

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read 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.

2.2 Code of Conduct for Prevention of Insider Trading:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders for its management, directors, designated employees and other connected persons. All the directors, designated persons and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations. 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 within the time limit prescribed by law.
- Conducted the meetings of the Board of Directors, Annual General Meeting 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 and Shareholders
- Made due disclosures under the requirements of the Act including the requirements in pursuance to the disclosures made by the Directors and Key Managerial Personnel.
- Obtained necessary approvals of the Directors, Shareholders 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, 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 to the extent applicable to the Company from time to time.

4. Board of Directors:

- Composition:**

As on 31st March, 2019, 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	4	2	Yes	3	3	-
Mr. P. K. Choudhary	Managing Director	4	4	Yes	1	-	-
Mr. A. B. Vaidya+	Independent Director	4	4	Yes	-	1	1
Mr. Chakrapani Brajesh Misra	Independent Director	4	4	Yes	1	3	1
Mr. Deepak Sethi	Independent Director	4	3	Yes	-	1	-
Lt. Gen. (Retd.) K. S. Brar+	Independent Director	4	4	Yes	-	2	-
Mrs. Sakshi Mody	Non-Executive Director	4	2	Yes	2	-	-

- The directorship held by Directors as mentioned above does not include Directorships of Private Companies/Section 8 Companies/Foreign Companies as on 31st March, 2019.
- Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies has been considered.

Note:

+ Reappointed as an Independent Directors for second term for period of 5 consecutive years w.e.f. 1st April, 2019.

- Directorship details including the category of directorships**

Sr. No.	Name of the Director	Directorship Details	Name of the Listed Entity
1	Mr. Raghu Mody	Non-Executive - Non Independent Director, Chairperson related to Promoter	J L MORISON (INDIA) LIMITED
2	Mr. Chakrapani Brajesh Misra	Non-Executive - Independent Director	J L MORISON (INDIA) LIMITED
3	Mrs. Sakshi Mody	Non-Executive - Non Independent Director	J L MORISON (INDIA) LIMITED
4	Mr. P. K. Choudhary	Managing Director	Nil
5	Mr. A. B. Vaidya	Non-Executive - Independent Director	Nil
6	Mr. Deepak Sethi	Non-Executive - Independent Director	Nil
7	Lt. Gen. (Retd.) K. S. Brar	Non-Executive - Independent Director	Nil

- Number and date of Board Meetings held:**

Four Board Meetings were held during the year 2018-2019. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
8 th May, 2018	7	6
9 th August, 2018	7	6
2 nd November, 2018	7	7
13 th February, 2019	7	4

- Disclosure of relationship between directors inter se:**

None of the Directors of the Company are related inter-se to any other director 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 31st March, 2019, 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](http://www.hindcompo.com/investor-relations/investors-information.htm).

- **Matrix of Skills/ Expertise/ Competence of the Board of Directors:**

The Company has two segments viz. manufacturing and investment activities. Company's core business includes manufacturing, distribution, marketing of Friction Materials in India and abroad comprising of Brake Lining, Clutch Facing, Disc Brake Pad, Roll Lining, Brake Block etc.

The Company also through its investment activities invests in various equity instruments, Government Securities and debentures and bonds.

The following is the list of core skills / expertise/ competencies identified by the Board of Directors as required in the context of the Company's aforesaid business for it to function effectively, efficiently and those available with the Board as a whole:

- i) Sales & Marketing: Experience in developing strategies to grow sales and market share and marketing management based on understanding of the auto components goods industry;
- i) Global Business experience: Experience in leading businesses in different geographies/markets around the world with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities;
- ii) General management/Governance: Strategic thinking, decision making and protect interest of all stakeholders;
- iii) Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.

- iv) Technical skills and professional skills and knowledge including legal and regulatory aspects.

- **Declaration by the Board:**

In the opinion of the Board of Directors of the Company, the Independent Directors fulfill the conditions specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of the management.

- **Reason of resignation of Independent Director:**

During the financial year 2018-19 none of the Independent Directors resigned from the Board of Directors before the expiry of their tenure.

5. Audit Committee:

Pursuant to the provisions of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the 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 31st March 2019, 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 and Compliance Officer of the Company acts as the Secretary to the Committee.

