



**Hind Rectifiers Limited**

PERFECTLY ENGINEERED POWER CONVERSION SYSTEMS

# ANNUAL REPORT 2018 - 2019

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**Hind Rectifiers Limited**

**61st Annual Report 2018-2019**  
hirect.com

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## Board of Directors

**S. K. Nevatia**  
Chairman & Managing Director

**Akshada Nevatia**  
Executive Director

**Pawan Kumar Golyan**

**V. K. Bhartia**

**Binod Kumar Patodia**

**Pradeep V. Goyal**

**Parimal Merchant**

**Vandan Shah**

## Key Managerial Personnel

**S. K. Nevatia**  
Chairman & Managing Director

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

**A. K. Nemani**  
Chief Financial Officer

**Meenakshi Anchlia**  
Company Secretary & Compliance Officer

## Bankers

**ICICI Bank Ltd.**

**Union Bank of India**

**TJSB Sahakari Bank Ltd.**

**Apna Sahakari Bank Ltd.**

## Statutory Auditors

**M/s Ravi A. Shah & Associates**  
Chartered Accountants

## Secretarial Auditors

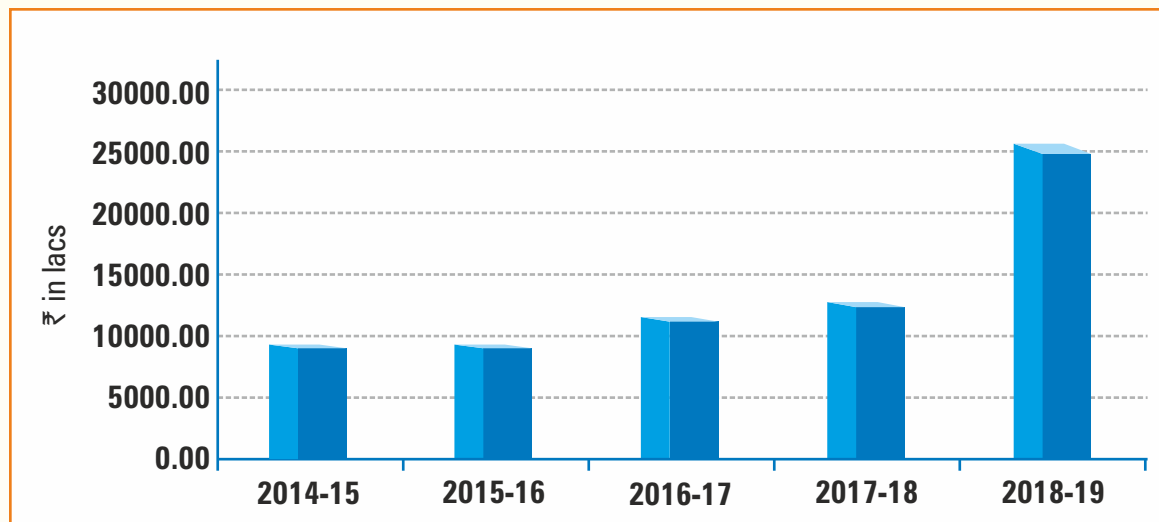
**M/s GMJ & Associates**  
Company Secretaries

