

**REPORT ON CORPORATE GOVERNANCE**

[Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. A brief statement on Company's philosophy on code of governance:**

The Company believes in transparency, professionalism and accountability, which are basic principles of corporate governance and would constantly endeavor to improve on these aspects.

**2. Corporate Ethics:**

The Company adheres to the highest standards of business ethics, transparency in all its dealings and timely compliance with statutory and legal requirements.

**2.1 Code of Conduct of Board Members and Senior Management:**

The Board of Directors of the Company has adopted Code of Conduct for its Members and Senior Management and it is reviewed and modified periodically as per changes in applicable laws. The Code highlights Corporate Governance as the cornerstone for sustained management performance and for serving all the stakeholders and for instilling pride of association. The code has been posted on the website of the Company i.e. [www.hindcompo.com](http://www.hindcompo.com).

**2.2 Code of Conduct for Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its management, directors, employees and other connected persons. The Code lays down guidelines and procedures to be followed and disclosures to be made by directors, top level executives and employees whilst dealing in shares. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

**2.3 Vigil Mechanism:**

The Company has established a vigil mechanism for employees, officers and directors, which encourage them to report any suspected violation promptly and intend to investigate any report of violations made in good faith.

**2.4 SHE (Safety, Health & Environment) System:**

The Company has adopted Safety, Health and Environment (SHE) System with a commitment to provide a safe and healthy working environment.

**3. Secretary's Responsibility Statement:**

The Company Secretary confirms that the Company has:

- Maintained all the Statutory Registers required to be maintained under the Companies Act, 2013 ("the Act") and the rules made thereunder.
- Filed all the forms and returns and furnished necessary particulars in time with the Registrar of Companies (ROC), Mumbai, Maharashtra, Ministry of Corporate Affairs (MCA) and/or Authorities as required under the Act except delay in filing of some e-forms.
- Issued all notices as required to be given for convening the meeting of the Board of Directors, General Meetings of the shareholders and for conducting Postal Ballot process within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Annual General Meeting and Postal Ballot Process as per the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors, Shareholders and Postal Ballot process.
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors.
- Obtained necessary approvals of the Directors, Shareholders, Central Government and other authorities as per the statutory requirements.
- Given loans and made investments in accordance with the requirements of the Act.
- Not exceeded the borrowing powers of the Company.
- Registered all the particulars relating to the creation, modification and satisfaction of the charges with the Registrar of Companies, (ROC), Mumbai, Maharashtra,.
- Effected share transfers and dispatched the certificates within the time prescribed under the Act and the rules made thereunder.
- Complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into with the Stock Exchanges where the Company's shares are listed.
- The Company has also complied with the requirements prescribed by Securities and Exchange Board of India (SEBI) and other statutory authorities and also the requirements under the Act and related statutes in force.

**4. Board of Directors:**

**• Composition:**

As on 31<sup>st</sup> March, 2018, the Board of Directors consisted of seven Directors. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship / Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Directorship(s)	Committee Positions (including Company)	
			Board Meeting	Last AGM		Memberships	Chairman
Mr. Raghu Mody	Executive Chairman, Promoter	6	3	Yes	3	3	-
Mr. P. K. Choudhary	Managing Director	6	6	Yes	1	-	-
Mr. A. B. Vaidya	Independent Director	6	6	Yes	-	1	1
Mr. Chakrapani B. Misra+	Independent Director	6	3	Yes	1	3	1
Mr. Deepak Sethi	Independent Director	6	6	Yes	-	1	-
Mr. K. M. Robinson++	Independent Director	6	1	No	-	-	-
Lt. Gen. (Retd.) K. S. Brar	Independent Director	6	5	Yes	-	2	-
Mrs. Sakshi Mody	Non-Executive Director	6	5	Yes	2	-	-

1. The directorship held by Directors as mentioned above does not include Directorships of Private Companies/Section 8 Companies/Foreign Companies as on 31<sup>st</sup> March, 2018.
2. Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.

**Note:**

- + Appointed as an Additional (Independent) Director w.e.f. 23<sup>rd</sup> May, 2017 for a period of 5 years.
- ++ Ceased to be Director of the Company due to death w.e.f. 11<sup>th</sup> January, 2018.

