



**HARDCASTLE & WAUD  
MANUFACTURING COMPANY LIMITED**

---

71<sup>st</sup> Annual Report  
2016-2017

**BOARD OF DIRECTORS**

**Banwari Lal Jatia**, *Managing Director*  
**Hasmukh Balkrishna Gandhi** (*upto 24.05.2017*)  
**Om Prakash Adukia**  
**Sunil Trivedi**  
**Smita Jatia**  
**Rekha Pacharia**

**AUDITORS**

Messrs GMJ & Co.

**REGISTERED OFFICE**

Mall Office, 2nd Floor, Metro Junction Mall of  
West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) 421306

**HEAD OFFICE**

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

**WORKS**

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

**REGISTRARS & SHARE TRANSFER AGENT**

Link Intime India Private Limited  
C-101, 247, LBS Marg, Vikhroli (West)  
Mumbai – 400 083

**NOTICE**

Notice is hereby given that the Seventyfirst Annual General Meeting (AGM) of members of the Company will be held at the Registered Office of the Company at Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) 421306 on Friday, the 29th September, 2017 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, 2017 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 thereon.
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 provisions of Sections 139(1) 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 2017-2018 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 modifications, the following Resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to provisions of Sections 149, 150 and 152 and Schedule IV, and other applicable provisions of the Companies Act, 2013 read with applicable rules and regulations the appointment of Mr Govind Prasad Goyal (DIN – 00017294) as an Independent Director of the Company be and is hereby approved for a term of five years w.e.f 4.9.2017.”

**Notes:**

1. A statement pursuant to Section 102 (1) of the Companies Act, 2013 (the Act) 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 / herself 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 28th September, 2017 to 29th September, 2017.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting, in advance.
5. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters to the Company's Registrars and Share Transfer Agent viz Link Intime India Private Limited (RTA).
6. 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 (DP's) or the RTA of the Company.
7. Members are requested to notify any change of address and to get their respective bank account details updated with their respective DP's or the RTA directly.
8. Members may, pursuant to Section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, file nomination in the prescribed Form SH-13 with their respective DP's or the RTA.
9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to the DP's with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.
10. The notice of AGM is being sent to those members whose name(s) appear in the register of members as on Friday, the 11th August, 2017.

11. A person, whose name is recorded in the register of members as on the cut-off date i.e. 22.09.2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper, as the case may be.
12. VOTING THROUGH ELECTRONIC MEANS:
- Members can 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).
  - Facility for voting through ballot paper shall also be available at the AGM. 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 papers. There shall be no voting by show of hands at the AGM.
  - 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.
  - The remote e-voting period commences on Tuesday, 26th September, 2017 (9.00 am) and ends on Thursday, 28th September, 2017 (5.00 p.m.). During this period, members, holding shares as on the cut-off date of 22.09.2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled for voting thereafter. Once vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
  - The process and manner for remote e-voting are as under:
    - In case a member receives an email from NSDL:
      - Open PDF file sent to you in the e-mail. Kindly feed your Client ID or Folio No., as may be applicable, for your password. The PDF file contains your user ID and PIN for remote e-Voting. This PIN is an initial one and needs to be changed while doing first time login for security purpose.  
You will not receive this PDF file if you are already registered with NSDL for remote e-voting in which case, you can use your existing PIN for casting the vote. If you have forgotten your PIN you can reset your PIN by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at toll free no.1800-222-990.
      - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
      - Click on Shareholder – Login.
      - Enter user ID and PIN (the initial PIN as noted in step (i) above). Click Login.
      - Password change menu appears. Change the PIN with new PIN of your choice. Note new PIN.
      - Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
      - Select the "REVEN" (remote e-Voting Event Number) of Hardcastle & Waud Mfg. Co. Ltd. Cast Vote page opens.
      - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
      - Upon confirmation, the message "Vote cast successfully" will be displayed.
    - For a member receiving physical copy of the notice, the procedure to vote electronically is as under:
      - Initial password is provided in the following format at bottom of the Attendance Slip of the AGM sent with the Annual Report:
 

