



Hardcastle & Waud Manufacturing Co. Ltd

BRABOURNE STADIUM,
87, VEER NARIMAN ROAD,
MUMBAI - 400 020.
CIN : L99999MH1945PLC004581
TEL. : 91-22-2283 7658-63
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E MAIL : ho@hawcoindia.com
WEB : www.hawcoindia.in

29th September, 2017

The BSE Ltd.
Phiroz Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Dear Sir/Madam,

Sub: 71st Annual General Meeting

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Regulations), we enclose herewith the following:

1. Summary of proceedings as required under Regulation 30, Part-A of Schedule - III of the Regulations as Annexure - I.
2. Annual Report for the financial year 2016-17 as required under Regulation 34 duly approved and adopted by members as per provisions of the Companies Act, 2013 as Annexure II.

Thanking you,

Yours faithfully,
For **Hardcastle & Waud Mfg Co. Ltd.**

Smita Achrekar
Company Secretary



**HARDCASTLE & WAUD
MANUFACTURING COMPANY LIMITED**

71st Annual Report
2016-2017

BOARD OF DIRECTORS

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

AUDITORS

Messrs GMJ & Co.

REGISTERED OFFICE

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

HEAD OFFICE

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

WORKS

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

REGISTRARS & SHARE TRANSFER AGENT

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

NOTICE

Notice is hereby given that the Seventyfirst Annual General Meeting (AGM) of members of the Company will be held at the Registered Office of the Company at Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) 421306 on Friday, the 29th September, 2017 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr Om Prakash Adukia (DIN: 00017001), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to provisions of Sections 139(1) and 142(1) of the Companies Act, 2013 the appointment of Statutory Auditors of the Company M/s GMJ & Co., Chartered Accountants (Firm Registration No.103429W), be and is hereby ratified for the financial year 2017-2018 at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to provisions of Sections 149, 150 and 152 and Schedule IV, and other applicable provisions of the Companies Act, 2013 read with applicable rules and regulations the appointment of Mr Govind Prasad Goyal (DIN – 00017294) as an Independent Director of the Company be and is hereby approved for a term of five years w.e.f 4.9.2017.”

Notes:

1. A statement pursuant to Section 102 (1) of the Companies Act, 2013 (the Act) relating to the Special Business to be transacted at the meeting is annexed hereto.
2. A person entitled to attend and vote at the meeting is entitled to appoint one or more proxy to attend and vote instead of himself / herself and a proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 per cent of the total share capital of the Company carrying voting rights.
Proxies, in order to be effective, must be delivered / deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2017 to 29th September, 2017.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting, in advance.
5. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters to the Company's Registrars and Share Transfer Agent viz Link Intime India Private Limited (RTA).
6. Rule 3 of the Companies (Management & Administration) Rules, 2014 mandates that the Register of Members of a company should include details pertaining to e-mail address, Permanent Account Number or CIN, Unique Identification Number, if any; Father's/Mother's/Spouse's name, occupation, status and nationality; and in case the member is a minor, name of the guardian and the date of birth of the minor, and name and address of the nominee. All members are requested to update their details as aforesaid with their respective depository participant (DP's) or the RTA of the Company.
7. Members are requested to notify any change of address and to get their respective bank account details updated with their respective DP's or the RTA directly.
8. Members may, pursuant to Section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, file nomination in the prescribed Form SH-13 with their respective DP's or the RTA.
9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to the DP's with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.
10. The notice of AGM is being sent to those members whose name(s) appear in the register of members as on Friday, the 11th August, 2017.

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

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

Registered Office

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

By Order of the Board of Directors

**Smita Achrekar
Company Secretary**

Dated: 4th September, 2017

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

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

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

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

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

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

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

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

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

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

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

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

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

Registered Office

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

Dated: 4th September, 2017

By Order of the Board of Directors

Smita Achrekar
Company Secretary

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

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

1. FINANCIAL RESULTS AND APPROPRIATIONS :

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

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

2. OPERATIONS:

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

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

3. MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

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

The Company has in place a well established internal financial control systems in all areas of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. In addition to statutory audit, the internal auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company. Based on reports of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Information pertaining to financial performance forms part of this Report.

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

4. DIRECTORS:

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

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

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

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

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

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

- f) Meetings:

During the year 6 board meetings were convened and held.

5. COMMITTEES OF BOARD:

- i) Audit Committee:

The Audit Committee comprises of:

Mr Sunil Trivedi (Chairman)

Ms Rekha Pacharia

Mr Om Prakash Adukia

During the year there were no instances where the Board did not accept any recommendation of the Audit Committee. The Company has also put in place a vigil mechanism for directors and employees to report their concerns / grievances etc. to the Audit Committee which oversees the functioning of the said mechanism.

- ii) Nomination and Remuneration Committee (NRC):

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

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

- iii) Risk Management

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

6. UNCLAIMED SHARE CERTIFICATES:

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

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

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

7. AUDITORS:

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

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

8. AUDITORS' REPORT:

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

9. SECRETARIAL AUDIT:

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

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

10. LOANS / INVESTMENTS:

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

11. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company did not enter into such materially significant transactions that may have potential conflict with the interest of the Company.

12. FOREIGN EXCHANGE OUTGO:

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

13. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

14. SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company has no subsidiary, joint venture or associate.

15. PARTICULARS OF EMPLOYEES:

a. Required particulars of employees under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure – III' to this report.

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

16. EXTRACT OF ANNUAL RETURN:

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

17. CORPORATE GOVERNANCE:

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

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

18. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

19. GENERAL:

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

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

Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

20. ACKNOWLEDGEMENTS:

The Board sincerely thanks all stakeholders for their continued support.

