



HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

69th Annual Report

2014-2015

BOARD OF DIRECTORS

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

AUDITORS

Messrs GMJ & 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.,
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072

Notice

Notice is hereby given that the Sixty Ninth Annual General Meeting of members of Hardcastle and Waud Manufacturing Company Limited will be held at the Registered Office of the Company at Netivali Baug, Kalyan (East) - 421306 on Wednesday, the 30th September, 2015 at 11.00 a.m.to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and the Cash Flow Statement 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 (DIN: 00017001), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 139(2) and 142(1) of the Companies Act, 2013 the appointment of Statutory Auditors of the Company M/s GMJ & Co., Chartered Accountants (Firm Registration No.103429W), be and is hereby ratified for the financial year 2015-2016 at such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:
"RESOLVED THAT the appointment of Mr Dharmendra Agarwal (DIN:06406889), as an Independent Director of the Company be confirmed and that such appointment be for a period of five years with effect from 30th September,2015 not liable to retire by rotation."

Registered Office
Netivali Baug,
Kalyan - 421306
Dated: 12th August, 2015

By Order of the Board of Directors

(Smita Tambe)
Company Secretary

Notes:

1. A statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
2. 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 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 29, 2015 to September 30, 2015.
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 minor, and name and address of the nominee. All members are requested to update their details as aforesaid with their respective depository participant or the Registrars and Transfer Agent of the Company.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of their Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. Members are requested to notify any change of address and to get their respective bank account details updated with their respective depository participant or the Company's Registrars and Transfer Agent directly.
7. 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 participant or the Company's Registrars and Transfer Agent.
8. Voting through electronic means
 - I. The Company provides members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting votes by members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27.9.2015 (9.00 am) and ends on 29.9.2015 (5.00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 23.9.2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository participant(s)]:
 - (i) Open email and open PDF file viz; 'remote e-voting pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting in which case, you can use your existing password for casting the vote. If you have forgotten your password you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at toll free no.1800-222-990.
 - (ii) Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Hardcastle & Waud Mfg. Co.Ltd.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on a resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (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. together with attested specimen signature (s) of the duly authorised signatory(ies) who is (are) authorised to vote, to the Scrutinizer through e-mail to shaileshmay@yahoo.com with a copy marked to evoting@nsdl.co.in.
 - B. In case a member receives physical copy of the Notice of AGM [for members, whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below at the bottom of the Ballot Form:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl.No. A (ii) to Sl.No. A (xii), to cast vote.
 - C. Those members who are unable to cast their vote through e-voting mechanism, may complete and sign the ballot form and get the same delivered in a sealed envelope to the scrutinizer, Mr Shailesh Kachalia, practising Company Secretary (CP No.3888) Unit "Hardcastle & Waud Manufacturing Co. Ltd." Om Sri Co-op Hsg. Society Ltd. 'A' wing, Flat No.7, 1st floor, Near Shanti Ashram, Borivali (W), Mumbai – 400103 so as to reach the scrutinizer latest by 5 p.m on 29.9.2015. Ballot forms received thereafter will strictly be treated as if not received. In the event a member casts his vote through both the processes, i.e. evoting and ballot form, the vote in the electronic system would be considered and the ballot form would be ignored.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or call on toll free no.:1800-222-990.
- VII. The voting rights of members shall be in proportion to their respective share in the paid up equity share capital of the Company as on the cut-off date of 23.9.2015.
- VIII. Any person, who acquires shares of the Company and becomes member of the Company after despatch of this notice and holding shares as of the cut-off date i.e. 23.9.2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or at kumaresan@shareproservices.com.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. Mr Shailesh Kachalia, Practising Company Secretary (CP No.3888) has been appointed as the Scrutinizer to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- XI. The Chairman of the AGM, shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutiniser, by use of "Ballot Paper" for all those members who are present at the AGM but have not already cast their votes.

9. Members who have not yet collected their new share certificates issued pursuant to the court approved Scheme dt 13.12.1999 for demerger of the Power Coating Undertaking of the Company 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 and Transfer Agent of the Company, in their own interest.
10. Details of Directors seeking re-appointment and details of new Director to be appointed at the forthcoming AGM (Pursuant to Clause 49 of the Listing Agreement) are furnished below.