**• Number and date of Board Meetings held:**

Six Board Meetings were held during the year 2017-2018. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
10 <sup>th</sup> April, 2017	7	5
23 <sup>rd</sup> May, 2017	8	6
29 <sup>th</sup> May, 2017	8	3
14 <sup>th</sup> August, 2017	8	7
14 <sup>th</sup> November, 2017	8	7
14 <sup>th</sup> February, 2018	7	7

**• Disclosure of relationship between directors inter se:**

None of the Directors of the Company is related inter-se to any other directors on the Board within the meaning of Section 2(77) of the Companies Act, 2013.

**• Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31<sup>st</sup> March, 2018, no Non-Executive Director held any share/convertible instruments in the Company.

**• Weblink where details of familiarization programmes imparted to independent Directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: <http://www.hindcompo.com/investor-relations / Investors-information.htm>.

**5. Audit Committee:**

**• Brief description of terms of reference:**

The Broad terms and reference of Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors and to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18 and Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 read with Section 177 of the Companies Act, 2013.

**• Composition:**

As on 31<sup>st</sup> March 2018, the Audit Committee comprised of Mr. Chakrapani B. Misra, Mr. A. B. Vaidya, Mr. Deepak Sethi, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody as its members. Mr. Chakrapani B. Misra is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

**• Meetings and attendance during the year:**

During the year 2017-2018 the Audit Committee met Four times on 23<sup>rd</sup> May, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 14<sup>th</sup> February, 2018 . The attendance at the Committee meetings was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Mr. Chakrapani B. Misra+	Chairman	3
2.	Mr. Deepak Sethi++	Member	4
3.	Mr. A. B. Vaidya	Member	4
4.	Lt. Gen. (Retd.) K.S. Brar	Member	4
5.	Mr. Raghu Mody	Member	3

+Appointed as a Member and Chairman of the Committee w.e.f. 23<sup>rd</sup> May, 2017.

++ Chairman upto 22<sup>nd</sup> May, 2017.

**6. Nomination and Remuneration Committee:**

**• Brief description of terms of reference:**

The terms of reference of this committee are wide enough covering the matters specified for remuneration to the Directors under Regulation 19 and Schedule II Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**• Composition:**

As on 31<sup>st</sup> March 2018, the Nomination and Remuneration Committee comprised of Mr. A. B. Vaidya, Mr. Chakrapani B. Misra and Lt. Gen. (Retd.) K. S. Brar as its members. Mr. A. B. Vaidya is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

**• Meetings and attendance during the year:**

During the year 2017-2018, the Nomination and Remuneration Committee met twice on 23<sup>rd</sup> May, 2017 and 14<sup>th</sup> February, 2018. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Mr. A. B. Vaidya	Chairman	2
2.	Mr. Chakrapani B. Misra +	Member	-
3.	Lt. Gen. (Retd.) K. S. Brar	Member	2
3.	Mrs. Sakshi Mody++	Member	1

+ Appointed as a member of the Committee w.e.f. 14<sup>th</sup> February, 2018 and was appointed as Chairman w.e.f. 8<sup>th</sup> May, 2018.

++ Resigned from membership of the Committee w.e.f. 23<sup>rd</sup> January, 2018.

**• Performance evaluation criteria for Independent Directors:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performance of each Independent Director. The questionnaires are prepared considering the business of the Company. The evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

1. Attendance at Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances; and
4. Providing perspectives and feedback going beyond information provided by the management.

**7. Remuneration to Directors:**

- a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2017-2018.
- b) Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive and Independent Directors is being paid at the rate of ₹ 10,000 for each meeting of the Board and Committees attended by them. The sittings fees were revised from ₹ 5,000 for each meeting of the Board and Committees to ₹ 10,000 w.e.f. 14<sup>th</sup> November, 2017.