Meetings and attendance during the year:

During the year 2018-2019, the Audit Committee met four times on 8th May, 2018, 9th August, 2018 2nd November, 2018 and 13th February, 2019. The attendance at the Committee meetings was as follows:

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

6. Nomination and Remuneration Committee:

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Nomination and Remuneration Committee. The Nomination and Remuneration Committee, inter alia, recommends the remuneration payable to Executive Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of the Company.

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 and Senior Management under the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 and Schedule II Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition:

As on 31st March 2019, the Nomination and Remuneration Committee comprised of Mr. A. B. Vaidya, Mr. Chakrapani Brajesh Misra and Lt. Gen. (Retd.) K. S. Brar as its members. Mr. Chakrapani B. Misra is the Chairman of the Committee.

The Company Secretary and Compliance Office of the Company acts as the Secretary to the Committee.

Meetings and attendance during the year:

During the year 2018-2019 the Nomination and Remuneration Committee met twice on 8th May, 2018 and 13th February, 2019. The attendance at the Committee meeting was as follows:

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

Performance evaluation criteria for Independent Directors:

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013 read with 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 and fulfilment of the independence criteria as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management. 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:

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

7. Remuneration to Directors:

- The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2018-2019.
- 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.
- 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	150.00	0.29	-	45.00	-	195.29
Mr. P. K. Choudhary	70.63	10.81	4.52	-	-	85.96
Mr. A. B. Vaidya	-	-	-	2.00	1.40	3.40
Mr. Deepak Sethi	-	-	-	2.00	0.60	2.60
Mr. Chakrapani B. Misra	-	-	-	2.00	1.50	3.50
Lt. Gen. (Retd.) K.S. Brar	-	-	-	2.00	1.50	3.50
Mrs. Sakshi Mody	-	-	-	-	0.20	0.20

- (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 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:

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

- **Brief description of terms of reference:**

The Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer/transmission /demat / remat of shares and other miscellaneous complaints. The Committee is also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

- **Composition:**

As on 31st March 2019, 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 is the Chairman of the Committee. The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee.

Mr. Vikram Soni is Company Secretary and Compliance Officer of the Company

- **Status of investors' complaints/services requests:**

Opening balance at the beginning of the year	: Nil
Received during the year	: 44
Disposed during the year	: 44
Closing balance at the end of the year	: Nil

9. Corporate Social Responsibility (CSR) Committee:

As on 31st March 2019, the Corporate Social Responsibility Committee comprises of Lt. Gen. (Retd.) K. S. Brar, Mr. Chakrapani B. Misra, Mr. P. K. Choudhary and Mr. Raghu Mody. Lt. Gen. (Retd.) K. S. Brar is the Chairman of the Committee.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

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

During the year 2018-19 the CSR Committee met once on 9th August, 2018. 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 Brajesh Misra	Member	1
3.	Mr. P. K. Choudhary	Member	1
4.	Mr. Raghu Mody	Member	-

10. General Body Meetings:

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

Financial year	Time	Date	Location
2015-16	11.30 a.m.	8 th September, 2016	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2016-17	11.30 a.m.	12 th September, 2017	Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2017-18	11.30 a.m.	30 th August, 2018	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
8 th September, 2016	Nil
12 th 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 st October, 2017 till 30 th September, 2020.
30 th August, 2018	1. Special Resolution for re-appointment of Mr. A. B. Vaidya (DIN: 00246208) as an Independent, Non – Executive Director of the Company, for another term of five consecutive years w.e.f. 1 st April, 2019 to 31 st March, 2024.

	2. Special Resolution for re-appointment of Lt. Gen. (Retd.) K. S. Brar (DIN: 01146720) as an Independent, Non-Executive Director of the Company, for another term of five consecutive years w.e.f. 1 st April, 2019 to 31 st March, 2024.
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Postal Ballot:

During the year under review, no Resolution was Passed through Postal Ballot process.

None of the 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 Lakshadeep (Marathi)	08-05-2018	09-05-2018
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	09-08-2018	10-08-2018
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	02-11-2018	03-11-2018
Financial Express (English - All India Edition) Mumbai Lakshadeep (Marathi)	13-02-2019	14-02-2019

Website: The Company’s website viz. 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 2018-19 are available on the website of the Company.

During the year 2018-19, the Company has not made any presentations to institutional investors or analysts.

