated impairment losses.

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

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

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets representing

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

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

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

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

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

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h) Borrowing costs

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

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

l) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. Taxes which are subsequently recoverable from taxation authorities are not included in the cost.

- i) Raw material is valued at cost or net realisable value whichever is lower. Cost is calculated by applying the weighted average method.
- ii) Work in progress, Finished Goods and Stock-in-Trade are valued at cost or net realisable value whichever is lower.
- iii) Scrap is valued at estimated selling price.
- iv) Stores and Spares are valued at lower of cost or net realisable value. Tools and Instruments are valued at book value.

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

j) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

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

Contingent liability is disclosed in case of:

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

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

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

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

k) Cash and cash equivalents

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

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

l) Employee Benefits

i) Short Term Employee Benefits

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

ii) Post Employment / Retirement Benefits

Defined Contribution plan

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

Defined Benefit plan

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

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

iii) Other Long Term Employee Benefits

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

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

iv) Termination Benefits

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

m) Research and Development

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

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

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n) Effects of Changes in Foreign Exchange Rates

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

o) Earnings Per Share

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

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

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

p) Non-current assets held for sale

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

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

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

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

q) Cash Flows

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

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

r) Provision for Warranty

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

Provisions for warranty-related costs are recognised annually.

s) Impairment of assets

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

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

Recoverable amount is determined:

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

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

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

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

t) Leases

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

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

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

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

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

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

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

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification.

u) Share based Payment

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

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

v) Operating Segment

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

w) Financial Instruments:

Financial assets - Initial recognition

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

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

(1) Measured at amortised cost:

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

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

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair

value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

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

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

Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

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

Impairment:

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

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

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

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

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

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

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the

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asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

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

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

Subsequent measurement:

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

Loans & Borrowings:

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

Financial Guarantee Contracts

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

De-recognition

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

Offsetting of financial instruments

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

Fair Value measurement:

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

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

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

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

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

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

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

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

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

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

x) Significant Accounting Estimates

i. Recoverability of Trade Receivables

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

ii. Recognition of Deferred Tax Assets and Liabilities

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

iii. Provisions

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

y) Recent Pronouncements :

The following standards / amendments to standards have been issued by the Ministry of Corporate Affairs (MCA) on March 31, 2023 and will be effective from April 1, 2023. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

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- i. **IND AS 101 - First time adoption of Ind AS** - Modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
- ii. **IND AS 102 - Share-based Payment** - Modifications relating to adjustment after vesting date to the fair value of equity instruments granted.
- iii. **IND AS 107 - Financial Instruments Disclosures** - Modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments
- iv. **IND AS 109 - Financial Instruments** - Modification relating to reassessment of embedded derivatives
- v. **IND AS 1 - Presentation of Financial Statements** - Modification relating to disclosure of 'Material accounting policy information' in place of 'significant accounting policies'.
- vi. **IND AS 8 - Accounting Policies, Change in Accounting Estimates and Errors** - Modification of definition of 'accounting estimate' and application of changes in accounting estimates.
- vii. **IND AS 12- Income Taxes** - Modification relating to recognition of deferred tax liabilities and deferred tax assets.
- viii. **IND AS 34 - Interim Financial Reporting** - Modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

Note 2 - PROPERTY, PLANT AND EQUIPMENT

(₹ In lakhs)

Particulars	Land		Road	Buildings	Plant & Equipment	Furniture & Fixture	Vehicles	Computers	Total
	Freehold	Leashold							
Gross Carrying Amount									
Balance As on 31st March, 2021	124.31	396.46	44.40	1,237.47	2,844.48	309.44	221.78	177.68	5,356.02
Additions	–	–	–	–	643.75	7.74	46.84	21.04	719.37
Disposals	–	–	–	–	15.09	–	12.06	12.08	39.23
Reclassification As Held For Sale	–	–	–	–	–	–	–	–	–
Balance As At 31st March, 2022	124.31	396.46	44.40	1,237.47	3,473.14	317.18	256.56	186.64	6,036.16
Additions	–	–	–	1,916.07	1,517.51	112.37	23.81	20.53	3,590.29
Disposals	–	–	–	–	15.11	13.46	32.52	6.80	67.88
Reclassification As Held For Sale	–	–	–	–	–	–	–	–	–
Balance As On 31st March, 2023	124.31	396.46	44.40	3,153.54	4,975.54	416.10	247.85	200.37	9,558.57
Accumulated Depreciation									
Balance As On 31st March, 2021	–	12.11	42.17	308.64	922.80	251.98	126.17	130.55	1,794.42
Additions	–	4.17	–	34.05	177.13	10.02	20.34	27.57	273.28
Disposals	–	–	–	–	11.47	–	11.45	11.50	34.42
Reclassification As Held For Sale	–	–	–	–	–	–	–	–	–
Balance As On 31st March, 2022	–	16.28	42.17	342.69	1,088.46	262.00	135.06	146.62	2,033.28
Additions	–	4.17	–	36.59	213.87	13.60	23.10	21.67	313.00
Disposals	–	–	–	–	11.71	12.76	30.04	6.46	60.96
Reclassification As Held For Sale	–	–	–	–	–	–	–	–	–
Balance As On 31st March, 2023	–	20.45	42.17	379.28	1,290.62	262.84	128.12	161.84	2,285.32
Net Carrying Amount									
Balance As On 31st March, 2021	124.31	384.35	2.23	928.83	1,921.68	57.46	95.61	47.13	3,561.60
Balance As On 31st March, 2022	124.31	380.18	2.23	894.78	2,384.68	55.18	121.50	40.02	4,002.88
Balance As On 31st March, 2023	124.31	376.01	2.23	2,774.26	3,684.92	153.26	119.73	38.53	7,273.25

Note :

- Borrowing costs of ₹ 232.25 lakhs have been capitalised for the year ended 31st March 2023 (Previous Year ₹ 28.82 lakhs)
- The Company has availed working capital facilities, non fund based facilities and long term borrowings against which some of the borrowings are secured against the property, plant and equipment as per the terms and conditions of the borrowings. The details of property, plant and equipment which have been kept as security are disclosed in Note No. 22 and 25 of the Financial Statements.

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

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

4. Title deeds of Immovable Properties not held in name of the Company

Description of property	Gross carrying value as at March 31, 2023 (₹ In lakhs)	Title deeds held in name of	Whether title deed holder is a promoter, director or their relative or employee	Property held since which date	Reason for not being held in name of Company
Flat No. A-13, 11th Floor, Chatterjee International Centre, 33A, Jawaharlal Nehru Road, Kolkata – 700071	57.84	M/s Chatterjee Polk Private Limited	No	7th July 2010	Pending for Registration

5. The average borrowing cost used for capitalisation for year ended 31st March 2023 is 9.78 % (previous year 10.17%)
6. The amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction is ₹ 289.40 lakhs for financial year ended 31st March 2023 (₹ 118.36 lakhs for financial year ended 31st March 2022)

Note 2A : Right Of Use Asset And Lease Liabilities

i. Right of Use Assets

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
As at beginning of the year	33.77	–
Add - Additions	–	55.38
Add / Less - Adjustments	1.59	–
Less - Depreciation for the year	21.50	21.61
As at end of the year	13.86	33.77

ii. Lease Liability

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
As at beginning of the year	34.90	–
Recognised during the year	–	55.38
Interest expense accrued during the year	2.06	4.01
Add / Less - Adjustments	1.30	–
Payment during the year	22.44	24.49
As at end of the year	15.82	34.90
Cash Outflow for lease includes :		
Payment of Principal Payment of Lease Liability	20.38	20.48
Interest Paid on Lease Liability	2.06	4.01
Total	22.44	24.49
Lease liabilities as at :		
Non Current	–	14.52
Current	15.82	20.38

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

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Depreciation expense of right-of-use assets	21.50	21.61
Interest expense on lease liabilities	2.06	4.01
Total	23.56	25.62

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

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Leases rent expense	15.02	15.55
Total	15.02	15.55

Hind Rectifiers Limited
Note 3 - CAPITAL WORK IN PROGRESS

(₹ In lakhs)

Particulars	Capital Work In Progress Others	TOTAL
Gross Carrying Amount		
Balance As on 13st March, 2021	869.36	869.36
Additions	1,436.96	1,436.96
Disposal / Capitalised During The Year	537.48	537.48
Reclassification As Held For Sale	-	-
Balance As on 31st March, 2022	1,768.84	1,768.84
Additions	2,230.33	2,230.33
Disposals / Capitalised	3,311.76	3,311.76
Reclassification As Held For Sale	-	-
Balance As on 31st March, 2023	687.41	687.41
Net Carrying Amount		
Balance As on 31st March, 2021	869.36	869.36
Balance As on 31st March, 2022	1,768.84	1,768.84
Balance As on 31st March, 2023	687.41	687.41

Note:

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

(₹ In lakhs)

As on 31st March 2023	226.76
As on 31st March 2022	106.15

During the year ended 31st March, 2023, ₹ 232.25 lakhs of borrowing costs are transferred from Capital Work in Progress 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 lakhs)

Particulars	Technical Knowhow	Computer Software	Product Development	Total
Gross Carrying Amount				
Balance As on 31st March, 2021	651.76	214.00	611.69	1,477.45
Additions	–	32.40	392.27	424.67
Disposals	–	–	–	–
Reclassification As Held For Sale	–	–	–	–
Balance As on 31st March, 2022	651.76	246.40	1,003.96	1,902.12
Additions	1.44	5.37	67.98	74.79
Disposals	–	–	–	–
Reclassification As Held For Sale	–	–	–	–
Balance As on 31st March, 2023	653.20	251.77	1,071.94	1,976.91
Accumulated Depreciation				
Balance As on 31st March, 2021	538.19	124.04	315.68	977.91
Additions	38.62	32.46	83.15	154.23
Disposals	–	–	–	–
Reclassification As Held For Sale	–	–	–	–
Balance As on 31st March, 2022	576.81	156.50	398.83	1,132.14
Additions	34.03	31.76	113.60	179.39
Disposals	–	–	–	–
Reclassification As Held For Sale	–	–	–	–
Balance As on 31st March, 2023	610.84	188.26	512.43	1,311.53
Net Carrying Amount				
Balance As on 31st March, 2021	113.57	89.96	296.01	499.54
Balance As on 31st March, 2022	74.95	89.90	605.13	769.98
Balance As on 31st March, 2023	42.36	63.51	559.51	665.38

Note : The amortization expense of intangible assets has been included under Note 36 in the Statement of Profit and Loss.