**c) Details of remuneration / fees paid / payable to the Directors are as under:**

(₹ in Lakhs)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total
Mr. Raghu Mody	125.00	0.29	-	45.00	-	170.29
Mr. P. K. Choudhary	64.76	9.91	4.32	-	-	78.99
Mr. A. B. Vaidya	-	-	-	2.00	1.15	3.15
Mr. Deepak Sethi	-	-	-	2.00	0.70	2.70
Mr. Chakrapani B. Misra	-	-	-	2.00	0.50	2.50
Mr. Keith M. Robinson	-	-	-	-	0.05	0.05
Lt. Gen. (Retd.) K.S. Brar	-	-	-	2.00	1.20	3.20
Mrs. Sakshi Mody	-	-	-	-	0.40	0.40

- (i) The above details of remuneration or fees paid include all elements of remuneration package of individual director summarized under major groups.
- (ii) Apart from the above mentioned of remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria;
- (iii) There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees.
- (iv) No stock options are offered to any of the Directors of the Company.

**8. Stakeholders Relationship Committee:**

As on 31<sup>st</sup> March 2018, the Stakeholders' Relationship Committee comprised of Mr. Chakrapani B. Misra, Mr. A. B. Vaidya, Lt. Gen. (Retd.) K. S. Brar and Mr. Raghu Mody.

Mr. A. B. Vaidya, Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Mr. Amit Goenka- VP Finance & Company Secretary acted as the Compliance Officer of the Company upto 7<sup>th</sup> May, 2018

Mr. Vikram Soni – Company Secretary & Compliance Officer was appointed as the Compliance Officer w.e.f 8<sup>th</sup> May, 2018.

Status of investors' complaints/services requests:

Opening balance at the beginning of the year	: Nil
Received during the year	: 32
Disposed during the year	: 32
Closing balance at the end of the year	: Nil

**9. Corporate Social Responsibility (CSR) Committee:**

As on 31<sup>st</sup> March 2018, the Corporate Social Responsibility Committee comprises of Mr. Chakrapani B. Misra, Lt. Gen. (Retd.) K. S. Brar, Mr. P. K. Choudhary and Mr. Raghu Mody. Lt. Gen. (Retd.) K. S. Brar is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

During the year 2017-18 the CSR Committee met once on 14<sup>th</sup> November, 2017. The attendance at the Committee meeting was as follows:

Sl. No.	Name of Directors	Status	No. of meetings attended
1.	Lt. Gen. (Retd.) K. S. Brar	Chairman	1
2.	Mr. Chakrapani B. Misra+	Member	-
3.	Mr. P. K. Choudhary	Member	1
4.	Mr. Raghu Mody	Member	1

+Appointed as member of the Committee w.e.f. 14<sup>th</sup> February, 2018.

**10. General Body Meetings:**

- Location and time, where last three Annual General Meetings held:

Financial year	Time	Date	Location
2014-15	11.30 a.m.	18 <sup>th</sup> September, 2015	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2015-16	11.30 a.m.	8 <sup>th</sup> September, 2016	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2016-17	11.30 a.m.	12 <sup>th</sup> September, 2017	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018

- **Special resolutions passed at last three AGMs:**

AGM	Particulars of Special Resolutions
18 <sup>th</sup> September, 2015	<ol style="list-style-type: none"> <li>1. Revision in remuneration payable to Mr. Raghu Mody, Executive Chairman w.e.f. 1<sup>st</sup> October, 2014 for the remaining period of his tenure.</li> <li>2. Revision in remuneration payable to Mr. Varunn Mody, Executive Director, Treasury and Strategy w.e.f. 1<sup>st</sup> April, 2015 for the remaining period of his tenure.</li> </ol>

AGM	Particulars of Special Resolutions
18 <sup>th</sup> September, 2015	3. Approving changes in Employee Welfare Scheme under Carnation Trust as per SEBI (Share Based Employee Benefits) Regulations, 2014.
8 <sup>th</sup> September, 2016	Nil
12 <sup>th</sup> September, 2017	1. Re-appointment of Mr. Raghu Mody as Executive Chairman and Whole Time Director of the Company for a further period of 3 years w.e.f 1 <sup>st</sup> October, 2017 till 30 <sup>th</sup> September, 2020.

