



# **HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**

72<sup>nd</sup> Annual Report  
2017-2018

**BOARD OF DIRECTORS**

**Banwari Lal Jatia**, *Managing Director*

**Om Prakash Adukia**

**Sunil Trivedi**

**Rekha Pacharia**

**Smita Jatia** (upto 11.07.2018)

**G. P. Goyal** (upto 11.07.2018)

**AUDITORS**

Messrs GMJ & Co.

**REGISTERED OFFICE**

Mall Office, 2nd Floor, Metro Junction Mall of

West Pioneer Properties (India) Pvt. Ltd, Netivali, Kalyan (E) 421306

**HEAD OFFICE**

Gate No. 10, 1st Floor, 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 Park, LBS Marg, Vikhroli (West)

Mumbai – 400 083

**NOTICE**

Notice is hereby given that the Seventysecond 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 (India) Pvt. Ltd, Netivali, Kalyan (E) 421306 on Thursday, the 27th September, 2018 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018 together with 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 2018-2019 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 a Special Resolution:

**"RESOLVED THAT** pursuant to regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (which will be effective from 1st April, 2019) and applicable provisions of the Companies Act, 2013 read with applicable rules and regulations, approval of members of the Company be and is hereby accorded for continuation of appointment of Mr Om Prakash Adukia (DIN: 00017001), who is past 75 years of age, as a Non-Executive Director of the Company, for the time being."

**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.  
Proxies, in order to be effective, must be delivered / deposited at Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2018 to 27th September, 2018.
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). Also, please note that pursuant to SEBI notification no. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and BSE Circular no. LIST/COMP/15/2018-19 dated 05th July, 2018 requests for effecting transfer of securities (except in case of transmission or transposition) will not be processed w.e.f. 5th December, 2018, unless the securities proposed to be transferred are held in dematerialized form. Holders of Company's equity shares in physical form may therefore consider to dematerialize their holdings of securities.

Following is the procedure to dematerialize shares:

- Submit to your depository dematerialization request form (DRF) (in triplicate) duly filled in and signed by all the shareholders (in case of Joint Holding), along with physical share certificate(s) and other requisite documents and obtain an acknowledgement. Ensure that names and order of the names as given in the share certificate(s) match with names and order thereof as appearing in the depository's account.
- On receipt of DRF, the depository will generate a dematerialization request number (DRN), which is electronically transmitted to the Share Transfer Agent (STA).
- Simultaneously, the depository will send the physical certificate(s) with the original DRF to the STA for verification and confirmation.

- STA, on receipt of DRF and share certificate(s) will process the request. If the DRF is found to be in order, i.e. verified signature and certificate(s), then it will electronically confirm the request.
  - The depository on receipt of such confirmation, will credit the account with the number of shares so dematerialized.
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 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. The notice of AGM is being sent to those members whose name(s) appear in the register of members as on Friday, the 10th August, 2018.
  9. A person, whose name is recorded in the register of members as on the cut-off date i.e. 21.09.2018 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. Voting rights of members shall be proportionate to their respective share of the paid-up equity capital of the Company as on the said cut-off date.
  10. VOTING THROUGH ELECTRONIC MEANS:
    - I. 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).
    - II. 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.
    - 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 Monday, 24th September, 2018 (9.00 am) and ends on Wednesday, 26th September, 2018 (5.00 p.m.). During this period, members, holding shares as on the cut-off date of 21.09.2018, 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.
    - V. The process and manner for remote e-voting are as under:
      - a) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
      - b) Click on Shareholder – Login
      - c) Enter User ID and Password: -

Your User ID details are as per below:

Shares held in Demat / Physical	Your User ID is:
For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
For Members holding shares in Physical Form	REVEN (remote e-Voting event number) followed by Folio Number registered with the company For example, if folio number is 001*** and REVEN is 101456 then user ID is 101456001***

Your Password is as per below:

- 1) If you are already registered with NSDL for remote e-Voting, then you can use your existing password to login and cast your vote.
- 2) If you are using NSDL remote e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you.  
Following is the process to retrieve your initial password:
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you by NSDL on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account; last 8 digits of client ID for CDSL

account; or folio number for shares held in physical form, as the case may be. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- (iii) If you are unable to retrieve or haven't received the "initial password" or have forgotten your password. Click on the following option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com):
  - "Forgot User Details/Password?" (If you are holding shares in demat mode)
  - "Physical User Reset Password?" (If you are holding shares in physical mode)
  - If you are still unable to get the password by following above, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
- (iv) Once you retrieve your 'initial password', enter the 'initial password' and click login. Password change menu appears, change the password with new password of your choice. Note new password.