Hind Rectifiers Limited
Note 5 - INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ In lakhs)

Particulars	Technical Knowhow	Computer Software	Product Development	Total
Gross Carrying Amount				
Balance As On 31st March, 2021	133.67	–	982.09	1,115.76
Additions	9.30	1.70	349.49	360.49
Capitalised During The Year	12.81	–	437.25	450.06
Reclassification As Held For Sale	–	–	–	–
Balance As On 31st March, 2022	130.16	1.70	894.33	1,026.19
Additions	10.59	–	417.27	427.86
Disposals / Capitalised	–	1.70	67.91	69.61
Reclassification As Held For Sale	–	–	–	–
Balance As On 31st March, 2023	140.75	–	1,243.69	1,384.44
Net Carrying Amount				
Balance As On 31st March, 2021	133.67	–	982.09	1,115.76
Balance As On 31st March, 2022	130.16	1.70	894.33	1,026.19
Balance As On 31st March, 2023	140.75	–	1,243.69	1,384.44

Note 6 - NON-CURRENT INVESTMENTS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Investments carried at Fair value		
Fully paid equity shares (unquoted)*		
Apna Sahakari Bank Ltd.	7.50	7.50
TJSB Sahakari Bank Ltd.	5.00	5.00
Saraswat Co operative Bank Ltd.	0.25	0.25
TOTAL	12.75	12.75

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

Note 7 - LOANS - NON CURRENT

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Staff Loans	0.12	0.03
TOTAL	0.12	0.03

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

Note 8 - OTHER NON CURRENT FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Security Deposits Given to Government & Other Bodies	74.93	87.34
Retention Money	22.37	2.59
Earnest Money Deposits	14.86	4.44
TOTAL	112.16	94.37

Note 9 - DEFERRED TAX ASSET (NET)

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961	347.21	307.50
Carried forward losses and unabsorbed depreciation	304.35	—
Deferred Tax Liability		
Related to Property, Plant & Equipment and Intangible Assets	458.07	341.68
MAT Credit Entitlement	277.49	277.49
TOTAL	470.98	243.31

Note 10 - OTHER NON-CURRENT ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Capital Advances	141.92	311.44
Less: Provision for doubtful advances	(94.65)	(95.70)
Rental Security deposits	4.42	4.13
TOTAL	51.69	219.87

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

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Raw Materials and components (Including Packing material)	5,172.84	4,791.46
Work-in-progress	3,784.44	2,607.69
Finished goods	11.42	153.38
Stores and Spares	130.88	35.41
Loose Tools and Instruments	126.23	86.66
Stock of Scrap	18.43	27.52
TOTAL	9,244.24	7,702.12

Note:

- Refer Note 1 on Financial Statements for Accounting Policy of Inventory Valuation.
- Refer Note 22 & 25 of Financial Statements for Inventories on hypothecation as security.
- Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories amounted to ₹ 204.83 lakhs as at 31st March, 2023 (as at 31st March, 2022 ₹ 196.61 lakhs). These write-downs were recognised as an expense and included in 'Cost of materials consumed' and 'changes in inventories of finished goods, work-in-progress and stock-in-trade' in the Statement of Profit and Loss.
- The Company has availed working capital facilities, other non fund based facilities and long term borrowings against which some of the borrowings are secured by hypothecation of inventories.
- The above includes goods in transit as under:

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Raw Materials and components (Including Packing material)	98.78	274.76
Finished goods	–	27.47
TOTAL	98.78	302.23

Note 12 - TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Trade Receivables considered good - Secured	6.36	5.12
Less : Allowance for Expected Credit Loss	–	–
Trade Receivables considered good - Unsecured	6,327.96	6,483.70
Less : Allowance for Expected Credit Loss	–	–
Trade Receivables which have significant increase in Credit Risk	1,150.81	847.75
Less : Allowance for Expected Credit Loss	(729.02)	(558.60)
Trade Receivables - Credit Impaired	–	–
Less : Allowance for Expected Credit Loss	–	–
TOTAL	6,756.11	6,777.97

Note:

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

Trade Receivable due from firms or private companies in which any director is a partner or a director or a member is ₹ 34.68 lakhs as on 31st March 2023 (₹ 458.75 lakhs as on 31st March 2022)

Trade Receivables are non interest bearing and are generally on terms of 30 to 120 days of credit period, except retention money which is due after certain period/event.

Trade Receivables ageing schedule - Mar 2023

(₹ In lakhs)

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

Hind Rectifiers Limited
Trade Receivables ageing schedule - Mar 2022

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,406.43	2,686.82	381.59	9.50	4.48	–	6,488.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	40.37	207.13	199.43	85.81	532.74
(iii) Undisputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	40.41	29.86	178.59	66.15	315.01
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	–	–	–
Less : Allowance for Expected Credit Loss	–	–	(44.45)	(81.64)	(280.55)	(151.96)	(558.60)
TOTAL	3,406.43	2,686.82	417.92	164.85	101.95	–	6,777.97

Note 13 - CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
a. Balances with banks		
In Current Account	11.90	25.37
b. Cash on hand	0.66	1.39
TOTAL	12.56	26.76

Note 14 - OTHER BANK BALANCES

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
a. Balances with banks		
In Unclaimed Dividend Account	28.04	26.32
In Margin Account	94.41	76.82
b. Fixed Deposits (Earnest Money Deposits)	4.16	4.31
TOTAL	126.61	107.45

Note 15 - CURRENT LOANS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Assets valued at Amortised Cost		
Unsecured, Considered Good		
Staff Loans	1.03	0.49
TOTAL	1.03	0.49

Note:

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

Note 16 - OTHER CURRENT FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Assets carried at Amortised Cost		
Earnest Money Deposits	346.53	172.45
Less: Provision for Doubtful Amounts	(5.81)	(6.28)
Retention Money	333.14	349.91
Less: Provision for Doubtful Amounts	(10.59)	(8.24)
Interest Income accrued but not due	12.56	7.64
TOTAL	675.83	515.48

**Hind Rectifiers Limited****Note 17 - CURRENT TAX ASSET (NET)**

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Taxes Paid in Advance / deducted at Source (Net of Provision for Tax)	139.26	73.49
TOTAL	139.26	73.49

Note 18 - OTHER CURRENT ASSETS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Balance with GST, Customs and Port Trust etc.	152.19	331.43
Claims Receivable	144.39	69.40
Advance to Staff	2.25	1.11
Advance to Others	138.70	103.16
Government Incentive receivable	56.29	–
Unbilled Service Revenue	327.82	378.83
Advance to Suppliers	824.04	401.24
Less : Provision for Doubtful Amounts	(102.88)	(102.44)
TOTAL	1,542.80	1,182.73

Note 19 - ASSETS HELD FOR SALE

(₹ In lakhs)

Particulars	Office Building Kolkata	Total
Balance as at 31st March, 2021	57.84	57.84
Add: Transferred from Property, Plant & Equipment	–	–
Less: Sold during the year	–	–
Balance as at 31st March, 2022	57.84	57.84
Add: Transferred from Property, Plant & Equipment	–	–
Less: Sold during the year	–	–
Balance as at 31st March, 2023	57.84	57.84

Note:

The sale of Office Building of Kolkata could not be carried out in the financial year ended 31st March 2023. Also, depreciation has not been charged since it is held for sale.