REVEN (Remote e-Voting Event Number)	USER ID	PASSWORD/ PIN
      - Please follow all steps from Sr. No. (ii) to Sr. No. (ix) of note V. A above, to cast vote.
- VI. In case of any queries, you may refer the FAQs and remote e-voting user manual for members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.:1800-222-990.
- VII. Any person, who acquires shares of the Company and becomes its member after despatch of this notice and holding shares as of the cut-off date i.e. 22.09.2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at [evoting@linkintime.co.in](mailto:evoting@linkintime.co.in).
13. Mr Shailesh Kachalia, (PCS - CP No.3888) has been appointed as the Scrutinizer to scrutinise the voting at the AGM and remote e-voting process in a fair and transparent manner.
14. Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hawcoindia.in](http://www.hawcoindia.in) and on the website of NSDL [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to the Bombay Stock Exchange Limited, where shares of the Company are listed.
15. Route Map showing directions to reach venue of the AGM appears at end of this report.

**Registered Office**

Mall Office, 2nd Floor, Metro Junction Mall of  
West Pioneer Properties (I) Pvt Ltd,  
Netivali, Kalyan (E) 421306

**By Order of the Board of Directors**

**Smita Achrekar**  
Company Secretary

**Dated: 4th September, 2017**

### Annexure to the Notice

**I. Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act").  
Item No. 4**

Following the demise of Hasmukh Gandhi an independent director of the Company on 24.5.2017, the Board of Directors appointed Mr Govind Prasad Goyal as an Additional Director in the category of independent director w.e.f 4.9.2017, pursuant to Section 161 of the Act on the recommendation of Nomination and Remuneration Committee of the Company.

The Company has received notice from a member along with deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr Govind Prasad Goyal for the office of Independent Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations.

In opinion of the Board Mr Govind Prasad Goyal fulfills the conditions specified in the Act and in the rules made thereunder. The Board considers that his association would be of immense benefit to the Company.

It is proposed that the appointment of both Mr Govind Prasad Goyal as Independent Director of the Company be approved for a term of five years w.e.f 4.9.2017.

Letter of appointment of Mr Govind Prasad Goyal, setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Requisite information of Mr Govind Prasad Goyal appears in part II below.

The Board commends the resolution as set out at item no 4 for approval of members.

Mr Govind Prasad Goyal is interested in the resolution with regard to his appointment. Also his relatives may be deemed to be interested to the extent of their shareholding, if any, in the Company.

Save and except the above, 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.

**II. Details of directors seeking approval of appointment / re-appointment are furnished below:**

Sr No	Particulars of Candidates		
1	Name	Mr Om Prakash Adukia (DIN: 00017001)	Mr Govind Prasad Goyal (DIN: 00017294)
2	Age	80 years	63 years
3	Qualifications	Commerce Graduate	Post Graduate in Commerce
4	Experience / nature of expertise in specific functional areas	Possesses 60 years' experience in industrial business and financial management	Has long relevant working experience of over 40 years in accounting and finance
5	Terms and conditions	Being re-appointed as a Director of the Company, liable to retire by rotation.	As an Independent Director for a term of 5 years w.e.f 4.9.2017
6	Date of first appointment on the Board	1.05.2009	4.9.2017
7	Shareholding in the Company	Nil	Nil
8	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Director or KMP of the Company	Not related to any other Director or KMP of the Company
9	Number of Board Meetings attended during the year	6 (Six)	NA
10	Other listed entities in which directorships held	1) Winmore Leasing and Holdings Limited 2) West Leisure Resorts Limited	West Leisure Resorts Limited
*11	Membership / Chairpersonship of Committees of other Boards of listed entities	1) West Leisure Resorts Limited a) Audit Committee - Member b) Stakeholder Relationship - Chairman Committee 2) Winmore Leasing and Holdings Limited a) Audit Committee - Member b) Stakeholder Relationship - Member Committee	West Leisure Resorts Limited a) Stakeholder Relationship - Member Committee

\* Only memberships of Audit Committee and Stakeholders' Relationship Committee of listed companies considered.

**Registered Office**

Mall Office, 2nd Floor, Metro Junction Mall of  
West Pioneer Properties (I) Pvt Ltd,  
Netivali, Kalyan(E) 421306

**Dated: 4th September, 2017**

**By Order of the Board of Directors**

**Smita Achrekar  
Company Secretary**

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in placing before you their Seventyfirst Annual Report together with the Audited Financial Statements for the year ended March 31, 2017 and Management Discussion and Analysis.