**Postal Ballot:**

During the year under review, the Company conducted postal ballot process one time. The details of the postal ballot process are as follows:

The Company dispatched Postal Ballot Notice dated 10<sup>th</sup> April, 2017 to its shareholders to seek their consent for the following matters:

Sr. No.	Particulars
1.	Ordinary Resolution u/s 61 of the Companies Act, 2013 for approval of Sub-division of existing 1 (one) Equity Share having face value of ₹ 10 (Rupees Ten only) each fully paid up into 2 (Two) Equity Shares of ₹ 5 (Rupees Five only) each and reclassification of 5,00,000 unclassified shares of ₹ 10 each into 10,00,000 Equity Shares of ₹ 5 each.
2.	Ordinary Resolution u/s 61 & 64 of the Companies Act, 2013 for increase in Authorized Share Capital of the Company from ₹ 6 Crore to ₹ 8 Crore.
3.	Special Resolution u/s 13 & 61 of the Companies Act, 2013 for alteration of the Capital Clause V of the Memorandum of Association of the Company.
4.	Ordinary Resolution u/s 63 of the Companies Act, 2013 for issue of bonus shares in proportion of 1:2 (i.e. one new bonus Equity Share of ₹ 5 each for every two Equity Shares of ₹ 5 each) held on record date.

The postal ballot process was undertaken in accordance with the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

CS Manish Baldeva, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot was announced on 13<sup>th</sup> May, 2017. The details of resolution passed through postal ballot and the voting pattern for the same are as follows:

**Resolution No. 1: Sub-division of existing 1 (one) Equity Share having face value of ₹ 10 (Rupees Ten only) each fully paid up into 2 (Two) Equity Shares of ₹ 5 (Rupees Five only) each and reclassification of 5,00,000 unclassified shares of ₹10 each into 10,00,000 Equity Shares of ₹ 5 each**

Resolution Required: (Ordinary)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	Mode of Voting	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favour	No. of votes-against	% of votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	
	Postal Ballot		3691010	100.00	3690110	0	100.00	0
	<b>Total</b>		<b>3691010</b>	<b>3691010</b>	<b>100.00</b>	<b>3690110</b>	<b>0</b>	<b>100.00</b>
Public-Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>1881</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public- Non Institutions	E-Voting	1230109	334	0.0272	312	22	0.0254	0.0018
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3667	24	0.2981	0.0020
	<b>Total</b>		<b>1230109</b>	<b>4025</b>	<b>0.3272</b>	<b>3979</b>	<b>46</b>	<b>0.3235</b>
<b>Total</b>		<b>4923000</b>	<b>3695035</b>	<b>75.0566</b>	<b>3694989</b>	<b>46</b>	<b>99.999</b>	<b>0.0012</b>

Number of invalid votes: 28.

**Result: The Ordinary Resolution passed with requisite majority.**

**Resolution No. 2: Increase in Authorized Share Capital of the Company from ₹ 6 Crores to ₹ 8 Crores**

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	Mode of Voting	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favour	No. of votes-against	% of votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3691010	0	100.00	0
	<b>Total</b>		<b>3691010</b>	<b>3691010</b>	<b>100.00</b>	<b>3691010</b>	<b>0</b>	<b>100.00</b>
Public- Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>1881</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public- Non Institutions	E-Voting	1230109	334	0.0272	306	28	0.0249	0.0023
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3590	56	0.2918	0.0046
	<b>Total</b>		<b>1230109</b>	<b>4025</b>	<b>0.3272</b>	<b>3896</b>	<b>84</b>	<b>0.3167</b>
<b>Total</b>		<b>4923000</b>	<b>3695035</b>	<b>75.0566</b>	<b>3694906</b>	<b>84</b>	<b>99.9965</b>	<b>0.0023</b>

Number of invalid votes: 28.