(i)	Name of Director :	Om Prakash Adukia
	Date of Birth :	21.04.1937
	Date of Appointment :	01.05.2009
	Expertise in Specific Functional areas :	Possesses over 57 years experience in industrial business and financial management
	Qualifications :	B.Com
	Other Companies in which Directorship held :	Winmore Leasing and Holdings Ltd. West Leisure Resorts Ltd. Hawcoplast Investments & Trading Ltd. A V Processors Pvt. Ltd. Hawco Lubricants Pvt. Ltd. West Pioneer Properties (India) Pvt.Ltd. Hardcastle Restaurants Pvt. Ltd.
	Chairman / Member of Committees of Boards of other Companies :	1. Winmore Leasing and Holdings Ltd. a. Audit Committee (Member) b. Nomination and Remuneration Committee (Member) c. Stakeholders Relationship Committee (Member) 2. West Leisure Resorts Ltd. a. Audit Committee (Member) b. Nomination and Remuneration Committee (Member) c. Stakeholders Relationship Committee (Chairman) 3. Hardcastle Restaurants Pvt. Ltd. a. Audit Committee (Chairman) b. Nomination and Remuneration Committee (Member) 4. West Pioneer Properties (India) Pvt. Ltd. a. Audit Committee (Member) b. Nomination and Remuneration Committee (Member)
	Shares held in the Company :	NIL
	Relationship with other directors :	None
(ii)	Name of Director :	Dharmendra Agarwal
	Date of Birth :	08.10.1959
	Date of Appointment :	30.09.2013
	Expertise in Specific Functional areas :	Finance/Accounts/Business Administration
	Qualifications :	B.Com C.A.(Inter)
	Other Companies in which Directorship held:	None
	Chairman / Member of Committees of Boards of other Companies:	None
	Shares held in the Company :	NIL
	Relationship with other directors:	None

Annexure to the Notice

Statement pursuant to Section 102(1) of the Companies Act, 2013("the Act").

Item 4:

Mr Dharmendra Agarwal was appointed as a director of the Company by means of an ordinary resolution passed by members of the Company under the Companies Act, 1956 at the 67th AGM of the Company held on 30th September, 2013. He is an Independent Director within the meaning of Section 149(6) of the Act. Section 149(10) of the Act provides, inter alia, that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company. Further, pursuant to Section 149(13) of the Act, an Independent Director is not liable to retire by rotation. The resolution as appearing in the accompanying notice is intended to implement these provisions of the Act.

Mr Dharmendra Agarwal is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director.

The Company has received a notice in writing from a member along with the requisite deposit under section 160 of the Act proposing his candidature for the office of director of the Company.

The Company has received a declaration from the candidate that he meets the criteria as prescribed under the Act.

In the opinion of the Board Mr Dharmendra Agarwal, fulfills the conditions for appointment as an Independent Director as prescribed under the Act. Copy of a draft letter of appointment as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Except for Mr Dharmendra Agarwal, none of the Directors or Key Managerial Personnel of the Company or their relatives is interested in this item of business.

The Board commends the resolution for members' approval.

Registered Office
Netivali Baug,
Kalyan – 421306

By Order of the Board of Directors

Dated: 12th August, 2015

(Smita Tambe)
Company Secretary

DIRECTORS REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in placing before you their Sixty Ninth Annual Report together with the Audited Financial Statements for the year ended March 31, 2015. The Management Discussion and Analysis is also included in this Report.

Economic Overview :

The global economy grew at 3.5% in 2015. The growth in 2014-15 was led by advanced economies particularly the US. Key factors which shaped the global economy were decline in prices of oil and other commodities, easy monetary policy followed by central banks globally in a bid to boost inflation and growth, slowdown in China and geopolitical risks.

The Indian economy, after a prolonged period of sluggish growth displayed some initial recovery signs during financial year 2014-15, largely attributed to an improved macroeconomic environment and pro-growth economic reforms initiated by the new government at the centre. Despite this, the investment climate remained subdued during 2014-15. It appears the reform process would take some more time to gain ground. Industrial demand was weak and capacity utilisation remained low across the sectors.