For and on behalf of the Board

Banwari Lal Jatia
Managing Director
(DIN: 00016823)

Om Prakash Adukia
Director
(DIN: 00017001)

Dated: 4th September, 2017

ANNEXURE - I

Extract from Nomination and Remuneration Policy:

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

a) Qualifications :-

The objective is to have a Board of an appropriate composition with diverse background and experience and commitment to discharge its responsibilities that are relevant for the Company's operations such as:

- i) Educational and professional background;
- ii) General understanding of the Company's business;
- iii) Relevant expertise and experience acquired/possessed as member of boards of other bodies corporate; and
- iv) Requirements prescribed from time to time under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant law.

b) Independence :-

The Nomination and Remuneration Committee (NRC) shall assess independence of directors at the time of appointment / re-appointment as well as annually as required by the Companies Act, 2013 and other applicable laws and regulations/ guidelines.

c) Remuneration :-

- a) The remuneration / compensation / commission etc. payable to the Managing Director / Whole-time Director, Non-Executive / Independent Director, KMP and Senior Management Personnel will be determined by the NRC and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to approval of members of the Company and of the Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director / Whole-time Director shall be in accordance with the percentage / slabs / conditions as per provisions of the Companies Act, 2013 and the Rules made thereunder.
- c) Increments to the existing remuneration / compensation structure linked to performance, shall be clear and meet appropriate performance benchmarks and may be recommended by the NRC in the case of directors to the Board which should be within the slabs approved by members in the case of Managing Director / Whole-time Director.
- d) The NRC will not normally fix the actual amounts of remuneration that may be payable to each individual KMP or senior management personnel. However, the NRC while fixing the remuneration of any such key personnel shall consider the following:
 1. The industry practice for the same level of employment/office;
 2. Past performance /seniority of the concerned appointee;
 3. The nature of duties and responsibilities cast upon such person by reason of his / her holding that office;
 4. The remuneration should be such that it provides adequate incentive to the person to give his / her best to the Company and feel a sense of high satisfaction with the employment;
 5. The perquisites to be given to Managing Director / Whole-time Director(s), KMP & Senior Management Personnel will be as per industry practices and or as may be recommended by the NRC to the Board.

Remuneration to Whole-time and other Directors, KMP and Senior Management Personnel:-

The Managing Director / Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the NRC. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and approved by the shareholders and Central Government, wherever required, reflecting the short and long term performance objectives appropriate to the working of the Company and its goals.

Commission may be paid within the monetary limits fixed and approved by the Board subject to the overall limit not exceeding 1% of the net profits of the Company computed as per applicable provisions of the Companies Act, 2013.

Sitting Fees:-

The Non-Executive / Independent Directors may receive remuneration by way of fees for attending meetings of the Board or Committees thereof as may be recommended by the Committee and approved by the Board provided that the amount of such fees shall not exceed amounts prescribed in this behalf by the Central Government from time to time.

ANNEXURE II SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2017

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

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

I have conducted Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by Hardcastle & Waud Mfg. Co. Limited (hereinafter called 'the Company'). The audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conduct and statutory compliances of the Company and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by it and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the audit, I hereby report that in my opinion, the Company has, during the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealings with clients;
 - (d) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

I have also examined compliance with applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the BSE Ltd.

During the year under review the Company has complied with provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule board meetings and agenda thereof and detailed notes on the agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committee(s) of the Board.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

Place : Mumbai
Date : 18.08.2017

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

ANNEXURE III

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES

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

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

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

Note:

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

ANNEXURE IV

Form No. MGT -9

Extract of Annual Return as on the financial year ended 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- | | |
|--|---|
| i) CIN: | L99999MH1945PLC004581 |
| ii) Registration Date : | 15th October 1945 |
| iii) Name of the Company: | Hardcastle & Waud Mfg. Co. Ltd |
| iv) Category / Sub – Category of the Company : | Public Limited Company/ Limited by Shares |
| v) Address of the Registered office and contact details: | Mall Office, 2nd Floor,
Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd,
Netivali, Kalyan (E), Thane 421306
Tel No.022-22837658-63.
Fax No. 022-22873176
E-mail Id: ho@hawcoindia.com ,
Website: www.hawcoindia.in |
| vi) Whether listed company: | Yes |
| vii) Name, Address & Contact details of the Registrars & Transfer Agent, if any. | Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Phone : 022 49186270 Fax: 022 49186060
e-mail : rnt.helpdesk@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Industrial Chemicals	2029	62.56
2	Leasing Activities	7730	32.31

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1			N.A.		
2					

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	28,454	–	28,454	4.19	30,354	–	30,354	4.47	0.28
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	4,56,241	–	4,56,241	67.15	4,56,241	–	4,56,241	67.15	–
e) Bank/FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A) (1) :	4,84,695	–	4,84,695	71.34	4,86,595	–	4,86,595	71.62	0.28
(2) Foreign									
a) NRI- Individuals	14,488	–	14,488	2.13	12,588	–	12,588	1.85	-0.28
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks/ FI	–	–	–	–	–	–	–	–	–
e) Any other	–	–	–	–	–	–	–	–	–
Sub-Total (A) (2)	14,488	–	14,488	2.13	12,588	–	12,588	1.85	-0.28
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	4,99,183	–	4,99,183	73.47	4,99,183	–	4,99,183	73.47	–
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	–	560	560	0.08	–	560	560	0.08	–
b) Banks/ FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt.(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-Total (B) (1)	–	560	560	0.08	–	560	560	0.08	–
(2) Non-Institutions									
a) Bodies Corporates									
i) Indian	68,162	5,213	73,375	10.80	66,407	–	66,407	9.77	-1.03
ii) Overseas	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lac	78,298	26,711	1,05,009	15.45	76,238	22,144	98,382	14.48	-0.97
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c) Others									
i) Non-Resident Indian	1,301	26	1,327	0.20	1,243	26	1,269	0.19	-0.01
ii) Foreign Nationals	-	20	20	-	-	-	-	-	-
iii) HUF	-	-	-	-	3,537	-	3,537	0.52	0.52
iv) Clearing Members	-	-	-	-	486	-	486	0.07	0.07
v) Hardcastle & Waud Mfg. Co. Ltd. Unclaimed Suspense Account	-	-	-	-	9,650	-	9,650	1.42	1.42
Sub-Total (B) (2)	1,47,761	31,970	1,79,731	26.45	1,57,561	22,170	1,79,731	26.45	-
Total Public Shareholding (B)= (B) (1)+(B) (2)	1,47,761	32,530	1,80,291	26.53	1,57,561	22,730	1,80,291	26.53	-
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6,46,944	32,530	6,79,474	100	6,56,744	22,730	6,79,474	100	-