**Result: The Ordinary Resolution passed with requisite majority.**

**Resolution No. 3: Alteration of the Capital Clause V of the Memorandum of Association of the Company**

Resolution Required: (Ordinary/Special)			Special Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	Mode of Voting	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favour	No. of votes-against	% of votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3691010	0	100.00	0
	<b>Total</b>		<b>3691010</b>	<b>3691010</b>	<b>100.00</b>	<b>3691010</b>	<b>0</b>	<b>100.00</b>
Public- Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>1881</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public- Non Institutions	E-Voting	1230109	334	0.0272	312	22	0.0254	0.0018
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3407	152	0.2770	0.0124
	<b>Total</b>		<b>1230109</b>	<b>4025</b>	<b>0.3272</b>	<b>3719</b>	<b>174</b>	<b>0.3023</b>
<b>Total</b>		<b>4923000</b>	<b>3695035</b>	<b>75.0566</b>	<b>3694729</b>	<b>174</b>	<b>99.9917</b>	<b>0.0047</b>

Number of invalid votes: 28

**Result: The Special Resolution passed with requisite majority.**

**Resolution No. 4: Issue of bonus shares in proportion of 1:2 (i.e. one new bonus Equity Share of ₹ 5 each for every two Equity Shares of ₹ 5 each)**

Resolution Required: (Ordinary/Special)			Ordinary Resolution					
Whether promoter/promoter group are interested in the agenda / resolution?			No					
Category	Mode of Voting	No. of Shares held	No. of valid votes polled	% of Votes Polled on outstanding shares	No. of votes – in favour	No. of votes-against	% of votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	3691010	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		3691010	100.00	3691010	0	100.00	0
	<b>Total</b>		<b>3691010</b>	<b>3691010</b>	<b>100.00</b>	<b>3691010</b>	<b>0</b>	<b>100.00</b>
Public-Institutions	E-Voting	1881	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>1881</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public- Non Institutions	E-Voting	1230109	334	0.0272	302	32	0.0246	0.0026
	Poll		0	0.0000	0	0	0.0000	0.0000
	Postal Ballot		3691	0.3001	3613	8	0.2937	0.0007
	<b>Total</b>		<b>1230109</b>	<b>4025</b>	<b>0.3272</b>	<b>3915</b>	<b>40</b>	<b>0.3183</b>
<b>Total</b>		<b>4923000</b>	<b>3695035</b>	<b>75.0566</b>	<b>3694925</b>	<b>40</b>	<b>99.997</b>	<b>0.0033</b>

Number of invalid votes: 28.

**Result: The Ordinary Resolution passed with requisite majority.**

No business is proposed to be transacted through Postal Ballot.

**11. Means of communication:**

- The Company has published its Quarterly Results as per the details mentioned below:

News Papers	Date of Board Meeting	Date of Publication
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	23 <sup>rd</sup> May, 2017	24 <sup>th</sup> May 2017 25 <sup>th</sup> May, 2017
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	14 <sup>th</sup> August, 2017	15 <sup>th</sup> August, 2017
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	14 <sup>th</sup> November, 2017	15 <sup>th</sup> November, 2017
Financial Express (English - All India Edition) Mumbai Laksyadeep (Marathi)	14 <sup>th</sup> February, 2018	15 <sup>th</sup> February, 2018

**Website:** The Company's website viz. [www.hindcompo.com](http://www.hindcompo.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

News releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the year 2017-18 are available on the website of the Company.

During the year 2017-18, the Company has not made any presentations to institutional investors or analysts.

**12. General Shareholders' information:**

- a) **Annual General Meeting:** Thursday, 30<sup>th</sup> August, 2018 at 11.30 a.m. at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
- b) **Financial Year:** April 1 to March 31
- c) **Dividend Payment Date:** Credit / Dispatch between 5<sup>th</sup> September, 2018 to 12<sup>th</sup> September, 2018
- d) **Listing on Stock Exchanges:**

**Equity Shares**

**a) BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

**b) National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

**e) Listing Fees:**

The Company has paid the listing fees for the year 2017- 18 to all the stock exchanges where the shares are listed.