Note 20 - EQUITY SHARE CAPITAL

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each (Previous year 5,00,00,000 Equity Shares of ₹ 2/- each)	1,000.00	1,000.00
Issued Capital		
1,71,23,978 Equity Shares of ₹ 2/- each (Previous year 1,65,63,723 Equity Shares of ₹ 2/- each)	342.48	331.27
TOTAL	342.48	331.27
Subscribed and Paid up Capital		
1,71,23,978 Equity Shares of ₹ 2/- each (Previous year 1,65,63,723 Equity Shares of ₹ 2/- each)	342.48	331.27
TOTAL	342.48	331.27

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

Name of Shareholder	As at 31st Mar 2023		As at 31st Mar 2022	
	No of shares	% held	No of shares	% held
Shri. Suramya Nevatia	25,74,768	15.04	20,24,768	12.22
Shri. Saurabh Nevatia	36,08,438	21.07	36,08,438	21.79
BTR Industries Limited	24,00,000	14.02	24,00,000	14.49

b. Reconciliation of number of shares

Particulars	As at 31st Mar 2023		As at 31st Mar 2022	
	No of shares	₹ In lakhs	No of shares	₹ In lakhs
Equity Shares at the beginning of the year	1,65,63,723	331.27	1,65,63,723	331.27
Add: Shares Issued during the year (Refer Note 65 & 69)	5,60,255	11.21	—	—
Less: Shares bought back during the year	—	—	—	—
Equity Shares at the end of the year	1,71,23,978	342.48	1,65,63,723	331.27

**Hind Rectifiers Limited****c. Shareholding of Promoters**

Name of Promoter	As at 31st Mar 2023			As at 31st Mar 2022		
	No of shares	% of total shares	% change during the year (by comparing no. of shares)	No of shares	% of total shares	% change during the year (by comparing no. of shares)
Saurabh Nevatia	36,08,438	21.07	–	36,08,438	21.79	–
Suramya Saurabh Nevatia	25,74,768	15.04	27.16	20,24,768	12.22	–
Suryansh Saurabh Nevatia	4,72,000	2.76	–	4,72,000	2.85	–
Shriya Saurabh Nevatia	3,55,200	2.07	–	3,55,200	2.14	–
Bharti Nevatia	2,71,100	1.58	–	2,71,100	1.64	–
Surabhi Golyan	2,50,000	1.46	–	2,50,000	1.51	–
Saurabh Nevatia HUF	11,500	0.07	–	11,500	0.07	–
Akshada S Nevatia	5,850	0.03	–	5,850	0.04	–
TOTAL	75,48,856	44.08		69,98,856	42.26	

Note:

1. The Company has only one class of equity share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.
2. The Company has issued 5,50,000 equity shares as sweat equity for non cash consideration during the financial year ended 31st March 2023. The Company has not bought back any shares and not issued any bonus shares during the period of five years immediately preceding 31st March, 2023.

Note 21 - OTHER EQUITY

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Securities Premium		
Opening Balance	1,152.01	1,152.01
Add : Employee Stock Option Plan (ESOP)	8.51	–
Add: Sweat Equity (refer note 69)	1,342.55	–
Less: Utilised (refer note 69)	(276.92)	–
Closing Balance	2,226.15	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.		
General Reserve		
Opening Balance	6,543.65	6,543.65
Add: Transferred from Retained earnings	–	–
Closing Balance	6,543.65	6,543.65
Note : General Reserve is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.		
Share based payment reserve		
Opening balance	43.18	–
Add: Employee Stock Option Plan (ESOP)	33.27	43.18
Closing Balance	76.45	43.18
Retained Earnings		
Opening balance	2,673.84	1,950.19
Add: Profit for the period	(624.88)	789.90
Less: Transferred to General Reserve	–	–
Less: Dividend	(66.25)	(66.25)
Closing Balance	1,982.71	2,673.84
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	10,828.96	10,412.68
Proposed Dividend on equity Shares	31st Mar 2023	31st Mar 2022
Final cash dividend for the year ended 31st March, 2023 is ₹ NIL per equity share (31st March 2022 ₹ 0.40 per equity share)	–	66.25
	–	66.25

Note: Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Hind Rectifiers Limited
Note 22 - NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Liabilities valued at amortised cost		
SECURED		
Term Loans		
From Banks		
i. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 250 lakhs. Repayable in 72 monthly instalments started from August, 2017.)	–	35.13
ii. Mortgage Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 400 lakhs. Repayable in 60 monthly instalments started from August, 2018.)	–	66.23
iii. Term Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 250 lakhs. Repayable in 72 monthly instalments including 6 months moratorium period started from Feb, 2018.)	–	35.99
iv. Term Loan from Apna Sahakari Bank Ltd (Sanctioned and Disbursed amount of ₹ 475 lakhs. Repayable in 66 monthly instalments including 6 months moratorium period started from Feb, 2019.)	–	109.49
v. Term Loan from ICICI Bank Ltd (a. Sanctioned Amount is ₹ 500 lakhs and Disbursed Amount is ₹ 361.36 lakhs till 31st March, 2023. Repayable in 60 monthly instalments starting from Nov, 2018.) (b. Sanctioned Amount is ₹ 138 lakhs and Disbursed Amount is ₹ 138 lakhs till 31st March, 2023. Repayable in 48 monthly instalments starting from Aug, 2022.)	160.83	148.48
vi. Term Loan from TJSB Sahakari Bank Ltd (Sanctioned amount is ₹ 350 lakhs and Disbursed Amount till 31st March 2023 is ₹ 307.40 lakhs. Repayable in 72 monthly instalments including moratorium of 12 months starting from Feb, 2019.)	59.52	143.16
vii. Term Loan from IDFC Bank (Sanctioned amount of ₹ 600 lakhs and disbursed amount till 31st March 2023 is ₹ 448.32 lakhs. Repayable in tranche wise 16 equal quarterly instalments and moratorium of 1 year starting from Sep 22.)	292.98	348.58
viii. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 350 lakhs and disbursed amount till 31st March 2023 is ₹ 350 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Aug 22.)	237.90	233.86
ix. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 750 lakhs and disbursed amount till 31st March 2023 is ₹ 750 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Oct 22.)	537.50	566.16
x. Term Loan from Apna Sahakari Bank Ltd (Sanctioned amount of ₹ 150 lakhs and disbursed amount till 31st March 2023 is ₹ 150 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Aug 22.)	108.29	103.67
xi. Term Loan from Apna Sahakari Bank Ltd (Sanctioned amount of ₹ 350 lakhs and disbursed amount till 31st March 2023 is ₹ 350 lakhs. Repayable in 75 monthly instalments including moratorium of 15 months starting from Oct 22.)	263.86	272.86

Note 22 - NON CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
xii. Vehicle Loan from HDFC Bank Ltd (Loan of ₹ 22.68 Lakhs. Repayable in 36 monthly instalments starting from Aug, 2021.)	4.48	11.73
xiii. Vehicle Loan from HDFC Bank Ltd (Loan of ₹ 16.72 Lakhs. Repayable in 36 monthly instalments starting from April 22.)	8.97	12.99
xiv. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 300 lakhs and disbursed amount till 31st March 2023 is ₹ 291.40 lakhs. Repayable in 84 monthly instalments including moratorium of 12 months starting from Jul 2023.)	258.20	—
xv. Term Loan from Saraswat Co-op Bank Ltd (Sanctioned amount of ₹ 600 lakhs and disbursed amount till 31st March 2023 is ₹ 555.95 lakhs. Repayable in 84 monthly instalments including moratorium of 12 months starting from Jul 2023.)	489.31	—
xvi. Vehicle Loan from HDFC Bank Ltd (Loan of ₹ 22.22 lakhs. Repayable in 39 monthly instalments starting from Aug 2022.)	11.54	—
From Others	—	—
UNSECURED	—	—
TOTAL	2,433.38	2,088.33

Notes:

- a. Details of Security:
- Loans covered in (i) and (ii) above
Secured by way of mortgage of land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
 - Loans covered in (iii) and (iv) above
Secured by way of hypothecation of plant and machinery, equipments, computers, furniture and fixtures installed at Nashik Satpur factory and mortgage of land & building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
 - Loans covered in (v), (vi) and (vii) 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.
 - Loan covered in (viii) and (x) above
Secured by way of hypothecation of plant and machinery and other fixed assets installed at Sinnar plant and collateral security of Satpur land and building and other fixed assets consisting of plant and machinery, furniture and fixtures, etc. at Satpur and Sinnar plant.
 - Loan covered in (ix) and (xi) above
Secured by way of mortgage of land and building situated at Plot No. A-84, Near Jindal Saw Ltd, Pune Road, MIDC Sinnar Malegaon, Nashik and collateral security of Satpur land and building and other fixed assets consisting of plant and machinery, furniture and fixtures, etc. at Satpur and Sinnar plant.
 - Loan Covered in (xii) above
Secured by hypothecation of Motor Car No. MH-03-DU-2034.
 - Loan Covered in (xiii) above
Secured by hypothecation of Motor Car No. MH-15-HU-2309.
 - Loan covered in (xiv) above
Secured by way of mortgage of land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
 - Loan covered in (xv) above
Secured by way of hypothecation of plant and machinery situated at Sinnar and collateral security of Satpur land and building situated at Plot No. 110 & 111, Satpur MIDC, Nashik.
 - Loan Covered in (xvi) above
Secured by hypothecation of Motor Car No. MH-03-DX-6676.
- b. In view of the Covid 19 Regulatory Package announced by the Reserve Bank of India, the Company had opted for 'Extension of Repayment' scheme in FY 2020-21 and accordingly, the principal repayment will be extended by five months for Loans covered in (i) to (vi).