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Winmore Leasing & Holdings Ltd	2,98,946	44	-	2,98,946	44	-	-
2	Shri Ambika Trading Co. Pvt Ltd.	78,705	11.58	-	78,705	11.58	-	-
3	Saubhagya Impex Pvt. Ltd.	50,051	7.37	-	50,051	7.37	-	-
4	Achal Exim Pvt. Ltd.	18,606	2.74	-	18,606	2.74	-	-
5	Shri Anurag Jatia	12,588	1.85	-	12,588	1.85	-	-
6	Amit Jatia HUF	10,070	1.48	-	10,070	1.48	-	-
7	Vishwas Investment & Trading Co. Pvt. Ltd.	9,420	1.39	-	9,420	1.39	-	-
8	Smt Smita Jatia	6,586	0.97	-	6,586	0.97	-	-
9	Shri Banwarilal Jatia	6,028	0.89	-	6,028	0.89	-	-
10	Smt Lalita Devi Jatia	5,550	0.82	-	5,550	0.82	-	-
11	Shri Akshay Jatia	950	0.14	-	1	-	-	-0.14
12	Shri Ayush Jatia	950	0.14	-	1	-	-	-0.14
13	Horizon Impex Pvt. Ltd.	490	0.07	-	490	0.07	-	-

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
14	Smt Usha Devi Jatia	170	0.03	-	170	0.03	-	-
15	Shri Amit Jatia	50	0.01	-	1948	0.29	-	0.28
16	Subh Ashish Exim Pvt. Ltd.	20	-	-	20	-	-	-
17	Anand Veena Twisters Pvt. Ltd.	1	-	-	1	-	-	-
18	Houghton Hardcastle (India) Pvt. Ltd.	1	-	-	1	-	-	-
19	Hawcoplast Investments & Trading Ltd.	1	-	-	1	-	-	-
Total		4,99,183	73.47	-	4,99,183	73.47	-	-

(iii) Change in Promoters Shareholding (Specify if there is No Change)

Sr. No	Shareholding at the beginning of the year (As on 01.04.2016)	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total Shares of the Company
1	At the beginning of the year	4,99,183	73.47
2	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change	No Change
3	At the end of the year	4,99,183	73.47

Inter-se transfers among Promoters

Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shri Ayush Jatia	950	0.14	01.04.2016	-	-	950	0.14
				27.01.2017	-949	Transfer	1	-
		1	-	31.03.2017	-	-	1	-
2	Shri Akshay Jatia	950	0.14	01.04.2016	-	-	950	0.14
				27.01.2017	-949	Transfer	1	-
		1	-	31.03.2017	-	-	1	-
3	Shri Amit Jatia	50	0.01	01.04.2016	-	-	50	0.01
				27.01.2017	1898	Transfer	1948	0.28
		1948	0.28	31.03.2017	-	-	1948	0.28

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning of the year (01.04.2016) / end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Indus Equicap Consultancy Pvt Ltd	36,825	5.42	01.04.2016	-	-	36,825	5.42
		36,825	5.42	31.03.2017	-	-	36,825	5.42
2	Bay Capital Advisors Pvt Ltd	12,150	1.79	01.04.2016	-	-	12,150	1.79
		12,150	1.79	31.03.2017	-	-	12,150	1.79

Sr. No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning of the year (01.04.2016) / end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3	Discovery Financial Services Pvt Ltd	7,000	1.03	01.04.2016	-	-	7,000	1.03
		7,000	1.03	31.03.2017	-	-	7,000	1.03
4	Shri Vijay Aggarwal	5,000	0.74	01.04.2016	-	-	5,000	0.74
		5,000	0.74	31.03.2017	-	-	5,000	0.74
5	Shri Kanwarlal Anopchand Bothra	4,424	0.65	01.04.2016	-	-	4,424	0.65
				01.07.2016	-10	Transfer	4,414	0.65
				08.07.2016	-103	Transfer	4,311	0.63
				22.07.2016	-1,311	Transfer	3,000	0.44
				29.07.2016	1,311	Transfer	4,311	0.63
				23.09.2016	-11	Transfer	4,300	0.63
6	Marudhar Vyapaar Pvt Ltd	-	-	01.04.2016	-	-	-	-
				14.10.2016	3,000	Transfer	3,000	0.44
				31.03.2017	-	-	3,000	0.44
7	Shri Kamlesh Himatlal Shah	2,289	0.34	01.04.2016	-	-	2,289	0.34
				31.03.2017	-	-	2,289	0.34
8	Smt Suva K Bothra	2,281	0.34	01.04.2016	-	-	2,281	0.34
				31.03.2017	-	-	2,281	0.34
9	Sikkim Jansewa Pratisthan Pvt Ltd	2,000	0.29	01.04.2016	-	-	2,000	0.29
				31.03.2017	-	-	2,000	0.29
10	Shringar Film Pvt Ltd	1,885	0.28	01.04.2016	-	-	1,885	0.28
				31.03.2017	-	-	1,885	0.28

v) Shareholding of Directors & Key Managerial Personnel

Sr. No	Shareholder's Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning of the year (01.04.2016) / end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shri Banwari Lal Jatia	6,028	0.89	01.04.2016	-	-	6,028	0.89
		6,028	0.89	31.03.2017	-	-	6,028	0.89
2	Smt. Smita Jatia	6,586	0.97	01.04.2016	-	-	6,586	0.97
		6,586	0.97	31.03.2017	-	-	6,586	0.97
3	Smt. Smita Achrekar	1	-	01.04.2016	-	-	1	-
		1	-	31.03.2017	-	-	1	-
4	Shri Narendra Abhichandani	1	-	01.04.2016	-	-	1	-
		1	-	31.03.2017	-	-	1	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ Lacs)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (01.04.2016)				
i) Principal Amount		Nil		
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