### 1. FINANCIAL RESULTS AND APPROPRIATIONS :

	Year Ended March 31, 2017 (₹ Lacs)	Previous Year March 31, 2016 (₹ Lacs)
Profit before Interest, Depreciation & Exceptional Items	51.03	199.11
Interest	0.02	0.01
Depreciation, etc.	32.52	33.05
Profit before Taxation and Past MAT entitlement lapsed ₹ Nil (Prev. Year ₹ 42.89 Lacs)	18.49	166.05
Prior Year Adjustments	1.00	0.09
Provision for Taxation	(4.47)	60.32
Deferred Tax	(0.29)	1085.05
Net Profit/(Loss) after Taxation	22.25	(979.41)
Balance b/f from Previous Year	(979.31)	0.10
Total Available	(957.06)	(979.31)
Transferred to General Reserve	-	-
Carried forward	(957.06)	(979.31)

In view of absence of divisible surplus no dividend is being recommended.

### 2. OPERATIONS:

The Company registered a turnover of Rs 388.00 lacs this year as against Rs 611.99 lacs during the previous year. The significant decline of 36.60% is attributed to suspension of manufacturing activities at the Company's factory due to lack of orders coupled with discontinuance of job work relating to industrial chemicals undertaken on behalf of third party. The Company has however recorded a profit of Rs 22.24 lacs as against a loss of Rs 979.41 lacs last year. This has been possible due to significant drop in deferred tax.

Due to disturbances in business circles following introduction of GST it is difficult to make a prediction about the future. Your directors are however cautiously optimistic.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS:

The Company's current business activity consists of three segments viz Industrial Chemicals, Investments and Leasing. During the year under review, revenue from industrial segment was lower at Rs 242.72 lacs compared to Rs 505.72 lacs in the previous year, revenue from investments was Rs 19.91 lacs in comparison to Rs 3.89 lacs in the previous year, while leasing activities recorded a revenue of Rs 125.36 lacs as compared to Rs 102.39 lacs last year.

To overcome various challenges in a highly competitive business environment, the Company has taken various initiatives to reduce operational costs to achieve better margins across various segments.

GST even though may prove to be beneficial in the long run, has temporarily affected trade and business sentiment, which is perceived to be a negative factor.

The Company has in place a well established internal financial control systems in all areas of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. In addition to statutory audit, the internal auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Based on reports 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.

Information pertaining to financial performance forms part of this Report.

There were no material developments in the Company's Human Resource Capital. Industrial relations continue to be stable.

### 4. DIRECTORS:

- Your directors regret to report about the passing away of Hasmukh Gandhi, an independent director of the Company on 24.5.2017. The directors place on record their appreciation of the valuable service rendered by Hasmukh Gandhi during his long association with the Company.
- At the 70th Annual General Meeting (AGM) held on 30.09.2016, Mrs Smita Jatia (DIN: 03165703) was re-appointed as a director of the Company. Mr Sunil Trivedi (DIN: 00387797) and Mrs Rekha Pacharia (DIN: 07415573) were also appointed as Independent Directors, while Mr Banwari Lal Jatia (DIN: 00016823) was reappointed for a period of three years w.e.f 1.4.2017.
- On recommendation of the Nomination and Remuneration Committee of the Company, Mr Govind Prasad Goyal (DIN: 00017294) was appointed as additional director of the Company w.e.f 4.9.2017, in the category of independent director. Pursuant to Section 150 (2) of the Act the appointment of Mr Goyal needs to be approved by members.

The appointee possesses requisite expertise and knowledge and is qualified for being an Independent Director of the Company. The Company has also received prescribed notice from a member along with requisite security deposit.

Approval of members is being sought for appointment of Mr Goyal for a term of five years w.e.f 4.9.2017.

Necessary declarations have been received from each independent director under Section 149(7) of the Act that he / she meets the criteria of independence laid down in Section 149 (6) of the Act.