**Hind Rectifiers Limited****Note 23 - OTHER NON CURRENT FINANCIAL LIABILITIES**

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Liabilities valued at amortised cost		
Dealership Deposit	20.25	18.25
TOTAL	20.25	18.25

Note 24 - NON CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 58)	195.88	165.73
Provision for Leave encashment	45.90	62.64
Provision for Warranty (Refer Note 63)	278.73	298.33
TOTAL	520.51	526.70

Note 25 - CURRENT BORROWINGS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Liabilities valued at amortised cost		
SECURED		
a) Loan from Banks		
i) Cash Credit	6,696.87	4,500.43
ii) Overdraft (for EMD)	357.12	89.26
b) Current maturities of long term debt	971.98	786.07
TOTAL	8,025.97	5,375.76

Note:

- Cash credit secured by first charge against all movable and immovable assets both present and future situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the Company ranking pari- passu in favour of ICICI Bank Ltd, Standard Chartered Bank, TJSB Sahakari Bank Ltd and IDFC First Bank Limited.
- Overdraft secured by first charge against all movable and immovable assets both present and future situated at Bhandup, Mumbai and also by hypothecation of stocks and book debts of the Company and also tender deposits/ earnest money deposits paid by the company ranking pari- passu in favour of Standard Chartered Bank and TJSB Sahakari Bank Ltd.
- Current maturities of long term debt includes the amounts repayable within a period of one year in respect of Non Current Borrowings from (i) to (xvi) in Note 22 of the Financial Statements.

Note 26 - TRADE PAYABLES

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Total outstanding dues of micro enterprises and small enterprises	264.39	60.27
Total outstanding dues of creditors other than micro and small enterprises	5,047.27	4,701.40
TOTAL	5,311.66	4,761.67

Note: Also refer Note 45 of Financial Statements

Ageing Schedule of Trade Payables as at Mar 2023

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	264.39	–	–	–	–	264.39
(ii) Others	2,186.65	2,487.84	190.74	129.98	52.06	5,047.27
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
TOTAL	2,451.04	2,487.84	190.74	129.98	52.06	5,311.66

Ageing Schedule of Trade Payables as at Mar 2022

(₹ In lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	60.27	–	–	–	–	60.27
(ii) Others	2,408.79	2,210.42	20.74	59.70	1.75	4,701.40
(iii) Disputed dues – MSME	–	–	–	–	–	–
(iv) Disputed dues – Others	–	–	–	–	–	–
TOTAL	2,469.06	2,210.42	20.74	59.70	1.75	4,761.67

Hind Rectifiers Limited
Note 27 - OTHER CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Financial Liabilities valued at amortised cost		
Interest Accrued But not Due	8.27	16.29
Unclaimed Dividend	27.67	25.96
Sundry Creditors for Capital Goods	154.14	69.49
Provision for Bonus	65.74	60.15
Other payables	369.36	404.99
TOTAL	625.18	576.88

Note 28 - OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Advances		
Advance from Customers	643.20	154.53
Others		
Statutory Liabilities	191.74	91.51
TOTAL	834.94	246.04

Note 29 - CURRENT PROVISIONS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 58)	35.61	35.87
Provision for Leave encashment	9.73	12.80
Provision for Warranty (Refer Note 63)	223.83	194.52
TOTAL	269.17	243.19

Note 30 - REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Sale of Products	33,972.62	35,344.93
Sale of Services	1,798.11	1,857.10
<u>Other Operating Income</u>		
Government incentives	117.92	—
Export Incentives	21.29	8.03
TOTAL	35,909.94	37,210.06

Note : Break up of revenue (excluding other operating income) into over a period of time and at a point in time:

(₹ In lakhs)

Particulars	Over a period of time			At a point of time		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
31st March 2023	1,694.98	—	1,694.98	34,075.75	—	34,075.75
31st March 2022	1,700.33	—	1,700.33	35,501.70	—	35,501.70

The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Transaction price allocated to the remaining performance obligation:		
1. Unexecuted order value	30,146.50	35,231.72
2. Expected conversion in revenue -		
a. Upto 1 year	20,884.98	26,152.54
b. More than 1 year	9,261.52	9,079.18

**Hind Rectifiers Limited****Note 31 - OTHER INCOME**

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Interest Income	10.31	12.51
Dividend Income	0.98	0.75
<u>Other Non Operating Income</u>		
Exchange Rate Fluctuation	–	7.89
Credit Balance Written Back	11.27	10.93
Profit on sale of assets	3.40	2.30
TOTAL	25.96	34.38

Note 32 - COST OF MATERIALS CONSUMED

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Opening Stock of Raw Materials	4,785.45	4,025.50
Add: Purchases of Raw Materials	27,386.79	28,346.70
Add: Conversion and Processing Charges	2,021.52	1,369.71
Less: Transferred to/from CWIP & others from Opening stock of Raw Materials	(16.61)	(25.17)
Total	34,177.15	33,716.74
Less: Closing Stock of Raw Materials	5,164.98	4,785.45
TOTAL	29,012.17	28,931.29

Note 33 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
<u>Opening Inventory</u>		
Finished Goods	153.38	267.27
Work-In-Progress	2,607.69	2,430.42
Stock-In-Trade	–	–
	2,761.07	2,697.69
<u>Closing Inventory</u>		
Finished Goods	11.42	153.38
Work-In-Progress	3,784.44	2,607.69
Stock-In-Trade	–	–
	3,795.86	2,761.07
Add / (Less) Trfd to CWIP	(20.58)	(34.62)
TOTAL	(1,055.37)	(98.00)

**Note 34 - EMPLOYEE BENEFITS EXPENSE**

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Salaries and Wages etc. (Refer Note 42)	3,606.97	3,387.02
Contribution to Provident Fund and other funds	151.13	142.73
Staff Welfare Expenses	148.48	134.65
TOTAL	3,906.58	3,664.40

Note 35 - FINANCE COSTS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Interest		
Interest and other borrowing cost	810.45	683.58
Other Interest	2.51	4.55
TOTAL	812.96	688.13

Note 36 - DEPRECIATION AND AMORTIZATION EXPENSE

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Depreciation on Property, Plant & Equipment	313.00	273.28
Amortization on Intangible assets	179.39	154.23
Depreciation on Leased Assets	21.50	21.61
TOTAL	513.89	449.12

**Hind Rectifiers Limited****Note 37 - OTHER EXPENSES**

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Consumable Stores, Tools and Instruments	126.61	85.92
Electricity, Water and Fuel Charges	257.56	226.16
Packing	250.10	209.39
Repairs		
To Machinery	26.65	25.02
To Building	8.93	14.73
To Other Assets	45.35	31.93
Rent	15.02	15.55
Rates and Taxes	20.19	21.39
Insurance	36.33	27.13
Travelling, Conveyance and Vehicle Expenses	382.80	248.98
Directors' Travelling, Conveyance and Sitting Fees	14.25	11.50
Printing and Stationery	14.26	11.70
Postage, Telegram and Telex	35.20	33.88
Advertisement and Publicity	43.09	2.65
Bad Debts	104.53	300.06
Liquidated Damages	86.26	243.67
Provision for doubtful debts	170.43	15.47
Commission	0.96	19.34
Legal and Professional Charges	274.03	353.29
Payment to Auditors (Refer Note 40)	12.07	4.23
Transit Insurance and Freight	218.35	111.78
Bank Charges	36.58	46.37
Warranty Expenses	133.93	205.00
Exchange Fluctuation	31.95	—
Service Contract	39.83	33.64
Testing Charges	41.17	7.14
Software Expenses	9.99	2.62
Penalty / Fines	2.16	4.42
Miscellaneous Expenses	98.82	180.34
TOTAL	2,537.40	2,493.30

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

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Current Tax		
Current Tax on taxable Income for the year	–	196.20
MAT Credit (taken) / utilised	–	108.30
Earlier year tax	–	8.52
Total Current Tax Expense	–	313.02
Deferred Tax		
Deferred Tax Charge / (Credit)	(232.07)	23.33
Total Deferred Tax expense / (benefit)	(232.07)	23.33
Total tax expense recognised in Statement of Profit and Loss	(232.07)	336.35

Income Tax Expenses Recognized in Other Comprehensive Income

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Tax on Other Comprehensive Income / Loss	4.40	4.13
TOTAL	4.40	4.13

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

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Enacted Income tax rate in India applicable to the Company	27.82%	29.12%
Profit before tax	(868.36)	1,116.20
Current tax expense on Profit before tax expenses at the enacted income tax rate in India	(241.58)	325.04
Tax effects of the amounts which are not deductible / (taxable) in calculating taxable income		
Add / Less:-		
• Tax rate change on deferred tax asset	(1.52)	0.32
• Tax impact on expense which are not-deductible (penalty type, donation, capital expenditure)	9.73	2.30
• Income tax of earlier years	–	8.52
• Others	1.30	0.17
TOTAL	(232.07)	336.35

**Hind Rectifiers Limited****The movement in deferred tax assets and liabilities during the year ended 31st March, 2022 and 31st March, 2023:**

(₹ In lakhs)

Particulars	Deferred Tax Asset / (Liabilities) as on 31st March, 2021	Payment	Transfer from Current tax assets	Credit / (charge) in Statement of Profit & Loss	Deferred Tax Asset / (Liabilities) as on 31st March, 2022	Payment	Transfer from Current tax assets	Credit / (charge) in Statement of Profit & Loss	Deferred Tax Asset / (Liabilities) as on 31st March, 2023
Depreciation	(271.46)	–	–	(70.22)	(341.68)	–	–	(116.39)	(458.07)
Disallowance under Income Tax Act with respect to Employee Benefits	84.16	–	–	14.04	98.20	–	–	(4.43)	93.77
Provision	187.35	–	–	9.37	196.72	–	–	39.28	236.00
Right Issue Expenses	1.74	–	–	(1.74)	–	–	–	–	–
ESOP Expenses	–	–	–	12.58	12.58	–	–	4.86	17.44
Loss of Earlier years	–	–	–	–	–	–	–	304.35	304.35
MAT Credit Entitlement	385.79	–	–	(108.30)	277.49	–	–	–	277.49
TOTAL	387.58	–	–	(144.27)	243.31	–	–	227.67	470.98

NOTE 39

In view of the MAT Credit available, the Company has not exercised the non revisable option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019.