- d) Home page of remote e-Voting opens. Click on Active Voting Cycles
- e) Select "REVEN" (remote e-Voting Event Number) of Hardcastle and Waud Mfg Co. Ltd.
- f) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- g) Upon confirmation, the message "Vote cast successfully" will be displayed.

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 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Members may also contact Ms Pallavi Mhatre, Assistant Manager, NSDL at email id: [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone no.: 022 – 24994545, who will also address grievances pertaining to remote e-voting.

VII. Any person, who acquires shares of the Company and becomes its member after Friday, the 10th August, 2018 and holding shares as of the cut-off date i.e. 21.09.2018, 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).

- 11. Mr Shailesh Kachalia, (PCS - CP No.3888) will scrutinise voting at the AGM and remote e-voting process in a fair and transparent manner.
- 12. 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 website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the same shall also be communicated to the Bombay Stock Exchange Limited, where shares of the Company are listed.
- 13. Route Map showing directions to reach venue of the AGM appears at the end.

**Registered Office**

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

**By Order of the Board of Directors**

**Smita Achrekar**  
**Company Secretary**

**Dated: 14th August, 2018**

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

Pursuant to notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 on 9th May, 2018 vide notification no. SEBI/LAD-NRO/GN/2018/10, a new sub-regulation 17 (1A) has been inserted after regulation 17(1) in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (which shall be effective from 1st April, 2019). As a result, effective 1st April, 2019 no listed entity can appoint a person as a non-executive director of the Company or continue the appointment of / directorship of any existing non-executive director of the Company, who has attained the age of seventy five years unless a special resolution is passed to that effect.

Mr Om Prakash Adukia is presently 81 years of age and is a non-executive director of the Company, hence a special resolution is required to be passed for continuation of his directorship in the Company beyond 31.3.2019.

Mr Adukia possesses 61 years' experience in industrial, business and financial management. He is on the Board of the Company since last 9 years and also holds directorship in various other companies.

He is regular in attendance and committed to the Board contributing effectively during proceedings of its meetings. His guidance and advice have turned to be beneficial to the Company, its employees, shareholders and the stakeholders at large.

In view of above, your approval by way of special resolution is sought for continuation of appointment / directorship of Mr Om Prakash Adukia as a non-executive director of the Company, for the time being.

Requisite information about Mr Om Prakash Adukia appears in part II below.

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

Mr Om Prakash Adukia is interested in the resolution with regard to continuation of his appointment. Also his relatives may be deemed to be interested to the extent of their respective 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 re-appointment are furnished below:**

Sr. No.	Name	Mr Om Prakash Adukia (DIN: 00017001)
1	Age	81 years
2	Qualifications	Commerce Graduate
3	Experience / nature of expertise in specific functional areas	Possesses 61 years' experience in industrial, business and financial management
4	Terms and conditions	Continuation of appointment / directorship as a non-executive Director of the Company, liable to retire by rotation.
5	Date of first appointment on the Board	1.05.2009
6	Shareholding in the Company	Nil
7	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Director or KMP of the Company
8	Number of Board Meetings attended during the year	7 (Seven)
9	Other listed entities in which directorships held	1) Winmore Leasing and Holdings Limited 2) West Leisure Resorts Limited
* 10	Membership / Chairpersonship of Committees of other Boards of listed entities	1) West Leisure Resorts Limited - Member of Audit Committee 2) Winmore Leasing and Holdings Limited a) Audit Committee - Member b) Stakeholder Relationship Committee - Member

\* 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 (India) Pvt Ltd,  
Netivali, Kalyan(E) 421306

**Dated: 14th August, 2018**

**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 Seventysecond Annual Report together with the Audited Financial Statements for the year ended March 31, 2018 and Management Discussion and Analysis.