Change in Indebtedness during the financial year

- . Addition
- . Reduction

Net Change

Nil

Indebtedness at the end of the financial year 31.03.2017

- i) Principal Amount
- ii) Interest due but not paid
- iii) Interest accrued but not due

Total (i+ii+iii)**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time Directors and/or Manager:**

(₹ Lacs)

Sr. No.	Particulars of Remuneration	Name of MD	Total Amount
		Shri Banwarilal Jatia	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2.75	2.75
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
5	Others,	-	-
	Total (A)	2.75	2.75
	Ceiling as per the Act		84.00

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ Lacs)
		Shri H. B. Gandhi	Shri Dharmendra Agarwal (upto 30.05.2016)	Shri Sunil Trivedi (from 30.05.2016)	Smt Rekha Pacheria (from 30.05.2016)	Shri ChandraKant Khaitan (upto 30.05.2016)	
1.	Independent Directors						
	. Fee for attending board committee meetings	0.14	0.06	0.16	0.14	0.02	0.52
	. Commission	-	-	-	-	-	-
	. Others,	-	-	-	-	-	-
	Total (1)	0.14	0.06	0.16	0.14	0.02	0.52
2.	Other Non-Executive Directors		Shri Om Prakash Adukia		Smt. Smita Jatia		Total Amount (₹ Lacs)
	a) Fee for attending board committee meetings		0.22		0.04		0.26
	b) Commission		-		-		-
	c) Others,		-		-		-
	Total (2)		0.22		0.04		0.26
	Total (B) = (1+2)						0.78
	Total Managerial Remuneration						3.53
	Overall Ceiling as per the Act						84.78

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount (₹ Lacs)
		Shri Narendra Abhichandani – CFO	Smt Smita Achrekar – Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	7.83	7.01	14.84
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.94	0.10	1.04
	(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-	-

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount (₹ Lacs)
		Shri Narendra Abhichandani – CFO	Smt Smita Achrekar – Company Secretary	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others	-	-	-
	Total	8.77	7.11	15.88

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made if any (give details)
A. COMPANY	Penalty Punishment Compounding					
B. DIRECTORS	Penalty Punishment Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT	Penalty Punishment Compounding					

**ANNEXURE V
COMPLIANCE CERTIFICATE**

To
The Members
Hardcastle & Waud Mfg Co. Ltd.
Kalyan

I have examined the Company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2017.

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

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

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

Place : Mumbai
Date: 18.08.2017

Shailesh A Kachalia
CP 3888
Company Secretary

CORPORATE GOVERNANCE REPORT

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense.

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

2) BOARD OF DIRECTORS:

(a) Composition and Category of Directors as at 31.3.2017:

Sr No.	Name of Director	Category	No. of other Directorship held	No. of Board Committees		Relationship with other Directors inter-se
				Chairman	Member@	
1	Mr Banwari Lal Jatia (DIN:00016823)	Promoter, Executive	13	1	1	Father-in-law of Mrs. Smita Jatia
2	Mr Om Prakash Adukia (DIN:00017001)	Non-Executive	6	3	6	} Not related to any other Director of the Company
3	Mr Hasmukh Balkrishna Gandhi (DIN:00009153)	Independent, Non-Executive	4	-	-	
4	Mr Sunil Trivedi (DIN:00387797)	Independent, Non-Executive	1	-	-	
5	Mrs. Rekha Pacheria (DIN:07415573)	Independent, Non-Executive	1	-	-	} Daughter-in-law of Mr B. L. Jatia
6	Mrs Smita Jatia (DIN:03165703)	Promoter, Non-Executive	4	-	-	

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

(b) Number of Board Meetings held, dates on which held and attendance of each director at the meeting of the Board of Directors and at the last Annual General Meeting:

During the year under review 6 Board meetings were held.

Sr No.	Name of the Director	Dates of Board Meeting and its Attendance						Date of Last AGM and its Attendance 30.09.2016
		30.05.2016	13.07.2016	11.08.2016	02.11.2016	20.01.2017	04.02.2017	
1	Mr Banwari Lal Jatia (DIN:00016823)	Attended	Attended	Attended	Attended	Attended	Attended	Not Present
2	Mr Om Prakash Adukia (DIN:00017001)	Attended	Attended	Attended	Attended	Attended	Attended	Attended
3	Mr Hasmukh Balkrishna Gandhi (DIN:00009153)	Attended	Not Present	Attended	Attended	Attended	Attended	Not Present
4	Mr Dharmendra Agarwal (DIN:06406889) upto 30.05.2016	Attended	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Mr Chandra Kant Khaitan (DIN:02423698) upto 30.05.2016	Attended	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
6	Mrs Smita Jatia (DIN:03165703)	Not Present	Not Present	Attended	Not Present	Not Present	Attended	Not Present
7	Mr Sunil Trivedi (DIN:00387797) w.e.f. 30.05.2016	N.A.	Attended	Attended	Attended	Attended	Attended	Attended
8	Mrs Rekha Pacheria (DIN:07415573) w.e.f. 30.05.2016	N.A.	Not Present	Attended	Attended	Attended	Attended	Not Present

