



HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED

73rd Annual Report
2018-2019

BOARD OF DIRECTORS

Banwari Lal Jatia, *Managing Director*

Om Prakash Adukia

Sunil Kantilal Trivedi

Rekha Abhishek Pacharia

Smita Jatia (upto 11.07.2018)

Govind Prasad 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

CORPORATE OFFICE

Gate No. 10, 1st Floor, Brabourne Stadium, 87 Veer Nariman Road,
Mumbai 400 020

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 Seventy-third 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 Monday, the 30th September, 2019 at 10.30 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, 2019 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.

If Mr Adukia is re-appointed then the re-appointment shall be subject to compliance with Regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and 142 (1) of the Companies Act, 2013 and the rules made thereunder, M/s GMJ & Co., Chartered Accountants (Firm Registration No. 103429W) be and are hereby re-appointed as Statutory Auditors of the Company to hold office for a period of five years, from conclusion of this 73rd Annual General Meeting until conclusion of 78th Annual General Meeting, at such remuneration as may be fixed by the Board of Directors of the Company on recommendation of the Audit Committee, from time to time."

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 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 re-appointment/continuation of Mr Om Prakash Adukia (DIN:00017001), who retires by rotation and is past 75 years of age, as a non-executive director of the Company."

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

"RESOLVED THAT subject to relevant provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and any other applicable law, Mr Banwari Lal Jatia be and is hereby re-appointed as Managing Director of the Company for a term of three (3) years with effect from 1st April, 2020 on the following terms and conditions:

1. The Managing Director shall, subject to the superintendence and control of the Board of Directors (hereinafter referred to as 'the Board') be in overall charge of the Company's activities and shall perform such other duties and services and exercise such other powers as shall from time to time be entrusted to him by the Board;
2. Remuneration – A monthly salary of ₹ 3,75,000 (Rupees Three Lacs Seventy Five Thousand) in the grade of 3,75,000 – 25,000 – 4,25,000;
3. The appointee shall also be eligible to the following perquisites which shall not be included in computation of the remuneration specified in the preceding clause:-
 - a) Contribution to provident fund, superannuation fund and/or annuity fund to the extent these are not taxable under the Income Tax Act, 1961;
 - b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - c) Encashment of leave at end of the tenure.
4. OTHERS:
 - A) The appointee shall also be entitled to the following benefits:
 - i) Furnished accommodation (subject to payment of 10% of his monthly salary as rent) or House Rent Allowance equal to 50% of the monthly salary in lieu thereof (expenditure incurred by the Company on gas, electricity, water and furnishing shall be subject to a ceiling of 10% of his salary);

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

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

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

Notes:

1. A statement pursuant to Section 102 (1) of the Act, 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 28th September, 2019 to 30th September, 2019.
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 their respective Board's Resolution authorizing their (named) representative to attend and vote on their behalf at the meeting, in advance.
5. As per regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (SEBI Listing Regulations) securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Holders of Company's equity shares in physical form may therefore consider to dematerialize their holding of securities. Procedure to dematerialize share(s) is available on the website of the Company.
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, date of birth of the minor, and name and address of the nominee. All members are requested to update their respective details with their depository participant (DP's) or Link Intime India Private Limited (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 names appear in the register of members as on Friday, the 9th August, 2019.
9. A person, whose name is recorded in the register of members as on the cut-off date i.e. 24.09.2019 only shall be entitled to avail 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 in 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 Thursday, 26th September, 2019 (9.00 am) and ends on Sunday, 29th September, 2019 (5.00 p.m.). During this period, members holding shares as on the cut-off date of 24.09.2019, 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:
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - Click on Shareholder – Login
 - Enter User ID and Password: -

Your User ID details are as 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:

- If you are already registered with NSDL for remote e-Voting, then you can use your existing password to login and cast your vote.
- 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:

- 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 by 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'.
- If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- If you are unable to retrieve or have not received the "initial password" or have forgotten your password, click on the following option available on 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 mentioning your demat account number / folio number, your PAN, your name and your registered address.
- 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.