**1. FINANCIAL RESULTS AND APPROPRIATIONS:**

The financial statements for the financial year ended 31st March, 2018 are the first the Company has prepared under Indian Accounting Standards (Ind AS). The financial statements for the financial year ended 31st March, 2017 have been restated in accordance with Ind AS for comparative information.

	<b>Year Ended March 31, 2018 (₹ Lakhs)</b>	Previous Year March 31, 2017 (₹ Lakhs)
Profit before Depreciation	<b>169.64</b>	539.54
Depreciation	<b>39.33</b>	35.82
Profit before Taxation	<b>130.31</b>	503.72
Provision for Taxation	<b>17.17</b>	3.35
Deferred Tax	<b>2.60</b>	104.59
Income Tax for earlier years	<b>1.42</b>	(7.81)
Net Profit after Taxation	<b>109.12</b>	403.59
Other Comprehensive Income	<b>4.78</b>	3.68
Total Comprehensive Income for the Year (Comprising Profit and other Comprehensive Income for the Year)	<b>113.90</b>	407.27
Balance b/f from Previous Year	<b>(990.51)</b>	(1397.78)
Total Available	<b>(876.61)</b>	(990.51)
Transferred to General Reserve	<b>—</b>	—
Carried forward	<b>(876.61)</b>	(990.51)

In order to conserve resources, no dividend is being recommended.

**2. OPERATIONS:**

The Company's business activity currently consists of Industrial Chemicals, Investments and Leasing. During the year under review, revenue from industrial segment was ₹ 167.68 lakhs compared to ₹ 185.66 lakhs in the previous year, revenue from investments was ₹ 128.32 lakhs in comparison to ₹ 510.88 lakhs in the previous year, while leasing activity yielded a revenue of ₹ 125.43 lakhs as compared to ₹ 125.11 lakhs last year.

The Total Income for the year ended March 31, 2018 was at ₹ 434.13 lakhs representing a decline of over 48% over the previous year. The decline is mainly due to lower revenue through investment activities. Consequently, profit after tax for the current year stood at ₹ 109.12 lakhs as against ₹ 403.59 lakhs during the previous year.

The Company is hopeful for a better year ahead.

**3. MANAGEMENT DISCUSSION AND ANALYSIS:**

In terms of Rule 4(1)(iii) of the Companies (Indian Accounting Standards) Rules, 2015, the Company is required to switch over from Indian GAAP to Ind AS with effect from April 1, 2017, with a transition date of April 1, 2016. The factors which had an impact due to transition to Ind AS are re-measurement of actuarial loss/(gain) arising in respect of Employee Defined Benefit Obligations, fair valuation of investments, tax adjustments, etc. Reconciliation and description of effect of the transition from IGAAP to Ind AS have been provided in notes to the financial statements.

The Company has in place a well-established internal financial control system 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, the concerned 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.

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.

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 cordial.

**4. DIRECTORS:**

- a) At the 71st Annual General Meeting (AGM) held on 29.09.2017, Mr Om Prakash Adukia (DIN: 00017001) was re-appointed as a non-executive director of the Company.
- b) Mr G. P. Goyal (DIN: 00017294), who was also appointed at the previous AGM as an Independent Director and Mrs Smita Jatia (DIN: 03165703), a non-executive director of the Company, have resigned w.e.f. 11.7.2018.
- c) Mr Om Prakash Adukia (DIN: 00017001) retires by rotation at the ensuing AGM but being eligible offers himself for re-appointment.
- d) Pursuant to amendments made by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 on 9th May, 2018, a new sub-regulation 17 (1A) has been inserted after regulation 17(1) in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As a result, effective 1st April, 2019; no listed entity can appoint any person as a non-executive director of the Company or continue the appointment of / directorship of any existing non-executive director of the Company, who has attained the age of seventy-five years unless a special resolution is passed to that effect by members of the Company.