## Registrar And Transfer Agent

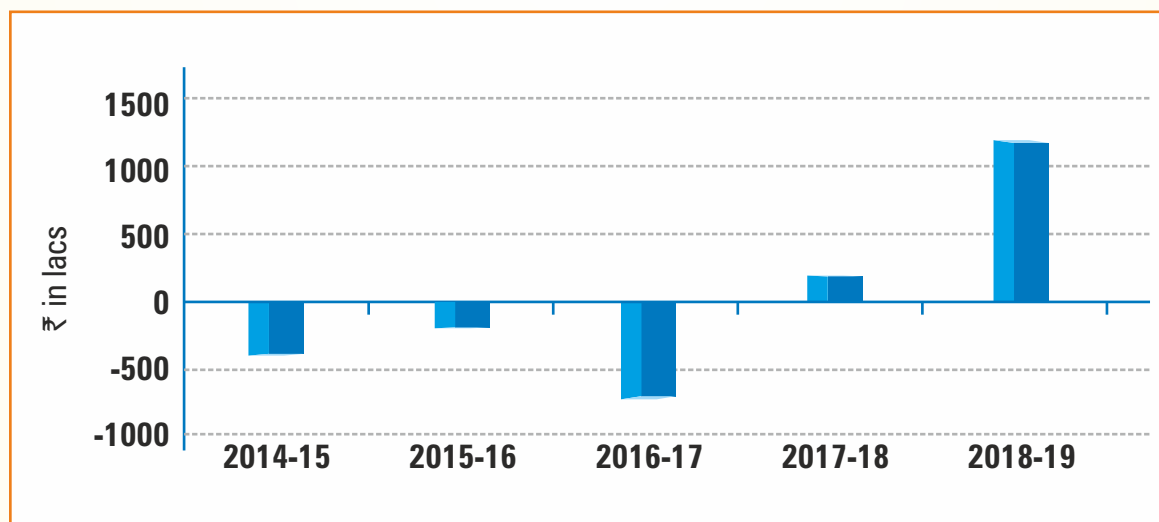
**M/s Adroit Corporate Services Private Limited**  
17-20, Jafferbhoy Industrial Estate,  
1st Floor, Makwana Road, Marol Naka,  
Andheri (East), Mumbai 400059.