- Home page of remote e-Voting opens. Click on Active Voting Cycles
 - Select "REVEN" (remote e-Voting Event Number) of Hardcastle and Waud Mfg Co. Ltd.
 - 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.
- 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 or call on toll free no.:1800-222-990 or send a request at evoting@nsdl.co.in. Members may also contact Ms Pallavi Mhatre, Manager, NSDL 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 9th August, 2019 and holding shares as of the cut-off date i.e. 24.09.2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or at 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 and on website of NSDL www.evoting.nsdl.com and the same shall also be communicated to the Bombay Stock Exchange, where shares of the Company are listed.
13. Route Map showing directions to reach venue of the AGM is provided in the Proxy Form.

Registered Office

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

Dated: 6th August, 2019

By Order of the Board of Directors

Smita Achrekar
Company Secretary

Annexure to the Notice

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

Item No. 3

At the 68th AGM of the Company held on 30.9.2014, M/s GMJ & Co., Chartered Accountants, were appointed as statutory auditors of the Company for a term of five years. The term of appointment of M/s GMJ & Co. will come to end at conclusion of this 73rd AGM.

Pursuant to applicable provisions of the Act, M/s GMJ & Co., are eligible for re-appointment for one more term of 5 years.

On recommendation of the Audit Committee, the Board of Directors of the Company has decided to propose re-appointment of the said Auditors for a further period of 5 years from conclusion of this 73rd AGM till the conclusion of the 78th AGM. The Audit Committee and the Board of Directors are of the view that it would be in the interest of the Company to re-appoint M/s GMJ & Co. and to continue with their services. Further the fees payable to them for their services shall be finalized by the Board of Directors of the Company on recommendation of its Audit Committee from time to time.

M/s GMJ & Co. have given their consent to act as the Statutory Auditors of the Company and have confirmed that the re-appointment, if made, will be in accordance with the conditions prescribed under the Act. Also no proceedings against the firm or any partner of the firm is pending with respect to professional matters of conduct.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is in anyway concerned or interested, financially or otherwise, in this Resolution.

The Board commends the Resolution, as set out at item no. 3 of the notice for approval of members.

Item No. 4

Pursuant to regulation 17 (1A) of SEBI Listing Regulations, no listed entity shall 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, a non – executive director, is past 75 years of age. A special resolution is required to be passed for his re-appointment and continuation as a director in the Company.

Mr Adukia possesses around 62 years' experience in industrial, business and financial management. He is on the Board of the Company since last 10 years and also holds directorship in various 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 re-appointment and continuation of Mr Om Prakash Adukia as a non – executive director of the Company.

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

Mr Adukia is interested in the resolution. Also his relatives may be deemed to be interested to the extent of their respective shareholding, if any, in the Company.

Save and except above, none of the directors / key managerial personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Requisite Details of Mr Om Prakash Adukia are furnished below:

1.	Age	82 years
2.	Qualifications	Commerce Graduate
3.	Experience/nature of expertise in specific functional areas	Possesses 62 years of experience in industrial, business and financial management.
4.	Terms and Conditions	Re-appointment as a non – executive Director of the Company
5.	Date of first appointment on the Board	1.5.2009
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, Manager or Key Managerial Personnel of the Company.
8.	Number of Board Meetings attended during the year	6 (Six)
9.	Other listed entities in which directorship held	1) West Leisure Resorts Limited 2) Winmore Leasing and Holdings Limited
*10.	Membership / Chairpersonship of Committees of other Boards of listed entities	1) Member of Audit Committee of West Leisure Resorts Limited 2) Member of Stakeholders Relationship Committee of Winmore Leasing and Holdings Limited

*Only Membership and Chairpersonship of Audit Committee and Stakeholders' Relationship Committee of listed entities considered.

Item No. 5

Mr Banwari Lal Jatia, Managing Director of the Company was appointed for a tenure of three years with effect from 1st April, 2017 vide members' Special Resolution dated 30th September, 2016.