Mr Om Prakash Adukia is presently 81 years of age and is a non-executive director of the Company, and so a special resolution is required to be passed for continuation of his directorship in the Company.

The Nomination and Remuneration Committee of the Company has recommended to the Board of Directors to seek members' approval for continuation of Mr Adukia's appointment as non-executive director of the Company after 31.3.2019.

The Board recommends members to approve the proposal for continuation of appointment of Mr Adukia as a non-executive director; requisite resolution forms part of the notice.

- e) Necessary declarations have been received from the independent directors of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that he / she meets the criteria of independence laid down in Section 149 (6) of the Act.
- f) 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.

- g) Meetings:

During the year 7 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 Chairperson are Independent Directors.

The Company's Nomination and Remuneration Policy (the Policy) was amended on 14.12.2017. Salient features of the revised policy include, having an appropriate mix of executive, non - executive and independent directors primarily to maintain independence of the Board. NRC to assess independence of directors at time of appointment / re-appointment as well as annually. NRC to take into consideration various things as specified in the policy while considering any remuneration to be paid to directors, key managerial personnel and other employees, etc.

The Policy is available on the Company's website [www.hawcoindia.in](http://www.hawcoindia.in) under the section 'Policies'.

iii) **Risk Management**

In the Boards' perception, there are no foreseeable risks which could threaten the existence of the Company.

**6. UNCLAIMED SHARE CERTIFICATES:**

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. In the previous year one such member had since claimed his entitlement, the number of shareholders and the outstanding shares lying in the suspense account thus stood at 78 and 9650 respectively.

During the year no such request has been received by the Company.

The voting rights on these unclaimed shares 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, 2018 is annexed hereto as 'Annexure I'.

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 Company.

**12. 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.

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

The Company does not have any subsidiary, joint venture or associate.

**14. 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 – II' to this report.

b. There are no employees covered by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**15. EXTRACT OF ANNUAL RETURN:**

An extract of the Company's Annual Return in form MGT-9 is available on its website [www.hawcoindia.in](http://www.hawcoindia.in) under the section 'Disclosures'.

**16. 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 III'.

**17. 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.

**18. MAINTENANCE OF COST RECORDS:**

The Central Government of India has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for any activities of the Company, thus the Company is not required to maintain cost records.

**19. SECRETARIAL STANDARDS OF ICSI:**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India.

**20. 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 or outgo;
- vi. No material changes and commitments have occurred after close of the year till the date of this report, which might affect the financial position of the Company; and
- vii. No fraud is reported by auditors under section 143 (12) of the Act.

Your directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has, however, complied with provisions relating to the constitution of Internal Complaints Committee under the said Act.

**ACKNOWLEDGEMENTS:**

The Board sincerely thanks all stakeholders for their continued support.

**For and on behalf of the Board**

**Dated: 14th August, 2018**

**Banwari Lal Jatia**  
**Managing Director**  
**(DIN: 00016823)**

**Om Prakash Adukia**  
**Director**  
**(DIN: 00017001)**

**ANNEXURE - I**  
**SECRETARIAL AUDIT REPORT**

For Financial Year ended 31st March, 2018

[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,  
Members of  
**Hardcastle And Waud Mfg Co. Limited,**

I have conducted Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by Hardcastle And 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 conduct of the audit, I hereby report that in my opinion, the Company has, during the financial year ended on 31st March, 2018 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, 2018 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'):-
- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealings with clients;
  - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**I further report that** there were no events / actions covered by:

- SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- SEBI (Share Based Employee Benefits) Regulations, 2014;
- SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- SEBI (Delisting of Equity Shares) Regulations, 2009; and
- SEBI (Buyback of Securities) Regulations, 1998;

requiring compliance thereof by the Company during the Audit period.

- vi. Other Applicable Laws:

- The Maharashtra Stamp Act, 1958;
- Bombay Shops and Establishments Act, 1948;
- Factories Act, 1948; and
- 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:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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 meetings and for meaningful participation at the meetings.