**f) Stock Code:**

BSE: 509635  
NSE: HINDCOMPOS  
ISIN: INE310C01029

**g) Stock Market Price Data and performance in comparison to BSE Sensex/NSE NIFTY 50:**

The monthly high / low quotations of shares traded on the BSE Limited during each month in last financial year and performance in comparison to BSE Sensex are as follows:

Month	Share price of the Company on BSE (₹)*		BSE Sensex (Points)*	
	High	Low	High	Low
April, 2017	2408.00	1810.05	30184.22	29241.48
May, 2017	2140.00	594.15	31255.28	29804.12
June, 2017	645.25	572.00	31522.87	30680.66
July, 2017	697.95	572.00	32672.66	31017.11
August, 2017	608.95	501.00	32686.48	31128.02
September, 2017	539.00	455.00	32524.11	31081.83
October, 2017	489.85	472.00	33340.17	31440.48
November, 2017	571.40	450.00	33865.17	32683.59
December, 2017	550.95	450.00	34137.97	32565.16
January, 2018	585.75	470.00	36443.98	33703.37
February, 2018	498.30	420.00	36256.83	33482.81
March, 2018	458.00	390.00	34278.63	32483.84

\*Source: [www.bseindia.com](http://www.bseindia.com)

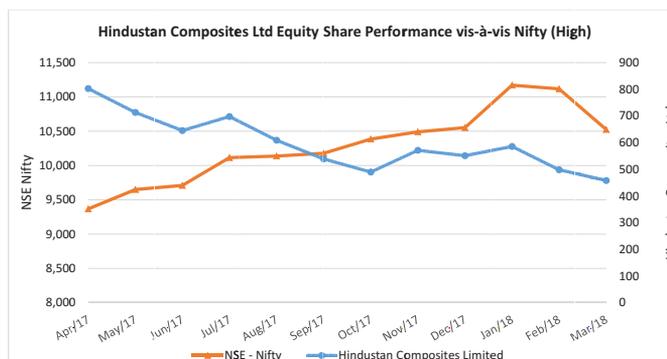
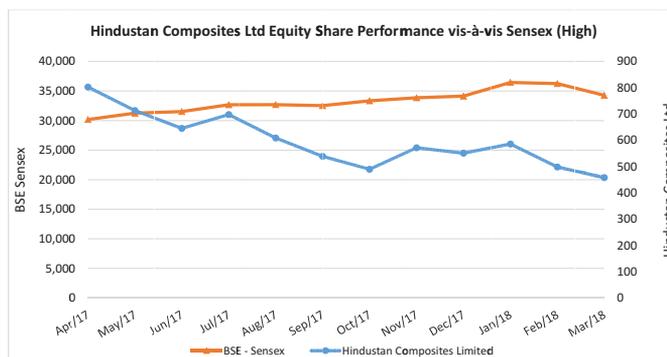
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2017	2,410.00	1,809.90	9367.15	9075.15
May, 2017	2,141.00	596.60	9649.60	9269.90
June, 2017	646.00	575.00	9709.30	9448.75
July, 2017	690.00	526.10	10114.85	9543.55
August, 2017	609.00	498.00	10137.85	9685.55
September, 2017	539.00	447.25	10178.95	9687.55
October, 2017	493.50	471.00	10384.50	9831.05
November, 2017	568.00	450.00	10490.45	10094.00
December, 2017	550.00	435.25	10552.40	10033.35
January, 2018	589.90	469.00	11171.55	10404.65
February, 2018	499.00	415.60	11117.35	10276.30
March, 2018	461.90	381.10	10525.50	9951.90

\*Source: [www.nseindia.com](http://www.nseindia.com)

**h) Stock Performance in comparison to broad based indices:**

The chart below shows the comparison of the Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31<sup>st</sup> March, 2018.



**i) Trading of Securities:** The securities of the Company were not suspended from trading during the year 2017-18.

**j) Registrar and Share Transfer Agents:** Link Intime India Pvt. Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Phone: (022)- 4918 6000 /270 Fax: (022)- 4918 6060 e-mail: rnt.helpdesk@linkintime.co.in

**k) Share Transfer System:**

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents are found to be in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

**l) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:**

Shares having nominal value of ₹ From To	No. of holders	%	No. of holders	%
1 – 500	16155	95.50	1352627	9.16
501 – 1000	463	2.74	317626	2.15
1001 – 2000	185	1.09	256369	1.74
2001 – 3000	46	0.27	119410	0.81
3001 – 4000	23	0.14	79275	0.54
4001 – 5000	6	0.04	26136	0.18
5001 – 10000	9	0.05	57934	0.39
10001 and above	29	0.17	12559623	85.04
<b>TOTAL</b>	<b>16916</b>	<b>100.00</b>	<b>14769000</b>	<b>100.00</b>

**m) Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2018, 94.88% of the total shares of the Company were in dematerialized form.