12. General Shareholder information:

- a) **Annual General Meeting:** Thursday, 29th August, 2019 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 5th September, 2019 to 12th September, 2019

d) **Book Closure:** The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 23rd August, 2019 to Thursday, 29th August, 2019 (both days inclusive).

e) **Cut-off date for remote e-voting:** The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the cut-off date i.e. Thursday, 22nd August, 2019. Remote evoting shall remain open from Monday, 26th August, 2019 (9.00 a.m.) and ends on Wednesday, 28th August, 2019 (5.00 p.m.).

f) 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, 5th Floor, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

g) Listing Fees:

The Company has paid the listing fees for the year 2019-20 to all the stock exchanges where the shares are listed.

h) Stock Code:

BSE : 509635
 NSE : INDCOMPOS
 ISIN : INE310C01029

i) 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, 2018	544.70	393.70	35213.30	32972.56
May, 2018	470.00	390.50	35993.53	34302.89
June, 2018	412.00	368.00	35877.41	34784.68
July, 2018	404.70	358.25	37644.59	35106.57
August, 2018	468.00	374.60	38989.65	37128.99
September, 2018	406.00	352.00	38934.35	35985.63
October, 2018	368.95	325.25	36616.64	33291.58
November, 2018	350.60	326.00	36389.22	34303.38
December, 2018	339.00	285.00	36554.99	34426.29
January, 2019	295.60	215.20	36701.03	35375.51
February, 2019	240.00	190.00	37172.18	35287.16
March, 2019	244.00	206.75	38748.54	35926.94

*Source: www.bseindia.com

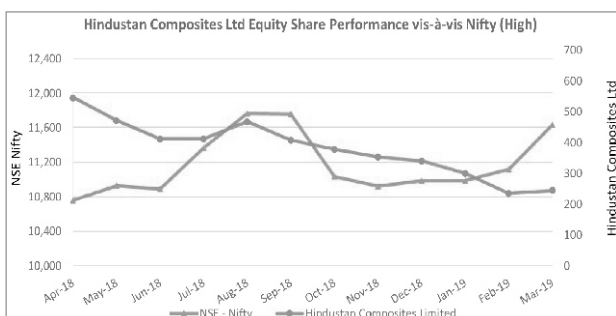
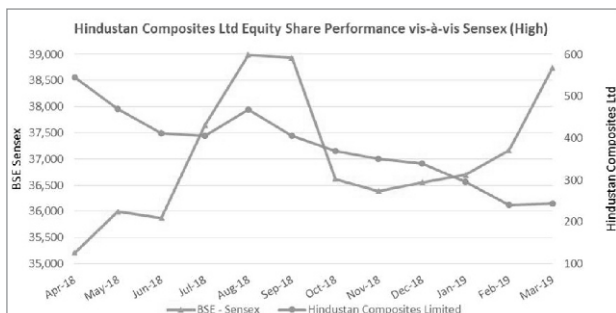
The monthly high / low quotations of shares traded on the National Stock Exchange of India Limited during each month in last financial year and performance in comparison to NSE Sensex are as follows:

Month	Share price of the Company on NSE (₹)*		NSE NIFTY 50 (Index)*	
	High	Low	High	Low
April, 2018	544.75	390.00	10759.00	10111.30
May, 2018	470.50	390.30	10929.20	10417.80
June, 2018	410.95	366.20	10893.25	10550.90
July, 2018	411.50	372.50	11366.00	10604.65
August, 2018	466.90	374.00	11760.20	11234.95
September, 2018	407.00	348.00	11751.80	10850.30
October, 2018	377.80	326.00	11035.65	10004.55
November, 2018	352.80	326.00	10922.45	10341.90
December, 2018	340.00	294.00	10985.15	10333.85
January, 2019	300.00	214.35	10987.45	10583.65
February, 2019	234.95	186.25	11118.10	10585.65
March, 2019	245.00	205.00	11630.35	10817.00

*Source: www.nseindia.com

j) 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 31st March, 2019.



k) Trading of Securities: The securities of the Company were not suspended from trading during the year 2018-19.

l) 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

m) Share Transfer System:

All shares sent for transfer 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. The SEBI vide its letter no. MRD/DOP2/DSA2/OW/2019/2503/1 dated 24th January, 2019 has granted relaxation in timeline for processing of dematerialization request number (DRN) to 30 days till 30th June 2019 from the current 15 days as specified in Regulation 74(5) of SEBI (Depository & Participants) Regulations 2018.