Against this back ground, the performance of your Company during 2014-15 is presented in the following paragraphs.

1. FINANCIAL RESULTS AND APPROPRIATIONS

	Year Ended March 31, 2015 (₹ Lacs)	Previous Year March 31, 2014 (₹ Lacs)
Profit/ (Loss) before Interest, Depreciation & Exceptional Items	133.00	(14.29)
Interest	0.02	3.55
Depreciation, etc.	32.25	28.04
Profit/(Loss) before Taxation	100.73	(45.88)
Prior Year Adjustments	11.70	0.25
Provision for Taxation	4.90	3.34
Deferred Tax	(22.77)	(28.31)
Net /Profit/(Loss) after Taxation	130.30	(20.67)
Balance b/f from Previous Year	3037.80	3058.47
Total Available	3168.10	-
Transferred to General Reserve	3168.00	-
Carried forward	0.10	3037.80

With a view to conserve the financial resources of the Company no dividend is being recommended.

2. OPERATIONS

During the year under review, revenue from operations of the Company was higher by 16.34% at ₹ 365.86 lacs as against 314.47 lacs in the previous year. The profit before tax significantly rose to ₹ 100.73 lacs as compared to the loss of ₹ 45.88 lacs recorded last year. Net profit after tax stood substantially higher at ₹ 130.30 lacs.

The Company is hopeful for a better year ahead.

As reported last year the Company's factory at Sarigam, Gujarat resumed manufacturing activities in April 2014. The plant has since stabilized its operations. It is presently engaged in doing job work.

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

3. DIRECTORS

- At the 68th AGM held on 30.09.2014, Mr B.L.Jatia was reappointed as the Managing Director of the Company for a period of 3 years w.e.f. 1.4.2014.
- Ms Smita Jatia was appointed as a Director at the 68th AGM held on 30.9.2014.

- c) Mr Om Prakash Adukia retires by rotation at the ensuing Annual General Meeting but being eligible offers himself for re-appointment.
- d) Mr Dharmendra Agarwal who is proposed to be appointed as an Independent Director possesses the requisite expertise and knowledge and is qualified for appointment as an Independent Director.

e) **Board Evaluation**

The Board has carried out an annual evaluation of its own performance, of the directors individually as well as of the independent directors. The performance evaluation of non-independent directors was also carried out by the independent directors at a separate meeting. The directors expressed satisfaction with the evaluation process and the results.

f) **Declaration by Independent Directors**

Necessary declarations have been obtained from each independent director under Section 149(7) of the Companies Act, 2013 (the Act) that he meets the criteria of independence laid down in Section 149 (6) of the Act.

g) **Meetings**

During the year six board meetings were convened and held.

4. CHIEF FINANCIAL OFFICER

Mr Narendra Abhichandani was appointed as the Chief Financial Officer of the Company w.e.f. 01.06.2014.

5. AUDITORS

M/s GMJ & Co., Chartered Accountants (Firm Registration No.103429W) were appointed as Statutory Auditors of the Company at the last Annual General Meeting for a period of five years subject to ratification by members at every subsequent Annual General Meeting. Ratification of their appointment is therefore being sought from members of the Company at the ensuing Annual General Meeting.

6. AUDITORS' REPORT

The Auditors' Report does not contain any reservation, qualification or adverse remark.

7. SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr Shailesh Kachalia, a Company Secretary in practice (C.P. No.3888) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed hereto as 'Annexure I'.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

8. LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans given and investments made are given in the notes to the financial statements. No guarantees/securities were provided to other bodies corporate during the financial year.

9. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

10. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required by Section 134(3) (m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure II to this report.

11. INTERNAL FINANCIAL CONTROL

The Company has in place internal financial control systems, commensurate with its size and nature of operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

12. RISK MANAGEMENT

The Audit Committee has been delegated the responsibility of developing, implementing and monitoring a risk management plan and identifying, reviewing and mitigating all elements of risk which the Company may be exposed to.