Note 40 - PAYMENT TO AUDITORS (Excluding GST)

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
As Auditor	9.88	3.50
For Tax Audit	1.50	–
For Certification	–	0.34
For out of Pocket expenses	0.70	0.39
TOTAL	12.07	4.23

Note 41 - EARNINGS PER SHARE**a. EPS before exceptional items**

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Profit after tax and before exceptional items as per Statement of Profit & Loss	440.34	779.85
Weighted Average Number of Equity Shares Outstanding	1,65,69,087	1,65,63,723
Basic Earnings per Share (₹)	2.66	4.71
Diluted Earnings per Share (₹)	2.64	4.68

b. EPS after exceptional items

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Profit after taxation as per Statement of Profit & Loss	(636.29)	779.85
Weighted Average Number of Equity Shares Outstanding	1,65,69,087	1,65,63,723
Basic Earnings per Share (₹)	(3.84)	4.71
Diluted Earnings per Share (₹)	(3.84)	4.68

c. Reconciliation of Weighted Average Number of Shares Outstanding

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,65,69,087	1,65,63,723
Total Weighted Average Potential Equity Shares	89,690	99,945
Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,66,58,777	1,66,63,668

Note 42

The Company has spent ₹ 37.98 lakhs during the financial year (Previous year ₹ 38.95 lakhs) as per the Provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

- Gross amount required to be spent during the year ₹ 32.38 lakhs (Previous year ₹ 23.33 lakhs)
- Excess amount spent in FY 2022-23 to be carried forward ₹ 5.60 lakhs (Previous year ₹ 15.62 lakhs)

Note 43 - INTANGIBLE ASSETS UNDER DEVELOPMENT

During the year, the Company has incurred an expenditure of ₹ 417.27 lakhs on the development of various Products / Machinery and completed the development process of the Products / Machinery of ₹ 67.92 lakhs (including ₹ 67.92 Lakhs incurred up to 31st March 2022) and the balance of ₹ 1243.68 lakhs (including ₹ 826.41 lakhs incurred up to 31st March, 2022) related to the products still under development is clubbed under Intangible Assets under Development.

Note 44 - RESEARCH AND DEVELOPMENT

The recurring expenditure of ₹ 692.12 lakhs (Previous year ₹ 560.50 lakhs) and Capital Expenditure of ₹ 514.89 lakhs (Previous Year ₹ 341.03 lakhs) spent in Research and Development during the year have been debited to respective account.

Hind Rectifiers Limited
Note 45 - TRADE PAYABLES

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

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Principal Amount Due and remaining unpaid	–	–
Interest Due on above and unpaid interest	–	–
Interest paid	–	–
Payment made beyond the appointed day during the year	–	–
Interest due and payable for the period of delay	–	–
Interest accrued and remaining unpaid	–	–
Amount of further interest remaining due and payable in succeeding years	–	–

The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.

Note 46 - CONTINGENT LIABILITIES

Contingent Liabilities in respect of the following:

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
i. Claims against the company not acknowledged as debt		
Claims of Sales Tax disputed by Company*	–	45.96
ii. Guarantees excluding financial guarantees		
Guarantee given by the banks to the third parties on behalf of the company	1,012.11	913.24
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	–	0.64
Claims not acknowledged by the company	82.78	82.78

*excludes the amount paid ₹ Nil (Previous year ₹ 8.17 lakhs).

Note 47 - COMMITMENTS
Estimated amount of contracts remaining to be executed on capital account and not provided for

Estimated amounts of contract remaining to be executed and not provided on account of Technical Knowhow ₹ 44.64 lakhs (Previous year ₹ 42.11 lakhs) and on account of Capital Purchase ₹ 78.55 lakhs (Previous year ₹ 735.71 lakhs)

Note 48 - OTHER COMPREHENSIVE INCOME

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

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Actuarial Gains / (Loss) on post-employment defined benefit plan	15.81	14.18
Tax on above	(4.40)	(4.13)
Net Other Comprehensive Income / (Loss)	11.41	10.05

Note 49 - FAIR VALUE HIERARCHY

Fair value hierarchy is not applicable to the company except in the case of Shares of Apna Sahakari bank Ltd, TJSB Sahakari bank Ltd and Saraswat Co-operative Bank Ltd. included in Non current investments which is covered in level 2 investments. The fair value of the same is considered at cost of ₹12.75 lakhs since the same are taken for loan.

Note 50

All the title deeds of immovable properties are held in the name of the company, except for the office at Kolkata which is held for sale. Company is not incurring expenses on the registration as it intends to sale the same.

Note 51 - CAPITAL-WORK-IN PROGRESS (CWIP)

As on 31st March 2023

a. Capital-Work-in Progress (CWIP) ageing schedule

(₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	167.82	67.86	51.15	400.58	687.41
Projects temporarily suspended	–	–	–	–	–
Total	167.82	67.86	51.15	400.58	687.41

b. Capital-Work-in Progress (CWIP) temporarily suspended completion schedule

(₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Total	–	–	–	–	–

Hind Rectifiers Limited
c. Capital-Work-in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	15.00	–	–	–	15.00
Project 2	620.49	–	–	–	620.49
Project 3	5.98	–	–	–	5.98
Total	641.47	–	–	–	641.47

As on 31st March 2022

a. Capital-Work-in Progress (CWIP) ageing schedule (₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,266.32	80.09	105.30	295.28	1,746.99
Projects temporarily suspended	–	5.35	16.50	–	21.85
Total	1,266.32	85.44	121.80	295.28	1,768.84

b. Capital-Work-in Progress (CWIP) temporarily suspended completion schedule (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	5.63	–	–	–	5.63
Project 2	–	16.22	–	–	16.22
Total	5.63	16.22	–	–	21.85

c. Capital-Work-in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan (₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	15.00	–	–	–	15.00
Project 2	480.80	–	–	–	480.80
Project 3	5.98	–	–	–	5.98
Project 4	211.47	–	–	–	211.47
Project 5	958.99	–	–	–	958.99
Total	1,672.24	–	–	–	1,672.24

Note 52 - INTANGIBLE ASSETS UNDER DEVELOPMENT

As on 31st March 2023

a. Intangible assets under development aging schedule

(₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	427.87	233.31	163.39	487.78	1,312.35
Projects temporarily suspended	–	–	21.18	50.91	72.09
Total	427.87	233.31	184.57	538.69	1,384.44

b. Intangible assets under development temporarily suspended - completion schedule

(₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	6.58	–	–	–	6.58
Project 2	14.72	–	–	–	14.72
Project 3	21.89	–	–	–	21.89
Project 4	6.40	–	–	–	6.40
Project 5	3.22	–	–	–	3.22
Project 6	4.00	–	–	–	4.00
Project 7	4.80	–	–	–	4.80
Project 8	10.48	–	–	–	10.48
Total	72.09	–	–	–	72.09

c. Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

(₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	97.73	–	–	–	97.73
Project 2	990.97	–	–	–	990.97
Total	1,088.70	–	–	–	1,088.70

Hind Rectifiers Limited

As on 31st March 2022

a. Intangible assets under development aging schedule

(₹ In lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	269.08	193.46	114.58	387.46	964.58
Projects temporarily suspended	–	21.18	9.47	30.96	61.61
Total	269.08	214.64	124.05	418.42	1,026.19

b. Intangible assets under development temporarily suspended - completion schedule

(₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	6.58	–	–	–	6.58
Project 2	–	14.72	–	–	14.72
Project 3	21.89	–	–	–	21.89
Project 4	–	6.40	–	–	6.40
Project 5	–	3.22	–	–	3.22
Project 6	4.00	–	–	–	4.00
Project 7	–	4.80	–	–	4.80
Total	32.47	29.14	–	–	61.61

c. Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan

(₹ In lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project 1	75.09	–	–	–	75.09
Project 2	733.17	–	–	–	733.17
Project 3	–	10.48	–	–	10.48
Project 4	37.11	–	–	–	37.11
Project 5	30.81	–	–	–	30.81
Total	876.18	10.48	–	–	886.66

Note 53

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Note 54

Term loan taken from the banks are utilised for the purpose for which they were granted.

Note 55

During the year, Company has not come across any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 56

During the year, there was no delay in the filing of the charges / satisfaction with the Registrar of Companies.