Mr Jatia has completed 75 years of age and in view of provisions of Section 196(3) of the Act and based on recommendation of the Nomination and Remuneration Committee, Members' approval is being sought for re-appointment of Mr Jatia for a period of 3 years effective from 1st April, 2020.

Considering Mr Jatia's vast experience in various facets of industry and business and his long association with the Company, the Board recommends the resolution at item no. 5 of the Notice for members' approval.

Mr Jatia, director of the Company and his relatives may be deemed to be interested in the resolution, 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 is, in any way, concerned or interested, financially or otherwise, in the resolution.

Statement as required under Clause (B) of Section II of Part II of Schedule V of the Act with respect to the aforesaid item No. 5 appears below:

I. GENERAL INFORMATION:

Sr. No.	Particulars of candidate	
1.	Nature of Industry	Trading
2.	Date or expected date of commencement of commercial production	Not Applicable
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	See annexure "A" below
5.	Foreign Investments or collaborations, if any	Nil

II. INFORMATION ABOUT THE APPOINTEE:

Sr. No.	Particulars of candidate	
1.	Name	Mr Banwari Lal Jatia (DIN:00016823)
2.	Age	76 years
3.	Qualifications	Holds B.Com and LLB Degrees from University of Mumbai
4.	Terms and Conditions	As Managing Director for a period of three years w.e.f. 1.4.2020; not liable to retire by rotation
5.	Date of first appointment on the Board	26.5.1994
6.	Number of Board Meetings attended during the year	6(Six)
7.	Background details / Experience	Over 50 years of experience in paper, textiles, chemicals, food processing, mining, healthcare, investments, finance and retail sectors.
8.	Past Remuneration	Was last appointed as Managing Director in the grade of ₹ 3,00,000-25,000-3,50,000 p.m. for 3 years w.e.f. 1.4.2017 and with other perquisites and benefits.
9.	Recognition or awards	-

10.	Job profile and his suitability	Overall charge of running affairs of the Company subject to superintendence and control of the Board of Directors and performing such other duties and services as entrusted by the Board from time to time. He has managed the affairs of the Company successfully for the past 25 years and is thus eminently suited for the office.
11.	Remuneration proposed	Monthly salary in the grade of ₹ 3,75,000-25,000-4,25,000 with other perquisites and benefits.
12.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by peers
13.	Shareholding in the Company	6028 Equity Shares
14.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr Jatia is a promoter of the Company. He along with the other members of promoter group holds/controls 73.47 % of equity capital of the Company. He has no relationship with the managerial personnel of the Company.
15.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Director, Manager or Key Managerial Personnel of the Company.
16.	Other listed entities in which directorship held	Westlife Development Limited
*17.	Membership / Chairpersonship of Committees of other Boards of listed entities	Chairperson of Stakeholder Relationship Committee of Westlife Development Limited

*Only Membership and Chairpersonship of Audit Committee and Stakeholders' Relationship Committee of listed entities considered.

III. OTHER INFORMATION:

Sr. No.	Particulars	
1.	Reasons of loss or inadequate profits	Overall depressed economy
2.	Steps taken or proposed to be taken for improvement	Reducing costs and exploring new income avenues
3.	Expected increase in productivity and profits in measurable terms	Not Quantifiable

The above information may be treated as a written Memorandum setting out the terms of re-appointment of Mr Banwari Lal Jatia under Section 190 of the Act.

ANNEXURE A Financial performance of the Company

Particulars	For 3 months ended 30.06.2019 (Unaudited) (₹ in Hundreds)	Financial Year 2018-2019 (Audited) (₹ in Hundreds)	Financial Year 2017 – 2018 (Audited) (₹ in Hundreds)
Revenue from Operations	58,483.81	2,88,637.07	4,21,429.84
Other Income	3,106.11	19,974.04	12,702.93
Total Expenditure	65,962.40	2,89,880.59	3,03,823.65
Profit / (Loss) before tax	(4,372.48)	18,730.52	1,30,309.12
Tax expenses	10,505.82	6,747.18	21,189.99
Net Profit / (Loss)	(14,878.30)	11,983.34	1,09,119.13

Registered Office

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

Dated: 6th August, 2019

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 the Seventy-third Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2019 and Management Discussion and Analysis.