(c) Number of equity shares held by non-executive directors as at 31.3.2017:

	No of equity shares held
i) Mrs Smita Jatia	6,586
ii) Mr Dharmendra Agarwal (upto 30.5.2016)	1
iii) Mr Chandrakant Khaitan (upto 30.5.2016)	1
iv) Mr Om Prakash Adukia	Nil
v) Mr H. B. Gandhi	Nil
vi) Mr Sunil Trivedi	Nil
vii) Mrs Rekha Pacheria	Nil

3) AUDIT COMMITTEE:

(a) Broad terms of reference:

The object of the Audit Committee is to oversee the quality and integrity of accounting, auditing and financial reporting process and disclosure of the Company's financial information and also to review its quarterly financial statements, effectiveness of audit process and adequacy of internal financial controls and risk management systems etc. The terms of reference and role of the audit committee are in accordance with the Companies Act, 2013 (the Act) and the Listing Regulations.

The Committee acts as a link between the statutory and internal auditors and the Board of Directors of the Company and recommends to the Board for appointment / re-appointment / replacement/ removal of Company's Auditors and the quantum of audit fees.

(b) Composition of Audit Committee as at 31.3.2017:

i) Mr Sunil Trivedi	(Chairman, Independent Director)
ii) Mrs Rekha Pacheria	(Member, Independent Director)
iii) Mr Om Prakash Adukia	(Member, Non-Independent Director)

(c) Details of Audit Committee Meetings held and attendance thereat during the year are as under:

Sr No.	Name of the Member	Dates of Audit Committee Meeting and Attendance				
		29.04.2016	30.05.2016	11.08.2016	02.11.2016	04.02.2017
1	Mr Hasmukh Balkrishna Gandhi (DIN:00009153) upto 30.05.2016	Attended	Attended	N.A.	N.A.	N.A.
2	Mr Om Prakash Adukia (DIN:00017001)	Attended	Attended	Attended	Attended	Attended
3	Mr Dharmendra Agarwal (DIN:06406889) Chairman upto 30.05.2016	Attended	Attended	N.A.	N.A.	N.A.
4	Mr Sunil Trivedi (DIN:00387797) Chairman w.e.f 30.05.2016	N.A.	N.A.	Attended	Attended	Attended
5	Mrs Rekha Pachheria (DIN:07415573) w.e.f. 30.05.2016	N.A.	N.A.	Attended	Attended	Attended

4) NOMINATION & REMUNERATION COMMITTEE (NRC):

(a) Broad terms of reference:

Briefly speaking, the main Term of Reference of NRC is to guide the Board in relation to appointments and removals, identification of persons and to recommend / review remuneration of directors etc. including Whole-time / Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Remuneration policy of the Company is directed towards retention and rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with industry practices.

The Committee has laid down a policy for recommending remuneration for Directors and KMP of the Company.

(b) Composition of NRC as at 31.3.2017 is as below;

- i) Mr Sunil Trivedi (Chairman, Independent Director)
- ii) Mrs Rekha Pachheria (Member, Independent Director)
- iii) Mr Om Prakash Adukia (Member, Non-Independent Director)

(c) During the year under review the committee met once on 30.05.2016 with full attendance.

(d) Criteria for performance evaluation of independent directors are as under:

The framework used to evaluate the performance of Independent Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for the shareholders, and in accordance with their duties and obligations.

5) REMUNERATION OF DIRECTORS:

(a) The Company did not have any pecuniary relations or transaction with any of its non-executive directors during the year.

(b) Criteria for making payments to non-executive directors are available at the following link http://www.hawcoindia.in/pdf/Criteria_for_making_payments_to_Non_Executive_Directors.pdf

(c) Except Mr Banwari Lal Jatia, Managing Director no other director is being paid any remuneration other than fee for attending board / committee meetings. Disclosure pertaining to remuneration paid to Managing Director during the year 2016-2017 is as under.

Sr No.	Particulars	₹ in Lacs
1	Salary, benefits, bonuses, stock options, pension etc;	2.75
2	Fixed component & performance linked incentives	Nil
3	Service contracts, notice period, severance fees	Nil

The Company does not offer any Stock Options.

6) STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):

(a) Mr Om Prakash Adukia is Chairman of the SRC.

(b) Mrs Smita Achrekar, Company Secretary of the Company is the compliance officer. During the year ended 31.03.2017 two investor complaints / queries were received which have been duly resolved.

7) GENERAL BODY MEETINGS:

(a) Particulars of last three Annual General Meetings of the Company are as under:

Date	Location of the Meeting	Time	No. of Special Resolutions passed at the Meeting
30.09.2014	Netivali Baug, Kalyan (East) - 421 306	11.00 am	3
30.09.2015	Netivali Baug, Kalyan (East) - 421 306	11.00 am	Nil
30.09.2016	Metro Junction Mall, Netivali, Kalyan (East) - 421 306	11.30 am	2

- (b) No special resolution was passed, through postal ballot last year.
- (c) Special resolutions for approval of members for authority to grant loans/extend guarantee or provide security in excess of the limit specified under Section 186 of the Companies Act, 2013 (the Act) and to sell, lease /dispose property of the Company under Section 180 (1) (a) of the Act is proposed to be considered through postal ballot.

The procedure for postal ballot is as per the provisions contained in the Companies Act, 2013 and the rules made thereunder.

8) MEANS OF COMMUNICATION:

The quarterly working results of the Company are submitted to the stock exchange electronically. The results are also published in two newspapers viz The Free Press Journal and Navshakti and also displayed on the website of the Company and the Bombay Stock Exchange.