- d) Mr Om Prakash Adukia (DIN: 00017001) retires by rotation at the ensuing AGM but being eligible offers himself for re-appointment.
- e) Board Evaluation:

The Board has carried out an annual evaluation of its own performance, as also of the individual directors and its various committees. The performance of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting. Evaluation of performance of Independent Directors was carried out by the entire Board of Directors, excluding the director being evaluated. The directors expressed satisfaction with the evaluation process and the results.

- f) Meetings:

During the year 6 board meetings were convened and held.

## **5. COMMITTEES OF BOARD:**

- i) Audit Committee:

The Audit Committee comprises of:

Mr Sunil Trivedi (Chairman)

Ms Rekha Pacharia

Mr Om Prakash Adukia

During the year there were no instances where the Board did not accept any recommendation 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 the said mechanism.

- ii) Nomination and Remuneration Committee (NRC):

The NRC comprises of three members of which two including the Chairman are Independent Directors.

The Company's policy on appointment and remuneration of directors and others, etc. is attached as 'Annexure I' to this report.

- iii) Risk Management

In the Board's perception, there are no foreseeable risks which could threaten the existence of the Company except disturbances caused by government actions and political development.

## **6. UNCLAIMED SHARE CERTIFICATES:**

As reported last year the Company had in accordance with the listing regulations transferred on 27.5.2016 to a separate demat account in the Company's name 9778 unclaimed shares of the Company belonging to 79 shareholders who had failed to exchange their old certificates for new certificates in the Company allotted to members pursuant to a Scheme of Arrangement between the Company and Vesna Agencies Pvt Ltd (Hawcoplast Chemicals Ltd) even after many reminders by the Company. During the year one such member has since claimed his entitlement. The number of shareholders and the outstanding shares lying in the suspense account as at 31.3.2017 thus stands at 78 and 9650 respectively.

The voting rights however on these unclaimed shares will remain frozen till the rightful owner(s) claim(s) the shares.

Members who have not yet collected / claimed their share certificates can still do so through the Company's Registrars and Share Transfer Agent.

## **7. AUDITORS:**

M/s GMJ & Co., Chartered Accountants were appointed as Statutory Auditors of the Company at the AGM held on 30.9.2014 for a period of five years subject to ratification by members at every subsequent AGM. Ratification of the appointment is therefore being sought from members.

The Company has obtained a certificate from M/s GMJ & Co. to the effect that their re-appointment, if made, would be in accordance with the Act and the Rules framed thereunder.

## **8. AUDITORS' REPORT:**

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

## **9. SECRETARIAL AUDIT:**

A Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed hereto as 'Annexure II'.

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

## **10. LOANS / INVESTMENTS:**

Details of loans and investments appear in the notes to the financial statements. No guarantees / securities were provided by the Company on behalf of other bodies corporate during the year.

## **11. 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 arm's length basis. During the year, the Company did not enter into such materially significant transactions that may have potential conflict with the interest of the Company.

**12. FOREIGN EXCHANGE OUTGO:**

The Company expended Rs 3.91 lacs in foreign exchange during the year.

**13. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

None of the three criteria specified in Section 135(1) of the Act relating to CSR is applicable to the Company.

**14. SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

The Company has no subsidiary, joint venture or associate.

**15. PARTICULARS OF EMPLOYEES:**

- a. Required particulars of employees under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure – III' to this report.
- b. There are no employees covered by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**16. EXTRACT OF ANNUAL RETURN:**

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

**17. CORPORATE GOVERNANCE:**

A report on Corporate Governance as stipulated under Schedule V of the Listing Regulations has been attached to this Annual Report.

A certificate from Mr Shailesh Kachalia, a practicing Company Secretary, regarding compliance with conditions of Corporate Governance as stipulated in SEBI's Listing Regulations is annexed to this Report as 'Annexure V'.

**18. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) In preparation of the annual accounts, applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) Accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and of its profit for that period;
- (c) Proper and sufficient care has been taken for 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;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and operating effectively; and
- (f) Proper systems have been devised to ensure compliance with provisions of all applicable laws and such systems are adequate and operating effectively.

**19. GENERAL:**

Your directors state that no disclosure or reporting is required for the following as there were no transactions of the types covered thereby, during the year;

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

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.