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,** 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: 2.08.2018**

**Sd/-**  
**Shailesh A. Kachalia**  
**FCS No. 1391**  
**C P No. 3888**

## ANNEXURE II

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

Information required pursuant to Section 197 (12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Sr No.	Name	Designation	Remuneration F Y 2017-18 ₹ in lakhs	% Increase in remuneration 2017-18	Ratio / Times per Median of employee remuneration
1	Mr Banwari Lal Jatia	Managing Director	Nil	Not quantified as the incumbent did not draw remuneration during the current year	—
2	Mr Narendra Abhichandani	Chief Financial Officer	9.51	8.43	—
3	Mrs Smita Achrekar	Company Secretary	7.70	8.30	—

The median remuneration of employees (7 Nos) of the Company during the financial year was Rs 6.70 lakhs (increase of 17.54% over 2016-2017).

**Note:**

The Remuneration paid is in consonance with the Remuneration Policy of the Company.

**ANNEXURE III**  
**COMPLIANCE CERTIFICATE**

To  
Members  
**Hardcastle And Waud Mfg Co. Ltd.**  
Kalyan

I have examined the Company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2018.

Compliance of conditions of corporate governance is responsibility of the management. My examination was limited to the procedures adopted by the Company for ensuring compliance of conditions of Corporate Governance and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have conducted my review on the basis of relevant records and documents maintained by the Company and furnished to me for review and of the information and explanations given to me by the Company.

Based on such review, and to the best of my information and according to the explanations given to me, in my opinion, the Company has complied with conditions of Corporate Governance.

**Place : Mumbai**  
**Date: 02.08.2018**

**Sd/-**  
**Shailesh A Kachalia**  
**CP 3888**  
**Company Secretary**

**CORPORATE GOVERNANCE REPORT**

**1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

Your Company believes that sound corporate governance is critical to enhancing and retaining investor trust. It is towards this objective that we have strengthened governance practices to achieve higher standards by providing guidance to the management in strategy implementation and in fulfilling stated goals and objectives.

**2) BOARD OF DIRECTORS:**

(a) Composition and Category of Directors as at 31.3.2018:

Sr No.	Name of Director	Category	No. of other Directorship held as on 31.03.2018	@ No. of Board Committees (Other than Hawco) in which Chairman/Member		Relationship with other Directors inter-se
				Chairman	Member	
1	Mr Banwari Lal Jatia (DIN:00016823)	Promoter, Executive	14	1	1	Father-in-law of Mrs Smita Jatia
2	Mr Om Prakash Adukia (DIN:00017001)	Non-Executive	4	2	5	
3	Mr Sunil Trivedi (DIN:00387797)	Independent, Non-Executive	3	-	1	Not related to any other Director of the Company
4	Mrs Rekha Pacharia (DIN:07415573)	Independent, Non-Executive	4	-	-	
5	Mr Govind Prasad Goyal (DIN:00017294)	Independent, Non-Executive	2	-	1	
6	Mrs Smita Jatia (DIN:03165703)	Promoter, Non-Executive	4	-	-	Daughter-in-law of Mr B. L. Jatia

@ - Member includes Chairman. Only memberships of Audit Committee and Stakeholders' Relationship Committee of public limited companies are included.

(b) Number of Board Meetings held, dates on which held and attendance of each director at meetings of the Board of Directors and at the last Annual General Meeting:  
During the year under review 7 Board meetings were held.

Sr No.	Name of the Director	Dates of Board Meeting and its Attendance							Date of Last AGM and its Attendance
		29.05.2017	04.09.2017	14.09.2017	19.09.2017	14.12.2017	12.02.2018	03.03.2018	
1	Mr Banwari Lal Jatia (DIN:00016823)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Not Present
2	Mr Om Prakash Adukia (DIN:00017001)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Mr Sunil Trivedi (DIN:00387797)	Attended	Attended	Attended	Not Present	Attended	Attended	Not Present	Attended
4	Mrs Rekha Pacharia (DIN:07415573)	Attended	Attended	Attended	Attended	Attended	Attended	Not Present	Not Present