1. FINANCIAL RESULTS AND APPROPRIATIONS:

Particulars	Year Ended March 31, 2019 (₹ Lakhs)	Previous Year March 31, 2018 (₹ Lakhs)
Profit before Interest, and Depreciation	56.78	169.64
Interest	0.31	-
Depreciation	37.74	39.33
Profit before Taxation	18.73	130.31
Provision for Taxation	-	17.17
Deferred Tax	6.23	2.60
Income Tax for earlier years	0.52	1.42
Net Profit after Taxation	11.98	109.12
Other Comprehensive Income	(8.61)	4.78
Total Comprehensive Income for the year	3.37	113.90
Balance b/f from previous year	-876.61	-990.51
Total Available	-873.24	-876.61
Transferred to General Reserve	-	-
Carried Forward	-873.24	-876.61

In view of accumulated loss no dividend is being recommended.

2. OPERATIONS:

The Company has registered a turnover of ₹ 288.64 Lakhs this year as against ₹ 421.43 Lakhs during the previous year. The significant decline of 46.01% is due to lower revenue through investment activities. The Total Income for the year ended March 31, 2019 was at ₹ 308.61 Lakhs as compared to ₹ 434.13 Lakhs in the last year. Consequently, profit after tax for the current year stood at Rs 11.98 lakhs as against ₹ 109.12 lakhs during the previous year.

The Company hopes to perform better in the future.

3. MANAGEMENT DISCUSSION AND ANALYSIS:

The Company's business activity currently consists of Industrial Chemicals, Investments and Leasing. During the year under review, revenue from industrial segment was ₹ 150.51 lakhs compared to ₹ 167.68 lakhs in the previous year, revenue from investments was ₹ 7.14 lakhs in comparison to ₹ 128.32 lakhs in the previous year, while leasing activity yielded a revenue of ₹ 130.99 lakhs as compared to ₹ 125.43 lakhs in the earlier year. Decrease in income from investment activity has affected overall performance of the Company.

The Company is focusing on increase in revenue and reduction in costs. Efforts are also continuously being made in looking out for other business opportunities.

The Company has in place internal financial control systems, commensurate with its size and the nature of its operations to ensure proper recording of financial and operational transactions / information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. The observations arising out of the internal audits are periodically reviewed at appropriate level and summaries along with corrective actions plans, if any, are submitted to the management and Audit Committee for review, comments and directions. The concerned departments undertake corrective action in their respective areas and thereby strengthen the controls.

The Company did not enter into any transaction(s) with any person(s) or entity belonging to the promoter / promoter group who hold 10% or more shareholding in the Company. Information pertaining to financial performance forms part of this Report.

There were no material developments in the Company's Human Resource Capital except superannuation of the Chief Financial Officer effective 1st January, 2019. Industrial relations continue to be cordial.

RATIOS

Key Financial Ratios

- Interest Coverage Ratio was 61 which indicates strong financial health and capability of meeting interest obligations. During the earlier year (2017-18) there was no interest outgo due to NIL borrowing.
- Similarly, Debt Equity Ratio was at 0.01 as compared to the previous year's 0.00. The extremely low debt to equity ratio is indicative of strong ability to repay debt obligations.
- Return on Net Worth decreased from 3.10% in 2017-18 to 0.09 during the current year due to decrease in profit after tax from ₹ 114 lakhs to ₹ 3 lakhs due to Fair Value measurements during the current year apart from fall in earnings from investment activity.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- At the 72nd Annual General Meeting (AGM) held on 27.09.2018, Mr Om Prakash Adukia (DIN: 00017001) was re-appointed as a director of the Company.