n) Distribution of Shareholding as on 31st March, 2019:

Shares having nominal value of ₹ From To	No. of holders	%	No. of holders	%
1 – 500	15820	95.43	1339406	9.07
501 – 1000	451	2.72	311792	2.11
1001 – 2000	188	1.13	264977	1.79
2001 – 3000	43	0.26	113243	0.77
3001 – 4000	21	0.13	72623	0.49
4001 – 5000	9	0.05	39784	0.27
5001 – 10000	12	0.07	79565	0.54
10001 and above	33	0.20	12547610	84.96
TOTAL	16577	100.00	14769000	100.00

o) Dematerialization of Shares:

As on 31st March, 2019, 95.52% of the total shares of the Company were in dematerialized form.

p) 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.

q) 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.

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

r) Plant Locations:

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

s) Regd. Office & Address for Correspondence:

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

t) List of all credit ratings obtained by the entity along with revisions (if any) during the financial year 2018-19:

Sr. No.	Name of the Credit Rating Agency	Details of Credit Ratings obtained including revisions			Date of publication to Stock Exchange
		Scale	Amount (₹ Cr)	Rating	
1	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based)	7.00	ACUITE A-/ Stable	31 st October, 2018
		Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+	
		Total	25.00		
2	Acuite Ratings & Research Limited (formerly known as SMERA Ratings Limited)	Long Term Instruments (fund based)	7.00	ACUITE A-/ Stable	5 th March, 2019
		Short Term Instruments (fund based + non fund based)	18.00	ACUITE A2+	
		Total	25.00		

13. Disclosures:

i. Related Party Transactions:

During the year the Company had no transaction with its promoters, directors or with their relatives etc. which may have conflict with the interest 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 <https://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 2018-19, 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 reports to the Audit Committee.

v. Policy for determining Material Subsidiaries:

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

vi. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015:

During the financial year 2018-19, the Company has not raised any funds through preferential allotment or qualified institutions placement.

vii. Certificate from Company Secretary:

A certificate received from M/s. M Baldeva Associates, Practicing Company Secretaries, Thane is attached in this report stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

viii. Recommendation by Committee:

The Board has accepted all recommendations from all the committees of the Board which is mandatorily required, during the financial year under review.

ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Standalone Financial Statements and to the Consolidated Financial Statements.

x. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of Complaints
a.	Complaints filed during the financial year	0
b.	Complaints disposed of during the financial year	0
c.	Complaints pending as on end of the financial year	0

14. Compliance of the requirement of Corporate Governance Report:

During the year 2018-19, 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, 24A, 25-27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, during the year 2018-19. 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 in Standalone and Consolidated 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 31st March, 2019. 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:

A declaration by Managing Director of the Company affirming compliance by the Board members 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 31st March, 2019.

For Hindustan Composites Limited

Place: Mumbai

Date : 6th May, 2019

P. K. Choudhary

Managing Director

DIN : 00535670

Certificate from Company Secretary in Practice

(Pursuant to Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Hindustan Composites Limited

On the basis of the written representation/declaration received from the directors of **Hindustan Composites Limited** (CIN: L29120MH1964PLC012955) and taken on record by the Board of Directors of the Company and produced before me for the purpose of this certificate, and according to the verification of DIN status at MCA Portal viz. www.mca.gov.in, pursuant to the Regulation 34(3) read with Schedule V Part C Sub-clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that as on 31st March, 2019, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

I have expressed the above opinion on the basis of my verification of documents made available and information as available on websites of the SEBI and MCA.

**For M Baldeva Associates
Company Secretaries**

**CS Manish Baldeva
Proprietor
M. No. FCS: 6180 C.P. No. 11062**

Place: Thane

Date: 6th May, 2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF HINDUSTAN COMPOSITES LIMITED

1. This certificate is issued in accordance with our engagement letter dated September 24, 2018.
2. This certificate contains details of compliance of conditions of corporate governance by **Hindustan Composites Limited** ('the Company') for the year ended March 31, 2019 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").

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 March 31, 2019.
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.

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

Place: Mumbai
Date: 6th May, 2018

Vinay Somani
Partner
Membership No. 143503