Note 57 - RATIOS

(₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022	Change %	Reason for change in ratios more than 25%
(a) Current Ratio (In Time) <i>Formula : Current assets / Current Liabilities</i>	1.23	1.46	(15.75)	--
(b) Debt-Equity Ratio (In Time) <i>Formula : Debt (Borrowings plus lease liabilities) divided by Equity</i>	0.94	0.70	34.29	The Debt Equity ratio increased due to Increase in debt and decrease in profitability
(c) Debt Service Coverage Ratio (In Time) <i>Formula : Earnings available for debt service (Profit Before Dep & Interest and after tax outflow) divided by Debt Service (Interest payment + Principal Repayment + Lease payment)</i>	0.92	1.40	(34.29)	The Debt Service Coverage ratio reduced due to Increase in debt and decrease in profitability
(d) Return on Equity Ratio (in %) <i>Formula : Net profits after tax divided by Average shareholders equity</i>	(5.81)	7.53	(177.16)	The return on equity (ROI) reduced due to recognition of exceptional (notional) expenses during FY 2022-23 and decrease in profitability.
(e) Inventory turnover ratio (no of days) <i>Formula : Revenue from Operations divided by Average Inventory</i>	86	71	21.13	--
(f) Trade Receivables turnover ratio (no of days) <i>Formula : Revenue from Operations divided by Average Trade Receivable</i>	69	76	(9.21)	--
(g) Trade payables turnover ratio (no of days) <i>Formula : Purchases divided by Average Trade Payables</i>	63	55	14.55	--
(h) Net capital turnover ratio (In Time) <i>Formula : Revenue from Operations divided by Working capital (Current assets less current liabilities)</i>	10.51	7.20	45.97	The Net Capital Turnover ratio decreased due to Decrease in turnover and increase in inventory.
(i) Net profit ratio (In %) <i>Formula : Profit for the year divided by Revenue from Operations</i>	(1.77)	2.10	(184.29)	The Net profit ratio reduced due to recognition of exceptional (notional) expenses during FY 2022-23 and decrease in profitability.
(j) Return on Capital employed (In %) <i>Formula : Earnings before interest & tax divided by Capital Employed (Tangible Net Worth + Total Debt)</i>	(0.26)	9.89	(102.63)	The return on capital employed reduced due to recognition of exceptional (notional) expenses during FY 2022-23 and decrease in profitability.

Hind Rectifiers Limited
Note 58 - DISCLOSURES PURSUANT TO - "EMPLOYEE BENEFITS"
(a) Defined Contribution Plans:

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

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Employer's Contribution to Provident Fund	65.40	61.32
Employer's Contribution to Superannuation Fund	10.78	11.93
Employer's Contribution to Pension Fund	65.10	53.82

(b) Defined Benefit Plans:
Gratuity

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

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

Valuation as at	31st Mar 2023	31st Mar 2022
Employee Attrition Rate	1% - 2%	1% - 2%
Discount rate(s)	7.45%	6.95%
Expected rate(s) of salary increase	4.00%	4.00%

(₹ In lakhs)

Particulars	As At 31st Mar 2023	As At 31st Mar 2022
I. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year		
Funded	310.74	301.88
Non Funded	96.38	85.65
	407.12	387.53
2. Expenses Recognised in Profit and Loss Account		
<u>Current Service Cost</u>		
Funded	28.05	28.57
Non Funded	11.54	12.01
	39.59	40.58
<u>Interest Cost</u>		
Funded	19.65	17.80
Non Funded	5.57	4.76
	25.22	22.56
<u>Past Service Cost</u>		
Funded	–	–
Non Funded	–	–
	–	–
3. Recognised in Other Comprehensive Income		
<u>Actuarial (Gain) / Loss</u>		
Funded	(22.45)	(6.46)
Non Funded	(3.47)	0.35
	(25.92)	(6.11)
4. Benefits paid		
Funded	26.84	31.05
Non Funded	3.06	6.39
	29.90	37.44
5. Present value of defined benefit obligation at the end of the year.		
Funded	309.16	310.74
Non Funded	106.96	96.38
	416.12	407.12
II. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	205.52	197.56
2. Adjustments to Opening Fair Value of Plan asset	–	–
3. Expenses Recognised in Profit and Loss Account	–	–
Expected return on plan assets	13.36	11.93
4. Recognised in Other Comprehensive Income		
Remeasurement (gains) / losses		
Actual Return on plan assets in excess of the expected return	(10.11)	8.05
5. Contributions by employer (including benefit payments recoverable)	2.70	19.04
6. Benefits paid	(26.85)	(31.06)
7. Fair value of plan assets at the end of the year	184.63	205.52



Hind Rectifiers Limited

(₹ In lakhs)

Particulars	As At 31st Mar 2023	As At 31st Mar 2022
III. (a) Expense recognised in the Statement of Profit and Loss for the year		
<u>Current Service Cost</u>		
Funded	28.05	28.57
Non Funded	11.54	12.01
	39.59	40.58
<u>Past Service Cost</u>		
Funded	–	–
Non Funded	–	–
	–	–
<u>Interest Cost</u>		
Funded	19.65	17.80
Non Funded	5.57	4.76
	25.22	22.56
<u>Expected Return on plan assets</u>		
Funded	(13.36)	(11.93)
Non Funded	–	–
	(13.36)	(11.93)
<u>Components of defined benefit costs recognized in profit or loss</u>		
Funded	34.34	34.44
Non Funded	17.11	16.77
	51.45	51.21
(b) Included in other Comprehensive Income		
Actuarial (Gain) / Loss recognized for the period	(25.92)	(6.11)
Return on Plan Assets excluding net interest	10.11	(8.07)
Actuarial (Gain) / Loss recognized in OCI	(15.81)	(14.18)
IV. Net Asset / (Liability) recognised in the Balance Sheet		
1. Fair value of plan assets as at 31 March 2022		
Funded	184.63	205.52
Non Funded	–	–
	184.63	205.52
2. Present value of defined benefit obligation as at 31 March 2022		
Funded	309.16	310.74
Non Funded	106.96	96.38
	416.12	407.12
3. Amount recognised in Balance Sheet		
Funded	124.53	105.22
Non Funded	106.96	96.38
	231.49	201.60

Expected cashflows based on past service liability:

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
Within 1 year	79.58	62.31
1-2 year	39.39	43.27
2-3 year	15.90	38.30
3-4 year	34.27	16.05
4-5 year	48.73	33.49
Above 5 years	161.27	165.94

Sensitivity Analysis

(₹ In lakhs)

Particulars	Year ended 31st Mar 2023	Year ended 31st Mar 2022
i. Discount rate Sensitivity		
Increase by 0.5%	385.84	378.40
Decrease by 0.5%	416.55	409.53
ii. Salary growth rate Sensitivity		
Increase by 0.5%	409.56	400.76
Decrease by 0.5%	391.88	385.09
iii. Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	401.54	394.19
W.R. x 90%	399.67	392.52

Note 59 - SEGMENT INFORMATION

The Company operates in a single segment as per Indian Accounting Standard (Ind AS) 108. Hence, segment wise reporting is not applicable.

a) Information about major customers

Revenue from sale of products to largest customers (greater than 10% of total sales) is ₹ 20,057.51 lakhs for financial year ended 31st March 2023 (₹ 24,794.55 lakhs for financial year ended 31st March 2022).

Note 60 - DIVIDEND

The Board of Directors have recommended a dividend of ₹ NIL Per equity share of ₹ 2/- each (Previous year ₹ 0.40 Per equity share of ₹ 2/- each).

Note 61 - STOCK OPTIONS

Stock option scheme was approved by the members in their meeting held on 13th August, 2018. During the financial year 2021-22, stock options for 99945 nos. was been granted by the company. Vesting of the same is done in FY 2022-23. 10255 nos. of options were exercised and allotted during the financial year ended 31st March 2023.

Note 62 - MISCELLANEOUS EXPENSES

Miscellaneous expenses under Other Expenses includes the Provision for Advance to Suppliers & others of ₹ 1.81 lakhs (Previous Year ₹ 36.21 lakhs) and CWIP written off of ₹ Nil (Previous year ₹ 34.66 lakhs)

Hind Rectifiers Limited
Note 63 - PROVISION FOR WARRANTY

A provision is recognised for expected warranty claims and after sales services on products sold, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred during the warranty period i.e 1 to 5 years (depending on the product) from the date of sale of the product. The provision for warranty cost is revised annually.

Note 64

All the financial assets and financial liabilities are valued at amortised cost. However, considering the materiality of the transactions, the cost/ book value of certain assets such as rental security deposit, staff loan is considered as the amortised cost.

Note 65 - SHARE BASED PAYMENTS RESERVE

The Board of Directors of the Company and its Shareholders' approved a Employee Stock Option Plan (ESOP - 2018). During the previous year, 99,945 options were granted to certain identified eligible employees of the Company. Detailed description of share based payment arrangements is as below:

a	Date of shareholders' approval	13-Aug-18
b	Total number of options approved under ESOP	2,50,000 options
c	Maximum term of options granted	Maximum term of the options granted under the scheme shall be five years from the grant date.
d	Vesting requirements	The options granted shall vest between a minimum of 1 to maximum of 4 years from the date of grant of options.
e	Source of shares	Primary
f	Weighted average fair value of options	₹ 104.42
g	Weighted average remaining contractual life	2.95 years

Options were priced using a Black Scholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations.