**n) Convertible instruments:**

The Company has not issued any Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/warrants or any convertible instrument, which is likely to have impact on the Company's Equity.

**o) Commodity Price risk or foreign exchange risk and hedging activities:**

The Company is exposed to the risk of price fluctuations of raw material, which are proactively managed by forward booking of materials, inventory management and vendor development practices.

As regards, foreign exchange risk, there is natural hedging of risk as our import and export generally remains at the same level.

**p) Plant Locations:**

Paithan: D-2/1, MIDC Industrial Area, Paithan, Dist. Aurangabad-431107

Bhandara: C-10/1, Bhandara Industrial Area, Gadegaon, Dist. Bhandara-441904

**q) Regd. Office & Address for correspondence:**

Hindustan Composites Limited,  
Peninsula Business Park, 'A' Tower,  
8<sup>th</sup> Floor, Senapati Bapat Marg,  
Lower Parel, Mumbai 400013  
Telephone: 022 66880100; Fax: 022 66880105  
E-mail: investor@hindcompo.com

**13. Disclosures:**

**i. Related Party Transactions:**

None of the related party transactions was in conflict with the interests of the Company. Details on materially significant related party transactions are given in the appended financial statements under notes to the accounts. The policy on dealing with Related Party Transactions is available on Company's website at <http://www.hindcompo.com/investor-relations/documents/related-party-transaction-policy.pdf>

**ii. Compliance by the Company:**

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the regulations and guidelines of SEBI. Consequently there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authorities for non-compliance of any matter related to the capital markets during the last three years.

**iii. Whistle Blower policy / Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:**

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in the exceptional cases. We affirm that during the financial year 2017-18, no employee was denied access to the Audit Committee.

**iv. Adoption of mandatory and non-mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:**

The Company has complied with all mandatory requirements of Regulation 27 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- (a) Audit Qualification - The Company is in the regime of unmodified audit opinion on financial statements.
- (b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditor – The Internal Auditors directly report to the Audit Committee.

**v. Material Subsidiaries:**

The Company does not have any subsidiary, hence is not required to frame policy on Material Subsidiaries.

**14. Compliance of the requirement of Corporate Governance Report:**

During the year 2017-18, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**15. Disclosure of the Compliance with Corporate Governance:**

The Company has complied with the Regulations 17-20, 22-23, 25-27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the year 2017-18. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

**16. Disclosure of accounting treatment:**

In the preparation of financial statements, the Company has followed the Indian Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**17. Related Party Disclosures:**

The disclosures as required by Indian Accounting Standard (Ind AS - 24) on “Related Party” are given in appended financial statements under notes to accounts.

**18. Disclosure with respect to demat suspense account / unclaimed suspense account :**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31<sup>st</sup> March, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

**19. Compliance Certificate for Code of Conduct:**

The declaration by Managing Director affirming compliance of Board and Senior Management Personnel to the Code of Conduct is also annexed herewith and forms part of Annual Report as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**20. Compliance Certificate by Statutory Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.

## Declaration – Code of Conduct

As per Regulation 17 and Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March, 2018.

**For Hindustan Composites Limited**

**Place: Mumbai**

**Date : 8<sup>th</sup> May, 2018**

**P. K. Choudhary**

**Managing Director**

**DIN : 00535670**

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF THE HINDUSTAN COMPOSITES LIMITED**

1. This certificate is issued in accordance with our engagement letter dated 24<sup>th</sup> September, 2017
2. This certificate contains details of compliance of conditions of corporate governance by **THE HINDUSTAN COMPOSITES LIMITED** ('the Company') for the year ended 31<sup>st</sup> March 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### **Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **Restriction on Use**

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

Place: Mumbai

Date: 8<sup>th</sup> May, 2018

**Arun Bagaria**  
Partner  
Membership No. 036732