9) GENERAL SHAREHOLDER INFORMATION:

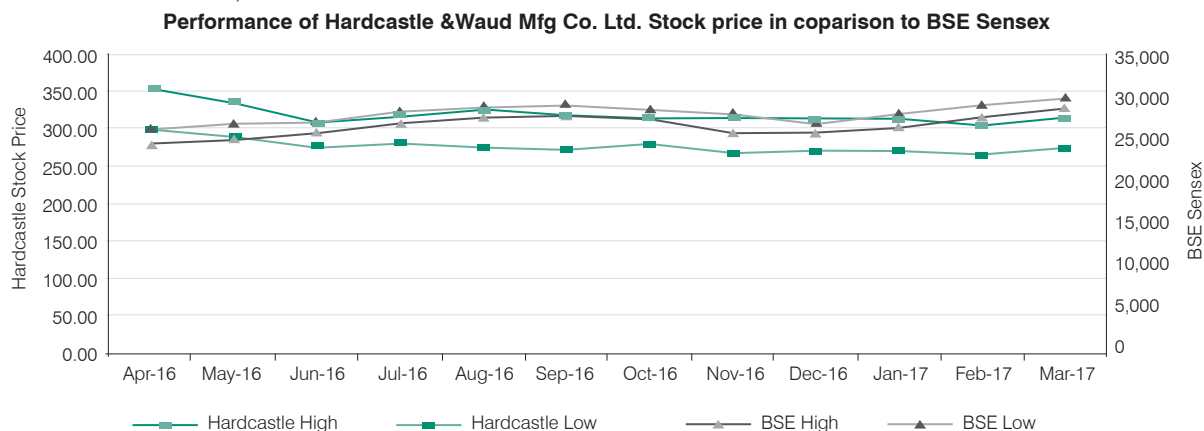
- (a) The Seventy First Annual General Meeting of the Company for the financial year 2016-2017 will be held on Friday, the 29th September, 2017 at 11.00 a.m. at the registered office of the Company at Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) – 421306, Thane.
- (b) No dividend is recommended for the financial year ended 31.3.2017.
- (c) The Company's equity shares are listed on the Bombay Stock Exchange Ltd (BSE) at Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The Company has duly paid its annual listing fee to BSE for the financial year 2017-2018.
- (d) The Company's stock code with BSE is 509597 under International Securities Identification No. INE722D01015.
- (e) Market Price Data during 2016-2017:

The monthly high and low market prices of the Company's equity share traded on BSE during each month of the Financial Year from April 1, 2016 to March 31, 2017 are as under:

Month	BSE	
	High Price (₹)	Low Price (₹)
April, 2016	351.00	300.00
May, 2016	334.80	290.10
June, 2016	307.00	276.00
July, 2016	317.00	282.10
August, 2016	329.00	275.00
September, 2016	318.00	272.00
October, 2016	314.40	280.00
November, 2016	313.90	267.00
December, 2016	312.95	270.00
January, 2017	312.00	270.05
February, 2017	305.00	266.00
March, 2017	313.60	273.60

Source: BSE website – www.bseindia.com

- (f) Stock Performance in Comparison to BSE Sensex:



- (g) Registrars and Share Transfer Agent (RTA):

Link Intime India Private Limited
 C-101, 247 Park, LBS Marg,
 Vikhroli (West), Mumbai – 400 083
 Phone: 022-49186270 Fax: 022-49186060
 e-mail : rnt.helpdesk@linkintime.co.in
 website : www.linkintime.co.in

(h) Share Transfer System:

Transfer requests for shares in physical form are processed within a period of 15 days of receipt.

(i) Distribution of shareholding as on 31.3.2017:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share holding
1-500	1,250	96.01	68,388	10.06
501 to 1000	24	1.84	17,125	2.52
1001 to 2000	9	0.69	14,916	2.20
2001 to 3000	3	0.23	7,570	1.11
3001 to 4000	-	0	-	0
4001 to 5000	2	0.15	9,300	1.37
5001 to 10000	6	0.46	44,234	6.51
10001 & above	8	0.62	517,941	76.23
Total	1,302	100	6,79,474	100

(j) Dematerialization of shares and liquidity:

As on 31.3.2017, 96.65% of equity shares of the Company including the entire shareholding of the Promoters group were in dematerialized form.

(k) The Company's plant is located at 1904, GIDC, Sarigam, District Valsad, Gujarat.

(l) Address for correspondence: Brabourne Stadium, 87 Veer Nariman Road, Mumbai – 400020.

10) OTHER DISCLOSURES:

(a) The Company has not entered into any transaction with any related party which could be considered materially significant that may have a potential conflict with the interests of the Company.

(b) No penalties or strictures have been imposed on the Company by BSE or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) The Company has framed a vigil mechanism / whistle blower policy for directors and employees to report concerns regarding unethical behaviour, actual or suspected fraud etc. and the same has been disclosed on the website of the Company. No employee of the Company was denied access to the Audit Committee.

(d) The Company has complied with the mandatory corporate governance requirements of SEBI's Listing Regulations but has not adopted any discretionary requirements mentioned in Regulation 27(1) of the Listing Regulations except relating to financial statements of the Company which are mostly accompanied with unmodified audit opinions.

(e) Material Subsidiaries - The Company does not have any subsidiary.

(f) The policy for dealing with related party transactions is available at http://www.hawcoindia.in/pdf/Policy_determining_materiality_of_related_party_transactions.pdf

11) MD / CFO CERTIFICATION:

As required under Regulation 17(8) of the Listing Regulations, the MD and CFO have certified to the Board about compliance by the Company with the requirements of the said sub-regulation for the financial year ended 31st March, 2017.

12) COMPLIANCE OF CODE OF CONDUCT:

All Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by the Managing Director to this effect is annexed as Annexure I to this Report.

13) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SHARES:

Details of demat suspense account have been disclosed in the Directors' Report annexed to the Annual Report.

ANNEXURE – I

DECLARATION - CODE OF CONDUCT

As per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, for the financial year ended March 31, 2017.

For Hardcastle and Waud Mfg. Co. Limited

B. L. Jatia
Managing Director
(DIN 00016823)

Mumbai 4th September, 2017

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Hardcastle and Waud Manufacturing Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hardcastle and Waud Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account provisions of the Act, accounting and auditing standards and matters which are required to be included in the audit report under provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on effectiveness of the entity's Internal Control. An audit also includes evaluating appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A" hereto a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) In our opinion and to best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company has disclosed impact of pending litigations on its financial position in its financial statements (Refer Note no.23.1 of the financial statements);
 - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and
 - iv) The Company has provided requisite disclosures in its financial statements (refer note 23.11 thereof) as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company .

For GMJ & Co
Chartered Accountants
Firm No. 103429W

(CA Atul Jain)
Partner
M. No. 037097

Place : Mumbai
Date: 29/05/2017

Annexure “A” to the Independent Auditor’s Report

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals .No material discrepancies between the book records and physical inventory have been noticed;
- (c) The title deeds of immovable properties held as Fixed assets/Long term investments are in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
- (iii) The Company has not granted loans, secured or unsecured to any firms, companies or other parties covered in the register maintained under Section 189 of the Company’s Act,2013 (the Act) and hence provisions of clauses (iii) (a) ,(b) and(c) of paragraph 3 of the Company (Auditors Report) Order 2016 (the Order) are not applicable to the Company.
- (iv) In respect of investments provisions of Section 185 and 186 of the Act, have been complied with;
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act and the rules framed thereunder to the extent notified;
- (vi) The Central Government of India has not prescribed maintenance of cost records under subsection (1) of Section 148 of the Act for any of the activities of the Company;
- (vii) According to records of the Company, examined by us and the information and explanations given to us:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities. There were no undisputed amounts payable for a period of more than six months from the date they became payable,
- (b) Details of dues of Sales tax and duty of excise which have not been deposited as at March 31,2017 on account of dispute are given below :

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount* (in ₹)
Sales Tax	Sales Tax	Deputy Commissioner (Ct), Chennai	2002-03, 2003-04	3,08,496
Sales Tax	Sales Tax	Appealant Assistant Commissioner, Chennai	2009-10, 2010-11	84,599
Sales Tax	Sales Tax	Special Court, Chennai	2002-03, 2005-06	87,609
Sales Tax	Sales Tax	Appealant Assistant Commissioner, Chennai	2001-02,2002-03,2003-04, 2004-05,2005-06	7,11,378
Sales Tax	Sales Tax	Commercial Tax Officer, Chennai	2001-02,2002-03,2003-04,2004-05	1,41,681
Sales tax	Sales tax	DY Comm. OF Sales Tax Appeals	2000-01	2,67,492
Sales tax	Sales Tax	Assessing Officer	2004-05	3,30,744
Sales tax	CST	CST Refund order pending,Chennai	2005-06	11,703
Central Excise	Excise Duty & Penalty	CCE (APPEALS),Mumbai	1988-89	889,214
Central Excise	Excise Duty & Penalty	CCE (APPEALS),Mumbai	1988-89	69,641

*The amount includes Rs 10,93,200 which has been deposited with Sales Tax Authorities in respect of contested demands raised against the Company.

- There were no dues of Income tax, duty of customs and service tax which have not been deposited as at March 31,2017 on account of any dispute;
- (viii) The Company has not taken any loan from any Financial Institution, Bank or Government and has not issued any debentures;
- (ix) The Company has not raised money by way of initial public offer or further public offer and term loans therefore the clause (ix) of para 3 of the Order are not applicable;
- (x) To the best of our knowledge and belief and according to the information given to us ,no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (xi) Managerial remuneration paid or provided is within the permissible limits as prescribed by section 197 read with Schedule V of the Act;
- (xii) As the Company does not fall into the category of nidhi company, clause (xii) of para 3 of the Order is not applicable to the Company;
- (xiii) According to the information and explanation given to us all transactions with related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and details have been disclosed in the Financial Statements as required by applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them under provisions of section 192 of Act;
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **GMJ & Co**
Chartered Accountants
Firm’s Regn. No. 103429W

CA Atul Jain
Partner
M. No. 037097

Place: Mumbai
Date: 29th May, 2017

Annexure “B” to the Independent Auditor’s Report

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Hardcastle And Waud Mfg. Co. Limited (‘the Company’) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring orderly and efficient conduct of its business, including adherence to company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such control operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of inherent limitations of internal financial controls over financial reporting, including possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal financial controls over financial reporting to future periods are subject to the risk that internal financial control over financial reporting may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GMJ & Co**
Chartered Accountants
Firm’s Regn. No. 103429W

CA Atul Jain
Partner
M. No. 037097

Place: Mumbai
Date: 29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	6,794,740	6,794,740
Reserves & Surplus	3	352,889,914	350,665,542
		359,684,654	357,460,282
Non-Current Liabilities			
Other Long-Term Liabilities	4	-	17,406
Deferred Tax Liabilities (Net)	10	9,146,000	9,175,000
Current Liabilities			
Trade Payables	5	731,982	3,257,907
Other Current Liabilities	6	23,689,594	23,811,614
Short-Term Provisions	7	371,025	304,007
		24,792,601	27,373,528
Total		393,623,255	394,026,216
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	75,463,803	71,421,315
Capital Work-In Progress		1,883,645	-
Non-Current Investments	9	230,840,466	245,582,120
Long-Term Loans and Advances	11	75,046,804	56,211,636
		383,234,718	373,215,071
Current Assets			
Current Investments	12	-	7,514,632
Inventories	13	-	41,834
Trade Receivables	14	3,487,647	4,159,383
Cash and Cash Equivalents	15	3,316,278	4,359,758
Short-Term Loans and Advances	16	3,584,612	4,735,538
		10,388,537	20,811,145
Total		393,623,255	394,026,216
Significant Accounting Policies See accompanying Notes to the Financial Statements	1 - 23		