Inputs into the model were as follows:

a	Grant date share price	₹ 166.65
b	Exercise Price	₹ 85.00
c	Historical Volatility	50.60% to 51.83%
d	DTE (Years)	3 to 4.5 years
e	Dividend yield	0.46%
f	Risk free interest rate	4.92% to 5.50%

Reconciliation of outstanding share options is as follows:

Particulars	Number of options	Exercise price (₹)
Outstanding as at 1st April 2022 (out of the options granted)	99,945	85.00
Granted & accepted during the year	—	—
Forfeited / lapsed during the year	5,070	85.00
Exercised during the year	10,255	85.00
Outstanding as at 31st March 2023 (out of the options granted)	71,646	85.00
Exercisable as at 31st March 2023	12,974	85.00

Fair value of options vested during the year is ₹ 130.51 (previous year ₹ Nil)

Money realised by exercise of option during the year is ₹ 8.72 lakhs (previous year ₹ Nil)

The options outstanding at 31st March 2023 have an exercise price of ₹ 85.00 (31st March 2022 : ₹ 85.00)

Weighted average share price at the date of the exercise of share options exercised in FY 2022-23 is ₹ 215.51.

10255 options exercised during this year and Nil shares during previous year.

Expense recognised in Statement of Profit and Loss

The Company has followed the fair value method to account for the grant of stock options, profit and loss impact for the year ended 31st March 2023 is ₹ 33.27 lakhs (previous year : ₹ 43.18 lakhs)

NOTE 66 : RELATED PARTY DISCLOSURES AS PER IND AS 24 & SEBI LODR

I. List of related parties

A) Enterprise over which Members of the Board of Directors / KMP has significant influence

Force Motion Technology LLP
Elventive Tech Private Limited

B) Members of the Board of Directors / Key Management Personnel (KMP)

1. Managing Director and Chief Executive Officer

a) Mr. Suramya Nevatia

2. Executive Director

a) Mrs. Akshada Nevatia

3. Non Executive Director

i. Independent Non Executive Director

- a) Mr. Vijay Kumar Bhartia
- b) Mr. Pradeep Goyal
- c) Mr. Parimal Merchant
- d) Ms. Ashlesha Bodas
- e) Mr. Vandan Shah

ii. Non Independent Non Executive Director

a) Mr. Pawan Golyan

4. Chief Financial Officer

- a) Mr. Anil Kumar Nemani
- b) Mr. Anil Mehta (Appointed as Joint CFO with effect from 2nd February 2023)

5. Company Secretary

a) Ms. Meenakshi Anchlia

C. Relative of Member of Board of Directors / KMP

- a) Mr. Saurabh Nevatia
- b) Mrs. Bharti Nevatia
- c) Mr. Suryansh Nevatia

Note : Mrs. Akshada Nevatia, Mr. Suramya Nevatia, Mr. Saurabh Nevatia, Mrs. Bharti Nevatia and Mr. Suryansh Nevatia are related to each other.

Hind Rectifiers Limited
II. Disclosure in respect of material transactions with related parties during the year ended 31st March, 2023 (₹ In lakhs)

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
1	Loan Received / Deposits received				
	Nil	–	–	–	–
2	Loan Repaid / Deposits Given				
	Nil	–	–	–	–
3	Income				
	Sale				
	Force Motion Technology	2,044.08 (1,659.03)	–	–	2,044.08 (1,659.03)
	Elventive Tech Private Limited	57.36 (10.68)	–	–	57.36 (10.68)
4	Expenditure				
i.	Remuneration				
	Mrs. Akshada Nevatia	–	46.21 (52.74)	–	46.21 (52.74)
	Mr. Suramya Nevatia*	–	1,138.11 (61.47)	–	1,138.11 (61.47)
	Mr. Saurabh Nevatia	–	–	90.27 (90.27)	90.27 (90.27)
	Mrs. Bharti Nevatia	–	–	11.87 (11.87)	11.87 (11.87)
	Mr. Suryansh Nevatia	–	–	7.71 (7.94)	7.71 (7.94)
	Mr. Anil Kumar Nemani**	–	30.24 (38.70)	–	30.24 (38.70)
	Ms. Meenakshi Anchlha	–	13.77 (11.80)	–	13.77 (11.80)
	Mr. Anil Mehta	–	6.04	–	6.04
		–	–	–	–



Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
ii.	Directors Sitting Fees				
	Mr. Parimal Merchant	–	3.00	–	3.00
		–	(3.00)	–	(3.00)
	Mr. Pawan Kumar Golyan	–	0.25	–	0.25
		–	(0.25)	–	(0.25)
	Mr. Pradeep Goyal	–	4.00	–	4.00
		–	(3.00)	–	(3.00)
	Mr. Vandan Shah	–	3.00	–	3.00
		–	(1.50)	–	(1.50)
	Mr. Vijay Kumar Bhartia	–	3.00	–	3.00
		–	(3.25)	–	(3.25)
	Ms. Ashlesha Bodas	–	1.00	–	1.00
		–	(0.50)	–	(0.50)
iii.	Rent				
	Mr. Saurabh Nevatia	–	–	5.04	5.04
		–	–	(4.20)	(4.20)
iv.	Purchase				
	Force Motion Technology	881.59	–	–	881.59
		(699.05)	–	–	(699.05)
	Elventive Tech Private Limited	604.70	–	–	604.70
		(105.59)	–	–	(105.59)

Note : Figures in brackets represents previous years figures

* Remuneration of Mr. Suramya Nevatia includes ₹ 1076.63 lakhs on account of the allotment of Sweat Equity shares during the year ended 31st March 2023 which is the fair value of the shares on the grant date and have been accounted for in accordance with the applicable Indian Accounting Standards (Ind AS). The difference between the price approved by the shareholders and the fair value on the grant date, as per the Ind AS, has been adjusted to the securities premium account amounting to ₹ 276.92 lakhs as per the relevant provisions of the Companies Act, 2013.

** Remuneration of Mr. Anil Kumar Nemani includes ₹ 3.42 lakhs on account of the exercise of 2500 options under the ESOP 2018 during the year ended 31st March 2023.

Hind Rectifiers Limited
III. Balances Receivable / Payable with Related Parties

(₹ In lakhs)

Sr. No.	Particulars	Enterprise over which Members of the Board of Directors / KMP has significant influence	Members of the Board of Directors / Key Management Personnel (KMP)	Relative of Member of Board of Directors / KMP	Total
1	Trade Payables				
	Force Motion Technology	134.54 (73.70)	–	–	134.54 (73.70)
	Elventive Tech Private Limited	117.72 (44.69)	–	–	117.72 (44.69)
2	Trade Receivables				
	Force Motion Technology	33.66 (446.15)	–	–	33.66 (446.15)
	Elventive Tech Private Limited	1.02 (12.60)	–	–	1.02 (12.60)
3	Other Current Financial Liabilities Salary and Other Accrued Expenses				
	Salary Payable to Mrs. Akshada Nevatia	–	2.57 (9.02)	–	2.57 (9.02)
	Salary Payable to Mr. Suramya Nevatia	–	0.27 (3.16)	–	0.27 (3.16)
	Salary Payable to Mr. Saurabh Nevatia	–	–	4.74 (3.89)	4.74 (3.89)
	Salary Payable to Mrs. Bharti Nevatia	–	–	0.84 (0.89)	0.84 (0.89)
	Salary Payable to Mr. Suryansh Nevatia	–	–	0.40 (0.58)	0.40 (0.58)
	Salary Payable to Mr. Anil Nemani	–	0.98 (2.26)	–	0.98 (2.26)
	Salary Payable to Ms. Meenakshi Anchlia	–	1.14 (0.61)	–	1.14 (0.61)
	Salary Payable to Mr. Anil Mehta	–	2.21	–	2.21

Note: The remuneration to the related parties does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. However the gratuity expenses of Mr. Suramya Nevatia (gratuity amounting to ₹ 1 lakhs during the year ended 31st March 2023) and Mrs. Akshada Nevatia (gratuity amounting to ₹ 0.75 lakhs during the year ended 31st March 2023) are included in the figure of their respective remuneration since their gratuity is provided separately.

Figures in brackets represents previous years figures.

Note 67 - FINANCIAL RISK MANAGEMENT FRAMEWORK

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

A. Credit Risk

Credit risk is the risk that counter party will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk mainly from trade receivables and other financial assets.

Trade receivables

Customer credit is managed by concerned business manager subject to the Company's established policy procedures and control related to customer credit risk management.

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

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

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

(₹ In lakhs)

Particulars	Less Than 180 Days	More Than 180 Days
As at 31 March 2023		
Expected loss rate	–	63.35%
Gross carrying amount of doubtful Trade Receivables	–	1,150.81
Loss allowance provision during the year *	–	170.42
As at 31 March 2022		
Expected loss rate	–	65.89%
Gross carrying amount of doubtful Trade Receivables	–	847.75
Loss allowance provision during the year	–	15.47

* 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 ₹ 170.42 lakhs is after subtracting the balance in provision account as on 31st March 2022 and is provided at the expected loss rate on the gross carrying amount of debtors.

Hind Rectifiers Limited
Reconciliation of loss allowance provision for Trade Receivables (ECL - Expected Credit Losses) (₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Balance as at beginning of the year	558.60	543.13
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	170.42	15.47
Amounts written back during the year	-	-
Balance at end of the year	729.02	558.60

B. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk in a fluctuating market environment. Financial instrument affected by market risks includes loans and borrowings, deposits and other financial assets.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

(i) Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. The Currency Risk can be majorly divided into two main categories -

1. Risk of change in Profits due to change in currency rate of Outstanding Trade Payables and Receivables (net of advances)
2. Risk of increased outflows due to change in currency rate of Other Payables.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax and cash flows is due to changes in the fair value of Outstanding Trade Payables and Receivables (net of advances) and the effect not on profit but on cash flow is due to Other Payables. The Company's exposure to foreign currency changes for all other currencies is not material.