**20. ACKNOWLEDGEMENTS:**

The Board sincerely thanks all stakeholders for their continued support.

For and on behalf of the Board

Banwari Lal Jatia  
Managing Director  
(DIN: 00016823)

Om Prakash Adukia  
Director  
(DIN: 00017001)

Dated: 4th September, 2017



## ANNEXURE - I

Extract from Nomination and Remuneration Policy:

Policy relating to Appointment, Criteria of Independence and Remuneration of Directors / Key Managerial Personnel (KMP)

### a) Qualifications :-

The objective is to have a Board of an appropriate composition with diverse background and experience and commitment to discharge its 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 boards of other bodies corporate; and
- iv) Requirements prescribed from time to time under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant law.

### b) Independence :-

The Nomination and Remuneration Committee (NRC) shall assess independence of directors at the time of appointment / re-appointment as well as annually as required by 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 NRC 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 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 NRC 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 NRC will not normally fix the actual amounts of remuneration that may be payable to each individual KMP or senior management personnel. However, the NRC 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 NRC 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 NRC. 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 NRC 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 the 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 Central Government from time to time.



## ANNEXURE II

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2017

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

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

I have conducted Secretarial Audit of compliance of applicable statutory provisions and adherence to 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 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 it and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the audit, I hereby report that in my opinion, the Company has, during the financial year ended on 31st March, 2017 complied with the statutory provisions 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.

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, 2017 according to provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealings with clients;
  - (d) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**I further report that** there were no events / actions in pursuance of :

- a) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b) SEBI (Share Based Employee Benefits) Regulations, 2014;
  - c) SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
  - d) SEBI (Delisting of Equity Shares) Regulations, 2009; and
  - e) SEBI (Buyback of Securities) Regulations, 1998;
- requiring compliance thereof by the Company during the Audit period.
- vi. Other Applicable Laws:
    - a. The Maharashtra Stamp Act, 1958;
    - b. Bombay Shops and Establishments Act, 1948;
    - c. Factories Act, 1948; and
    - d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and all other applicable laws for time being.

I have also examined compliance with 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 year under review the Company has complied with 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 year under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule 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 Committee(s) 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 there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**I further report that**, the compliance by the Company of applicable laws like direct and indirect tax laws etc and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by Statutory financial audit and other designated professionals.

Place : Mumbai  
Date : 18.08.2017

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

### **ANNEXURE III**

#### **REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES**

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

Sr No.	Name	Designation	Remuneration F Y 2016-17 ₹ in lakhs	% Increase in remuneration 2016-17	Ratio / Times per Median of employee remuneration
1	Mr Banwari Lal Jatia	Managing Director	2.75	Not quantified as the incumbent drew remuneration only for one month during the current year	
2	Mr Narendra Abhichandani	Chief Financial Officer	8.77	6.43	—
3	Mrs Smita Achrekar	Company Secretary	7.11	Not quantified as the incumbment drew remuneration only for part of the previous year	

The median remuneration of employees (7 Nos) of the Company during the financial year was Rs 5.70 lacs (increase of 27.23% over 2015-2016).

**Note:**

- The average % increase in the remuneration for the non-managerial personnel during the year 2016-2017 over the earlier year was 15.25%. Since the managerial remuneration figures for the two years are not comparable the % increase has not been figured out.
- The Remuneration paid is in consonance with the Remuneration Policy of the Company.

### **ANNEXURE IV**

#### **Form No. MGT -9**

Extract of Annual Return as on the financial year ended 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & 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:                         | Mall Office, 2nd Floor,<br>Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd,<br>Netivali, Kalyan (E), Thane 421306<br>Tel No.022-22837658-63.<br>Fax No. 022-22873176<br>E-mail Id: ho@hawcoindia.com ,<br>Website: www.hawcoindia.in |
| vi) Whether listed company:  | Yes   |
| vii) Name, Address & Contact details of the Registrars & Transfer Agent, if any. | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg, Vikhroli (West),<br>Mumbai – 400 083<br>Phone : 022 49186270 Fax: 022 49186060<br>e-mail : rnt.helpdesk@linkintime.co.in   |