13. NOMINATION AND REMUNERATION COMMITTEE

A Remuneration Committee had been constituted with Mr N S Karnavat as Chairman and M/s Has Mukh Gandhi and Tushar G Agarwal as members under the Companies Act, 1956. Keeping in view the new provisions of the Act, the Board has renamed the said committee as 'Nomination and Remuneration Committee' retaining the same members in the Committee.

The Company's policy on directors' appointment and remuneration, etc. is attached as Annexure III and forms part of this report.

14. CORPORATE SOCIAL RESPONSIBILITY

None of the three criteria specified in section 135(1) of the Act relating to constitution of a CSR Committee is applicable to the Company and as such is not required to be complied with.

15. AUDIT COMMITTEE

An Audit Committee was constituted by the Board at its meeting held on 6th May 2014 comprising Mr Has Mukh Gandhi as Chairman and M/s Narendra Karnavat, Mr Tushar Agarwal and Mr.O P Adukia as members with the Company Secretary Ms Smita Tambe as Secretary.

During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has also put in place a vigil mechanism for directors and employees to report their concerns/grievances etc. to the Audit Committee which oversees the functioning of such mechanism.

16. SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company has no subsidiary, joint venture or associate.

17. PARTICULARS OF EMPLOYEES

- Prescribed particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure – IV and form part of this report.
- There are no employees covered by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. EXTRACT OF ANNUAL RETURN

An extract of the Company's Annual Return in form MGT-9 is annexed hereto as Annexure V.

19. CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement has been attached and forms part of this Report.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134(3)(c) read with Section 134(5) of the Act, your Directors' state that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- The directors have selected 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 ;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- The directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- The directors have devised proper systems to ensure compliance with provisions of all applicable laws and such systems are adequate and operating effectively.

21. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions covered by these items during the year under review:

- Details relating to Deposits covered under Chapter V of the Act;
- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in the future.

Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

The Board sincerely thanks all stakeholders for their continued support.

For and on behalf of the Board

Dated: 12th August, 2015

Banwari Lal Jatia
Managing Director

Om Prakash Adukia
Director

ANNEXURE I
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,
Hardcastle & Waud Mfg. Co. Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and good corporate practices by Hardcastle & Waud Mfg. Co. Limited. (hereinafter called the Company). The Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conduct of and statutory compliances of the Company and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31st March, 2015 (Audit Period) complied with the statutory provisions listed hereunder and 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder,
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder,
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, and
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealings with the client ;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the BSE Ltd.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meetings and agenda thereof and detailed notes on the agenda are sent at least seven days 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board.

I further report 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.

I further report that during the audit period the Company has :

- (i) authorised the Board of Directors to borrow monies not exceeding ₹ 500 crores in excess of the limits laid down under section 180(1) (c) of the Companies Act, 2013;
- (ii) authorised the Board of Directors to make investments upto a limit of ₹ 500 crores in excess of the limits laid down under section 186 (2) (c) of the Companies Act, 2013; and
- (iii) authorised the Board of Directors to contribute to Charitable and other funds in any one financial year not exceeding the greater of ₹ 20 lacs or 5% of the average net profits of the Company during the three immediately preceding financial years as laid down under Section 181 of the Companies Act, 2013.

Place : Mumbai
Date : 10.8.2015

Shailesh A. Kachalia
FCS No. 1391
C P No. 3888

ANNEXURE II

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy :

- (i) the steps taken or impact on conservation of energy :
- (ii) the steps taken by the company for utilising alternate sources of energy :
- (iii) the capital investment on energy conservation equipments :

Appropriate measures are being adopted to derive maximum benefit from energy saving equipment and energy efficient technology for the production processes. However, no capital investment for energy conservation equipments was incurred.

(B) Technology absorption :

- (i) the efforts made towards technology absorption :
- (ii) the benefits derived like products improvement, cost to reduction, product development or import substitution :
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - (a) the details of technology imported;
 - (b) the year of imported;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and :
- (iv) the expenditure incurred on Research and Development :

Efforts are being made to develop new processes and their upgradation.