1. The impact on the Company's profit before tax due to changes in the fair value of Outstanding Trade Payables and Receivables (net of advances)

(₹ In lakhs)

	Currency	Change in rate	Effect on profit before tax
31-Mar-23	USD	+5%	(11.09)
	USD	-5%	11.09
	EURO	+5%	(5.60)
	EURO	-5%	5.60
	CHF	+5%	(5.62)
	CHF	-5%	5.62
31-Mar-22	USD	+5%	(5.90)
	USD	-5%	5.90
	EURO	+5%	(3.64)
	EURO	-5%	3.64
	CHF	+5%	(4.37)
	CHF	-5%	4.37

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

(₹ In lakhs)

	Currency	Change in rate	Effect on cash flow
31-Mar-23	USD	+5%	-
	USD	-5%	-
	EURO	+5%	-
	EURO	-5%	-
	CHF	+5%	-
	CHF	-5%	-
31-Mar-22	USD	+5%	-
	USD	-5%	-
	EURO	+5%	-
	EURO	-5%	-
	CHF	+5%	-
	CHF	-5%	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) Commodity Price Risk

- The Company is subjected to Commodity Price risk due to the fluctuations in the price of copper. This is procured from domestic suppliers. However, domestic price of the copper is affected based on the price at the London Metal Exchange (LME) and exchange rates. In case copper prices undergo upward / downward revision due to LME or exchange rate, the price difference are adequately covered by the price variation clause of the order.
- Exposure of the company to commodity and commodity risks faced by it throughout the year.
 - Total exposure of the company to commodities is ₹ 4014.47 Lakhs
 - Exposure of the company to various commodities:

Commodity Name	Exposure towards the particular commodity (₹ In lakhs)	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		TOTAL
			OTC	Exchange	OTC	Exchange	
1. Copper	3,015.57	404.06 MT					
2. Aluminium	998.90	166.56 MT					
TOTAL	4,014.47	570.62 MT					

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

(iii) Interest rate risk

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

Interest rate sensitivity

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

Hind Rectifiers Limited

floating rate borrowings, as follows:

Particulars	Currency	Increase / Decrease in basis Points	Effect on profit before tax (₹ In lakhs)
31-Mar-23	INR	+50	(34.12)
	INR	-50	34.12
31-Mar-22	INR	+50	(28.85)
	INR	-50	28.85

(iv) Equity Price Risk

The Company is not exposed to equity price risks arising from equity investments since the Company does not have any equity investments.

C. LIQUIDITY RISK
(i) Liquidity risk management

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ In lakhs)

As at 31 March 2023	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
Non Derivative financial instruments						
Long term borrowings	—	—	1,401.54	883.38	148.46	2,433.38
Short term borrowings						
Cash Credit Facilities	—	7,053.99	—	—	—	7,053.99
Current maturities of long-term debt	—	971.98	—	—	—	971.98
Lease liabilities	—	15.82	—	—	—	15.82
Trade payables						
Trade payables - Micro and small enterprises	—	264.39	—	—	—	264.39
Trade payables - other than micro and small Ent	—	5,047.27	—	—	—	5,047.27
Other financial liabilities						
Deposits from dealers and agents	—	—	—	—	20.25	20.25
Interest accrued on borrowings	—	8.27	—	—	—	8.27
Unclaimed / Unpaid dividends	—	27.67	—	—	—	27.67
Creditors for Capital Supplies / Services	—	154.14	—	—	—	154.14
Provision for Bonus	—	65.74	—	—	—	65.74
Salary & Other Accrued Expenses	—	366.04	—	—	—	366.04
Other Payables	—	3.32	—	—	—	3.32
Total	—	13,978.63	1,401.54	883.38	168.71	16,432.26

(₹ In lakhs)

As at 31 March 2022	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
Non Derivative financial instruments						
Long term borrowings	–	–	1,625.58	462.75	–	2,088.33
Short term borrowings						
Cash Credit Facilities	–	4,589.69	–	–	–	4,589.69
Current maturities of long-term debt	–	786.07	–	–	–	786.07
Lease liabilities	–	20.38	14.52	–	–	34.90
Trade payables						
Trade payables - Micro and small enterprises	–	60.27	–	–	–	60.27
Trade payables - other than micro and small Ent	–	4,701.40	–	–	–	4,701.40
Other financial liabilities						
Deposits from dealers and agents	–	–	–	–	18.25	18.25
Interest accrued on borrowings	–	16.29	–	–	–	16.29
Unclaimed / Unpaid dividends	–	25.96	–	–	–	25.96
Creditors for Capital Supplies / Services	–	69.49	–	–	–	69.49
Provision for Bonus	–	60.15	–	–	–	60.15
Salary & Other Accrued Expenses	–	402.66	–	–	–	402.66
Other Payables	–	2.33	–	–	–	2.33
Total	–	10,734.69	1,640.10	462.75	18.25	12,855.79

(iii) Financing arrangements

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

(₹ In lakhs)

Particulars	31 March 2023	31 March 2022
Cash Credit and overdraft Facilities	1,996.01	3,805.31
Total	1,996.01	3,805.31

(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.



Hind Rectifiers Limited

(₹ In lakhs)

As at 31 March 2023	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
Non Derivative financial instruments						
Investments	–	–	–	–	12.75	12.75
Trade Receivables	–	6,756.11	–	–	–	6,756.11
Cash and Cash Equivalents	–	12.56	–	–	–	12.56
Other Bank Balances	–	126.61	–	–	–	126.61
Loans	–	1.03	0.12	–	–	1.15
Other financial Assets						
Security Deposits	–	–	–	–	74.93	74.93
Retention Money	–	333.14	22.37	–	–	355.51
Earnest Money Deposits	–	346.53	14.86	–	–	361.39
Interest Income accrued	–	12.56	–	–	–	12.56
Provision for doubtful amounts	–	(16.40)	–	–	–	(16.40)
Total	–	7,572.14	37.35	–	87.68	7,697.17

(₹ In lakhs)

As at 31 March 2022	On demand	Less than 1 Year	1-3 Yrs.	3 Yrs. to 5 Yrs.	5 years & above	Total
Non Derivative financial instruments						
Investments	–	–	–	–	12.75	12.75
Trade Receivables	–	6,777.97	–	–	–	6,777.97
Cash and Cash Equivalents	–	26.76	–	–	–	26.76
Other Bank Balances	–	107.45	–	–	–	107.45
Loans	–	0.49	0.03	–	–	0.52
Other financial Assets						
Security Deposits	–	–	–	–	87.34	87.34
Retention Money	–	349.91	2.59	–	–	352.50
Earnest Money Deposits	–	172.45	4.44	–	–	176.89
Interest Income accrued	–	7.64	–	–	–	7.64
Provision for doubtful amounts	–	(14.52)	–	–	–	(14.52)
Total	–	7,428.15	7.06	–	100.09	7,535.30

Note 68 - CAPITAL MANAGEMENT

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The company monitors the amount of Capital in proportion to risk and manage the capital structure in light of changes in economic conditions and risk characteristics of underlying assets. The company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. The Company takes and will take appropriate steps in order to maintain, or if necessary adjust its capital structure.

The Company's adjusted net debt to equity ratio at 31st March 2023 and 31st March 2022 is as follows: (₹ In lakhs)

Particulars	As at 31st Mar 2023	As at 31st Mar 2022
Total Debt (including lease liabilities)	10,475.17	7,498.99
Less: cash and cash equivalents	12.56	26.76
Adjusted net debt	10,462.61	7,472.23
Total equity	11,171.44	10,743.95
Adjusted net debt to adjusted equity ratio	0.94	0.70

Note 69

In the postal ballot, on 1st January 2023, the members have approved to issue and allot for non-cash consideration, 13,50,000 equity shares having a face value of ₹ 2 each as sweat equity shares to its Promoter, Managing Director & CEO Mr. Suramya Saurabh Nevatia in addition to the remuneration payable to the Managing director for his past services. The NRC intends to allot the shares in multiple tranches and first tranche of 5,50,000 equity shares were allotted on 29th March, 2023. The balance allotment would be decided in the future period by the NRC.

For the above issued shares, the fair value of the shares on the grant date and the resultant employee benefit expenses have been accounted for in accordance with the applicable Indian Accounting Standards (Ind AS) and the difference between the price approved by the shareholders and the fair value on the grant date, as per the Ind AS, has been adjusted to the securities premium account as per the relevant provisions of the Companies Act, 2013.

The fair value on the grant date of issue of the sweat equity shares amounting to ₹ 1076.63 lakhs is recognized as an exceptional item in Profit & Loss account.

Note 70

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

Note 71

The Financial Statements were authorised for issue by the directors on 26th May 2023.

The accompanying notes are an integral part of the financial statements

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

CA Madhu Jain
Partner
Membership No. 155537

Place : Mumbai
Date : May 26, 2023

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

Place : Mumbai
Date : May 26, 2023

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