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HARDCASTLE & WAUD

HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

MANUFACTURING COMPANY LIMITED

68th Annual Report

2013-2014

2013-2014



Hardcastle & Waud Manufacturing Company Limited

BOARD OF DIRECTORS

Banwari Lal Jatia, *Managing Director*
Narendra Sardarsingh Karnavat
Hasmukh Balkrishna Gandhi
Tushar Gopalkrishna Agarwal
Om Prakash Adukia
Darmendra Agarwal

AUDITORS

Messrs Khare & Co.

REGISTERED OFFICE

Netivali Baug, Kalyan 421 306

HEAD OFFICE

Brabourne Stadium, 87, Veer Nariman Road,
Mumbai 400 020.

WORKS

1904, GIDC, Sarigam 396 155, Dist. Valsad (Gujarat)

REGISTRARS & TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.,
912, Raheja Centre
Free Press Journal Road,
Nariman Point
Mumbai 400 021.

Notice

Notice is hereby given that the Sixty Eighth Annual General Meeting of Members of Hardcastle and Waud Manufacturing Company Limited will be held at the Registered Office of the Company at Netvali Baug, Kalyan (East) - 421306 on Tuesday, the 30th September, 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date together with the reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Om Prakash Adukia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Messrs GMJ & Co., Chartered Accountants (Firm Registration No.:103429W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Seventy Third Annual General Meeting, subject to ratification at every Annual General Meeting, on a remuneration to be fixed by the Managing Director on the recommendation of the Audit Committee.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 152 (2) and other applicable provisions of the Companies Act, 2013, Mrs Smita Jatia (holding Director's Identification Number (DIN) - 03165703) be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Tushar Gopalkrishna Agarwal, Director of the Company (holding Director's Identification Number (DIN) - 00043184) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from the date of the 68th Annual General Meeting of members of the Company."
6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Hasamukh Balkrishna Gandhi, Director of the Company (holding Director's Identification Number (DIN-00009153) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from the date of the 68th Annual General Meeting of members of the Company."
7. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Narendra Sardarsingh Karnavat, Director of the Company (holding Director's Identification Number (DIN) - 00027130) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from the date of the 68th Annual General Meeting of members of the Company."
8. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder approval of the Company be and is hereby accorded to the re-appointment of Mr. Banwari Lal Jatia (holding Director's Identification Number (DIN-00016823) as Managing Director of the Company for a period of three years with effect from April 01, 2014 subject to the following terms and conditions:-
 1. The Managing Director shall, subject to the superintendence and control of the Board of Directors (hereinafter referred to as 'the Board') be in overall charge of the Company's activities and shall perform such other duties and services and exercise such other powers as shall from time to time be entrusted to him by the Board;
 2. Remuneration - A monthly salary of ₹ 2,45,000 (Rupees Two Lacs Forty Five Thousand) in the grade of 2,45,000 - 15,000 - 2,75,000.
 3. The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the remuneration specified in the preceding clause;
 - a) Contribution to provident fund, superannuation fund and/or annuity fund to the extent these are not taxable under the Income Tax Act, 1961;
 - b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - c) Encashment of leave at the end of the tenure.
 4. OTHERS:
 - A) The appointee shall also be entitled to the following benefits :
 - i) Furnished accommodation (subject to payment of 10% of his monthly salary as rent) or House Rent Allowance equal to 50% of the monthly salary in lieu thereof (expenditure incurred by the Company on gas, electricity, water and furnishing shall be subject

- to a ceiling of 10% of his salary);
- ii) Actual medical expenses including hospitalization, nursing home charges, surgical charges and travelling expenses incurred for himself and family and premium for obtaining/ renewal of health insurance policy subject to a ceiling of one month's salary in a year or three month's salary over a period of three years;
- iii) Personal Accident Insurance premium in accordance with Company's policies and practices;
- iv) Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees;
- v) Annual leave with full pay and other benefits for a period of one month during every year which may be accumulated for a maximum of three months;
- vi) Other leave as per Company's rules applicable to its executive staff;
- vii) Leave Travel Assistance to cover air or first class air-conditioned railway fare for himself and family once in a year to and from any place;
- viii) Provision of a Company-maintained chauffeur – driven car;
- ix) Provision of telephone facilities at residence on Company's account;
- x) Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.

B) The appointee shall be entitled to reimbursement of expenses actually and properly incurred in the course of legitimate business of the Company.

"FURTHER RESOLVED THAT the Board shall be at liberty to alter and/ or vary the terms and conditions of the said appointment at any time but so as not to exceed the limits set out in the the Act or as may be agreed between the Board and the appointee.

"FURTHER RESOLVED THAT Mr Banwari Lal Jatia while holding office as Managing Director shall not be subject to retirement by rotation nor be entitled to any sitting fee for attending any meeting of the Board or any committee thereof."

9. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed by members of the Company and pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, the Company does hereby accord its consent to the Board of Directors (hereinafter referred to as 'the Board' which term shall include any Committee thereof), borrowing for the business of the Company any sum or sums of money, from time to time, from any one or more banks or from any one or more other persons, firms, bodies corporate or financial institutions, whether by way of advances or deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien on or pledge of the Company's assets and properties, whether movable or immovable not withstanding that the moneys to be borrowed together with the moneys already borrowed by the Company exceed or will exceed the aggregate of the paid-up share capital and free reserves of the Company, but so that the total amount upto which moneys may be so borrowed and its outstanding shall not at any one time exceed Rs. 500 (Five Hundred) Crores."

10. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT in suppression of the earlier resolution passed under Section 372A of the Companies Act, 1956 and pursuant to Section 186 (2) (c) and other applicable provisions of the Companies Act, 2013 the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall include any Committee thereof) be and is hereby authorised to acquire by way of subscription, purchase or otherwise securities of any other body corporate, subject to a limit of Rs. 500 (Five Hundred) Crores, even though the amount of such investment together with the Company's such investments already made thereby may exceed the limits laid down therein."

11. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in suppression of the earlier resolution passed by the Company and pursuant to Section 181 and other applicable provisions, if any, of the Companies Act, 2013, the Company does hereby accord its consent to the Board of Directors to contribute to charitable and other trusts/ funds, any amounts the aggregate of which will, in any one financial year, not exceed the greater of Rs.20,00,000 (Rupees Twenty Lacs), or 5% of the average net profits of the Company during the three immediately preceding financial years."

Registered Office

Natali Baug, Kalyan – 421306

Dated: 2nd September, 2014

By Order of the Board of Directors

(Banwari Lal Jatia)

Managing Director

Notes:

1. A person entitled to attend and vote at the meeting is entitled to appoint one or more proxy to attend and vote instead of himself and a proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights. Proxies, in order to be effective, must be delivered/ deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Statement pursuant to Section 102 (1) of the Companies Act, 2013 in regard to the Special Business is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 29, 2014 to September 30, 2014.
4. Rule 3 of the Companies (Management & Administration) Rules, 2014 mandates that the Register of Members of a company should include details pertaining to e-mail address, Permanent Account Number or CIN, Unique Identification Number, if any; Father's/Mother's/Spouse's name, Occupation, Status and Nationality; and in case the member is a minor, name of the guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository or the Registrars and Transfer Agent of the Company.
5. Members are requested to notify any change of address and to get their respective bank account details updated with their respective depository or the Company's Registrars & Transfer Agent directly.
6. Members may, pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, file nomination in the prescribed Form SH-13 with the respective depository or the Company's Registrars & Transfer Agent.
7. Voting through electronic means ("E-Voting")
Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rules 20 and 21 of the Companies (Management and Administration) Rules, 2014, the Company provides its members electronic facility to exercise their right to vote at the Annual General Meeting (AGM). The

business at the AGM may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/its discretion, subject to compliance with the instructions prescribed below.

The instructions for members voting electronically are as under:-

A. In case of Members receiving notice of AGM via e-mail:

The procedure to log in to e-Voting website is given below:

1. Open the attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding Shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login.
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (Hardcastle & Waud Mfg. Co. Ltd.) Members can cast their vote online from **24th September, 2014 (9:00 am) till 25th September, 2014 (05.30 pm)**.

Note: e-Voting shall not be allowed beyond the said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (shaileshmay@yahoo.com) with a copy marked to evoting@nsdl.co.in.

Please note that:

- o Login to 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 'Forgot Password' option available on the site to reset the same.
- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- o Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at Telephone No.: 022-24994600.

B. In case of members receiving physical copy of the Notice:

Members holding shares in either Demat or physical mode who are in receipt of Notice of AGM in physical form may cast their vote using a Ballot Form. Please refer instructions "C" below for more details.

Members may alternatively opt for e-voting for which the USER ID & PASSWORD is provided at the bottom of the Ballot Form. Please follow steps from Sl. No. (1) to (10) under heading "A" above to vote through the e-voting platform.

C. Members who wish to vote using Ballot Form:

Members may fill in the Ballot Form and submit the same in a sealed envelope to the Scrutinizer, Mr. Shailesh Kachalia, Practising Company Secretary, Unit: 'Hardcastle And Waud Manufacturing Company Limited', Om Sri Co.op. Hsg. Society Ltd., 'A' Wing, Flat No. 7, Jai Pali Hill Road, Borivli (W), Mumbai 400103, so as to reach him by 5.30 p.m. on September 25, 2014. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of any form will be final.

In the event a member casts his/her vote through both the processes i.e. e-voting and Ballot Form, the votes in the e-voting system would be considered, and the Ballot Form would be disregarded.

8. Members who have not yet collected their new share certificates are advised to do so by surrendering their old certificates for shares in the Company either in person or by sending through post to the Registrars & Transfer Agent of the Company, in their own interest.

Registered Office

Natalvi Baug,

Kalyan - 421306

Dated: 2nd September, 2014

By Order of the Board of Directors

(**Banwari Lal Jatia**)

Managing Director

Annexure to the Notice

Statement as required by Section 102(1) of the Companies Act, 2013 ('the Act').