The Company has recently resumed manufacturing activity at the Sarigam Plant in Gujarat which was closed since November 2008;

NIL

(₹ in Lacs)

	2014-2015	2013-2014
a. Capital	NIL	NIL
b. Recurring	NIL	NIL
Total	NIL	NIL

(C) Foreign exchange earnings and Outgo :

(₹ in Lacs)

	2014-2015	2013-2014
Earned	NIL	NIL
Outgo	1.10	0.50

ANNEXURE III

Extract from Nomination and Remuneration Policy:

Policy relating to appointment, criteria of independence and remuneration of Directors / KMP

a) Qualifications:-

The objective is to have a Board of an appropriate composition with diverse background and experience and commitment to discharge their responsibilities that are relevant for the Company's operations such as:

- i) Educational and professional background,
- ii) General understanding of the Company's business,
- iii) Relevant expertise and experience acquired/possessed as member of board of other bodies corporate, and
- iv) Requirements prescribed from time to time under the Companies Act 2013, the Listing Agreement and other relevant law.

b) Independence :-

The Committee shall assess the independence of directors at the time of appointment / re-appointment as well as annually as laid down in the Companies Act 2013 and other applicable laws and regulations/ guidelines.

c) Remuneration :-

- a) The remuneration / compensation / commission etc. payable to the Managing Director / Whole-time Director, Non-Executive / Independent Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to approval of members of the Company and of the Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director / Whole-time Director shall be in accordance with the percentage / slabs / conditions as per the provisions of the Companies Act, 2013, and the Rules made thereunder.
- c) Increments to the existing remuneration / compensation structure linked to performance, shall be clear and meet appropriate performance benchmarks and may be recommended by the Committee in the case of directors to the Board which should be within the slabs approved by members in the case of Managing Director / Whole-time Director.

- d) The Committee will not propose to fix the actual amounts of remuneration that may be payable to each individual key managerial personnel or senior management personnel. However, the Committee while fixing the remuneration of any such key personnel shall consider the following:
1. The Industry practice for the same level of employment/office,
 2. Past performance /seniority of the concerned appointee,
 3. The nature of duties and responsibilities cast upon such person by reason of his / her holding that office.
 4. The remuneration should be such that it provides adequate incentive to the person to give his / her best to the Company and feel a sense of high satisfaction with the employment.
 5. The perquisites to be given to Managing Director / Whole-time Director/s, KMP & Senior Management Personnel will be as per industry practices and or as may be recommended by the Committee to the Board.

Remuneration to Whole-time and other Directors, KMP and Senior Management Personnel:-

The Managing Director / Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

Commission may be paid within the monetary limits fixed and approved by the Board subject to the overall limit not exceeding 1% of the net profits of the Company computed as per applicable provisions of the Companies Act, 2013.

Sitting Fees

The Non-Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amounts prescribed in this behalf by the AOA and or Central Government from time to time.

ANNEXURE IV

REMUNERATION RATIO OF THE DIRECTORS / MANAGERIAL PERSONNEL / EMPLOYEES;

Information required pursuant to Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Sr No.	Name	Designation	Remuneration F Y 2014-15 ₹ in lakhs	% Increase in remuneration 2014-15	Ratio / Times per Median of employee remuneration
1	Narendra Abhichandani	Chief Financial Officer	7.12	6.43%	1.63
2	Smita Tambe	Company Secretary	5.36	Not quantified as the incumbent was employed only for part of the year 2013-14.	1.23
3	S C Pacharia	Treasury Manager	4.89	11.13%	1.12
4	Hemant R Gohil	Factory Manager	3.84	18.52%	0.88
5	Ramsingh Dhansingh	Executive Administration	3.24	8.72%	0.74
6	Lekha Mohandas	Executive Secretary	2.98	12.03%	0.68

The median remuneration of employees of the company during the financial year was ₹ 4.365 lac.

ANNEXURE V

Form No. MGT -9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.3.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- | | |
|--|---|
| i) CIN: | L99999MH1945PLC004581 |
| ii) Registration Date : | 15th October 1945 |
| iii) Name of the Company: | Hardcastle & Waud Mfg. Co.Ltd |
| iv) Category / Sub – Category of the Company : | Public Limited Company/ Limited by Shares |
| v) Address of the Registered office and contact details: | Netivali Baug, Kalyan 421306
Tel No.022-22837658-63. Fax No. 022-22873176
E-mail Id: ho@hawcoindia.com, Website: www.hawcoindia.com |