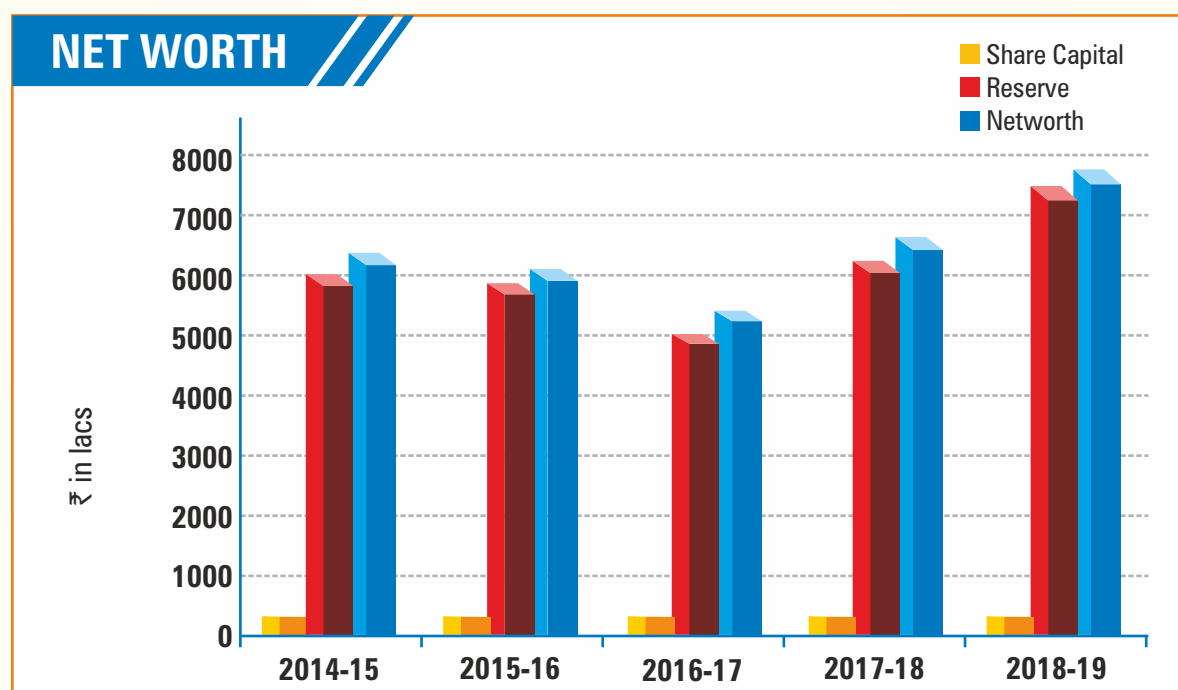


## SALES

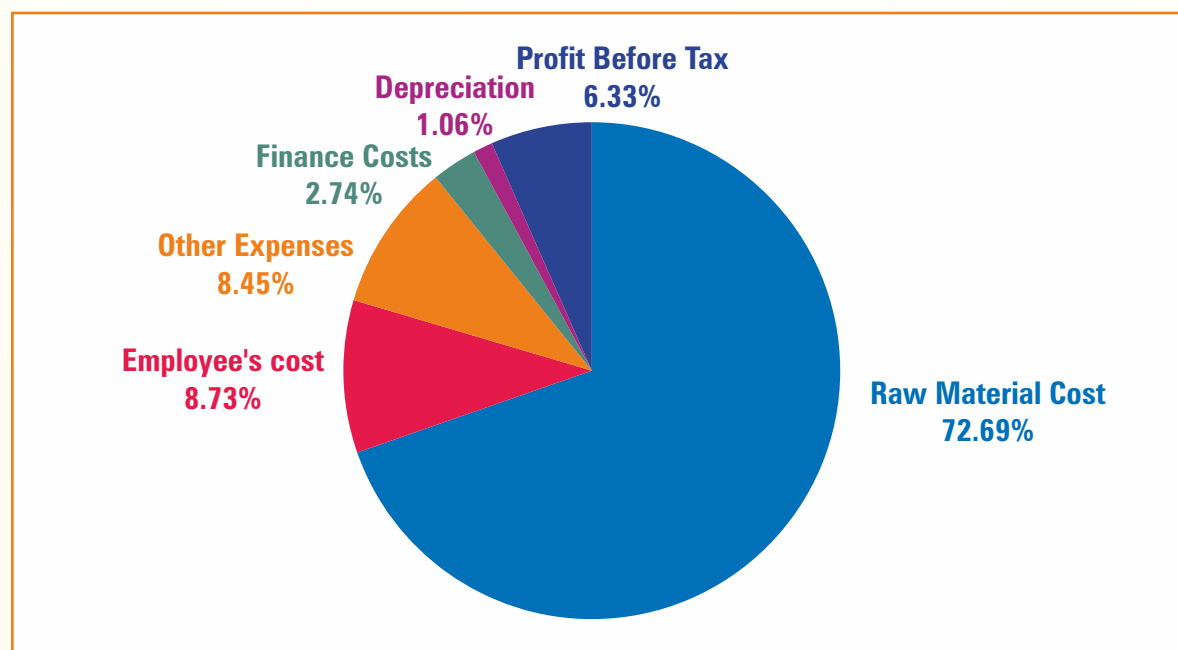


## NET PROFIT AFTER TAX





### PERCENTAGE OF RUPEE SPENT DURING 2018 - 2019





## IGBT Based Converter





## HIGHLIGHTS

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



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## **CHAIRMAN'S STATEMENT**

**Dear Shareholders,**

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

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

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

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

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

Best Wishes.

**S. K. Nevatia**  
Chairman & Managing Director



## DIRECTORS' REPORT

Dear Members,

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

(₹ in lacs)

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

### OPERATIONS

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

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

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

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

### DIVIDEND AND RESERVES

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

**Hind Rectifiers Limited****FINANCE AND ACCOUNTS**

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

**SHARE CAPITAL**

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

**EMPLOYEES' STOCK OPTION SCHEMES**

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

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

**DEPOSITS**

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

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

**BOARD OF DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Akshada Nevatia, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the Annual General Meeting.

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