- b) Also, members' approval was accorded for continuation of appointment of Mr Om Prakash Adukia (DIN: 00017001) as a non-executive director of the Company, pursuant to regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
- c) Mr Govind Prasad Goyal (DIN: 00017294) and Mrs Smita Jatia (DIN: 03165703) resigned as directors of the Company w.e.f. 11.07.2018.
- d) During the year, Mr Narendra Abhichandani, Chief Financial Officer ("CFO") of the Company retired effective from close of 31.12.2018. Ms Shivani Bhargava has since been appointed in place of Mr Abhichandani as CFO of the Company w.e.f. 22nd April, 2019.
- e) Mr Om Prakash Adukia (DIN: 00017001) retires by rotation at the ensuing AGM but being eligible offers himself for re-appointment.
Since Mr Adukia has already crossed age of 75 years a Special Resolution for his continued appointment as a non – executive director of the Company is being proposed for consideration of the members at the ensuing Annual General Meeting of the Company in compliance with the requirement of Regulation 17 (1A) of the Listing Regulations.
- f) Requisite declarations have been received from the independent directors of the Company under Section 149(7) of the Companies Act, 2013 (the Act) regarding meeting the criteria of independence laid down in Section 149 (6) of the Act.

g) Board Evaluation:

Pursuant to the Act and the Listing Regulations the Board has carried out an annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of working of its Audit, Nomination and Remuneration and other Committee of the Board. 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 thereof.

h) Meetings:

During the year 6 board meetings were convened and held.

5. AUDIT COMMITTEE:

Composition of the Audit Committee is given in the Corporate Governance Report, which forms part of this Report.

Board of Directors of the Company has accepted all recommendations of its Audit Committee during Financial Year 2018 – 2019. The Company has in place a vigil mechanism for directors and employees, to report genuine concerns about any wrongful act and any unethical conduct with respect to the Company or its business affairs to the Audit Committee which oversees functioning of the said mechanism.

6. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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

Salient features of the policy include, having an appropriate mix of executive, non - executive and independent directors primarily to maintain independence. NRC assesses independence of directors at time of appointment / re-appointment as well as annually. NRC takes into consideration various factors 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 under the section 'Policies'.

7. RISK MANAGEMENT:

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

8. UNCLAIMED SHARE CERTIFICATES:

As reported earlier, 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. At end of the year, the number of shareholders and the outstanding shares lying in the suspense account is 78 and 9650 respectively.

During the year no request for exchange of shares 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.

9. AUDITORS:

The term of appointment of M/s GMJ & Co., Chartered Accountants, Statutory Auditors shall come to an end on conclusion of the forthcoming AGM.

In accordance with provisions of Section 139 of the Act, M/s GMJ & Co. are proposed to be re-appointed as statutory auditors of the Company for a further period of 5 years commencing from conclusion of the ensuing AGM till conclusion of the 78th AGM of the Company.

M/s GMJ & Co. have provided their consent to act as statutory auditors of the Company and have confirmed that their re-appointment, if made, will be in accordance with Section 139 read with Section 141 of the Act and applicable rules made thereunder.

Members are requested to re-appoint M/s GMJ & Co. as statutory auditors of the Company for a further period of 5 years and grant requisite authorization to fix their remuneration.

10. AUDITORS' REPORT:

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

11. SECRETARIAL AUDIT:

A Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed hereto as 'Annexure I'.

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

12. LOANS GUARANTEES OR INVESTMENTS:

Details of investments made appear in notes to the financial statements. No loan was given and no guarantee or security was provided by the Company on behalf of others during the year.

13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis.

During the year, the Company did not enter into any materially significant transactions that may have potential conflict with interest of the Company.

14. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There were no foreign earnings during the year, whereas the foreign exchange outgo was of ₹ 7,34,276.

15. 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.

16. SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

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

17. 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.

18. EXTRACT OF ANNUAL RETURN:

An extract of the Company's annual return for the year ended 31st March, 2019 in Form MGT-9 is annexed hereto as 'Annexure III'. The same is also available on the website of the Company at www.hawcoindia.in under the section 'Disclosures'.

19. 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 IV'.

20. 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 explanations 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.

21. MAINTENANCE OF COST RECORDS:

The 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.

22. SECRETARIAL STANDARDS OF ICSI:

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

23. 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;