The following Statement relating to the Special Business at Item Nos 4 to 11 of the accompanying Notice sets out all material facts as required under Section 102 of the Act.

Item No. 4

The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms Smita Jatia for the office of director of the Company together with a declaration from the candidate that she is not disqualified from being appointed as a director under the Act. She holds 6586 Equity Shares in the Company.

Ms Smita Jatia holds a Bachelor's degree in Commerce from Bombay University and is presently on the board of various other companies. Ms Jatia possesses sufficient experience which would benefit the Company.

In view of the fact that the Company is required under the Act as also under SEBI Regulations to have atleast one woman director on its Board of Directors and in view of Ms Smita Jatia's qualifications, the Directors commend the resolution for members' approval.

Except Mr Banwari Lal Jatia who is Ms Jatia's relative, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item Nos. 5, 6 & 7

M/s Tushar Gopalkrishna Agarwal, Hasmukh Balkrishna Gandhi and Narendra Sardarsingh Karnavat are Independent Directors of the Company and have held the positions as such for more than 5 years. They joined the Board of Directors of the Company as Independent Directors liable to retire by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and other provisions of the Act read with Schedule IV of the Act, Independent Directors of a company shall hold office for a term upto 5 consecutive years but shall be eligible for re-appointment on passing of a special resolution upto further 5 years each.

Hence it is proposed to appoint M/s Tushar Gopalkrishna Agarwal, Hasmukh Balkrishna Gandhi and Narendra Sardarsingh Karnavat as Independent Directors of the Company under Section 149 of the Act to hold office for a term upto 5 consecutive years and that they shall not be included in the total number of directors for retirement by rotation.

M/s Tushar Gopalkrishna Agarwal, Hasmukh Balkrishna Gandhi and Narendra Sardarsingh Karnavat are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with deposits of requisite amount under Section 160 of the Act proposing the candidature of each of the candidates for the office of Director of the Company.

The Company has also received declarations from the candidates and that they meet the criteria as prescribed under the Act.

In opinion of the Board the three candidates fulfill the conditions for appointment as Independent Directors as specified in the Act.

Copies of draft letters for respective appointments of the candidates as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Directors commend the resolutions set out at item nos. 5, 6 & 7 for members' approval.

M/s Tushar Gopalkrishna Agarwal, Hasmukh Balkrishna Gandhi and Narendra Sardarsingh Karnavat are interested in the resolutions set out at item nos. 5, 6 & 7 of the Notice respectively with regard to their respective appointment. Their respective relatives may be deemed to be interested in the said resolutions, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 8

Mr Banwari Lal Jatia, Managing Director of the Company was appointed for a tenure of three years with effect from May 26, 2012 vide members' Special Resolution dated September 28, 2012. His tenure expires on May 25, 2015.

Since Mr Jatia has already completed 70 years of age at the commencement of the Act and in view of the provisions of section 196 (3) of the Act and based on the recommendations from its Nomination and Remuneration Committee, the Board of Directors had at its meeting held on 25th July 2014, decided to seek members' approval for re-appointment of Mr Jatia for a period of 3 years effective from 1st April 2014.

Considering Mr Jatia's vast experience in various facets of industry and business and his long association with the Company, the Directors commend the resolution for members' approval.

Mr B. L. Jatia and his relatives may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Statement as required under Clause (B) of Section II Part II of Schedule V of the Companies Act, 2013 with respect to the aforesaid item No. 8 is as follows:

I. General Information:

- | | |
|---|-------------------------------|
| (1) Nature of Industry | Manufacturing / Trading |
| (2) Date of commencement of commercial production | Since more than 60 years ago. |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not applicable |
| (4) Financial performance based on given indicators | |

	For 3 months ended 30.6.2014 (Unaudited) (₹ Lacs)	Financial Year 2013-14 (Audited) (₹ Lacs)	Financial Year 2012-13 (Audited) (₹ Lacs)
Net Sales/ Income from operations	84.56	314.47	301.46
Other Income	33.82	94.98	147.25
Total Expenditure (Including Loss on Sale of Investments, etc.)	110.48	423.48	552.46
Finance Costs	0.00	3.55	13.42
Depreciation	7.39	28.05	26.33
Profit/ (Loss) before Tax	0.51	(45.63)	(143.50)
Tax Expense	0.50	(24.96)	1.86
Net Profit	0.01	(20.67)	(145.36)

- (5) Foreign investments or Collaborations, if any
- A foreign institutional investor holds 7.70% shares in the Equity Capital of the Company.

II. Information about the appointee:

- (1) Background details
- Mr Banwari Lal Jatia is commerce and law graduate with over 45 years' experience in various industries.
- (2) Past remuneration
- Was last appointed as Managing Director in the grade of ₹ 200000-15000-230000 p.m. for 3 years w.e.f. 26.5.2012 and a commission not exceeding 1% of the Net Profits with other perquisites and benefits.