As per our report of date attached

For GMJ & CO

Chartered Accountants

Atul Jain

Partner

M. No. 037097

Place: Mumbai

Date : 29th May, 2017

Smita Tambe

Company Secretary

Narendra Abhichandani

Chief Financial Officer

Place: Mumbai

Date : 29th May, 2017

For and on behalf of the Board

Banwari Lal Jatia

Managing Director

DIN : 00016823

Om Prakash Adukia

Director

DIN : 00017001

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note	2016 - 2017 ₹	2015- 2016 ₹
INCOME			
Revenue from Operations	17	38,799,607	61,199,198
Other Income	18	1,556,436	33,492
Total Revenue		40,356,043	61,232,690
EXPENDITURE			
Purchase of Stock-in-Trade		15,522,964	16,570,734
Change in Inventories of Finished Goods and Stock-in Trade	19	-	53,594
Employee Benefits Expense	20	4,416,169	6,642,492
Finance Costs	21	2,020	641
Depreciation, Amortisation & Impairment Expense	8	3,251,515	3,304,909
Other Expenses	22	15,314,736	18,054,790
Total Expenses		38,507,404	44,627,161
Profit/(Loss) before Prior Year Adjustments		1,848,639	16,605,529
Add : Prior Year Adjustments (Net)		(99,660)	(9,064)
Profit/(Loss) Before Tax		1,748,979	16,596,466
Tax Expenses			
Current Tax		335,000	1,420,000
Deferred Tax		(29,000)	108,505,000
Provision for Earlier Years		(781,393)	97,791
MAT Credit Entitlement Lapsed		-	4,288,972
MAT Credit Entitlement Utilised		-	225,798
		(475,393)	114,537,561
Net Profit/(Loss) After Tax		2,224,372	(97,941,095)
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted	23.6	3.27	(144.14)
Significant Accounting Policies	1 - 23		
See accompanying Notes to the Financial Statements			

As per our report of date attached

For GMJ & CO

Chartered Accountants

Atul Jain

Partner

M. No. 037097

Place: Mumbai

Date : 29th May, 2017

Smita Tambe

Company Secretary

Narendra Abhichandani

Chief Financial Officer

Place: Mumbai

Date : 29th May, 2017

For and on behalf of the Board

Banwari Lal Jatia

Managing Director

DIN : 00016823

Om Prakash Adukia

Director

DIN : 00017001

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	2016-17 ₹	2015-16 ₹
Cash flow from operating activities		
Net Profit/(Loss) Before Tax	1,848,639	16,605,529
Adjustments for:		
Prior Period Items	(99,660)	(9,064)
Provision for Diminution in Value of Investments	-	(9,111,648)
Provision for Leave Encashment	67,018	28,212
Bad Debts & Advances Written Off	231,967	-
Investment Written Off by Prior Period Item	6,386	-
(Profit)/Loss on Sale of Investments	(1,987,148)	8,760,646
(Profit)/Loss on Sale of Fixed Assets	(174,228)	(89,181)
Depreciation & Amortisation	3,251,515	3,304,909
Interest/Dividend (Net)	(242,311)	(70,651)
Operating Profit/(Loss) before Working Capital Changes	2,902,178	19,418,752
Increase/(Decrease) in Long-Term Liabilities	(17,406)	6,132
Increase/(Decrease) in Trade Payables	(2,525,925)	2,125,101
Increase/(Decrease) in Other Current Liabilities	(122,020)	1,234,868
Decrease/(Increase) in Long-Term Loans and Advances	(19,355,351)	(11,759,478)
Decrease/(Increase) in Trade Receivables	671,736	104,276
Decrease/(Increase) in Inventories	41,834	33,682
Decrease/(Increase) in Short-Term Loans and Advances	1,921,514	(3,257,905)
Cash generated from/(used in) Operations	(16,483,440)	7,905,428
Direct Taxes Paid (Net)	(35,979)	(2,107,706)
Net Cash Flow from/(used in) Operating Activities - (A)	(16,519,419)	5,797,722
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(9,305,642)	(971,285)
Sale of Fixed Assets	302,222	577,774
Purchase of Current Investments	(12,733,332)	(25,407,492)
Sale/(Purchase) of Investments	36,970,380	18,180,000
Dividend Received	4,202	37,800
Interest Received	240,129	33,492
Net cash used in Investing Activities - (B)	15,477,959	(7,549,711)
Cash Flow from Financing Activities		
Interest Paid	(2,020)	(641)
Net cash from Financing Activities - (C)	(2,020)	(641)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,043,480)	(1,752,630)
Cash and Cash Equivalents at Beginning of the year	4,359,758	6,112,388
Cash and Cash Equivalents at End of the year	3,316,278	4,359,758
Components of Cash and Cash Equivalents		
Cash on Hand	523,291	46,504
Balances with Scheduled Banks:		
- In Current Accounts	2,792,987	4,313,254
Cash and Bank Balances	3,316,278	4,359,758

Note :

- All figures in brackets are outflows.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Total of cash and cash equivalent is as per Balance Sheet.
- The Cash Flow Statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our report of date attached

For and on behalf of the Board

For GMJ & CO

Chartered Accountants

Atul Jain

Partner

M. No. 037097

Smita Tambe

Company Secretary

Narendra Abhichandani

Chief Financial Officer

Banwari Lal Jatia

Managing Director

DIN : 00016823

Om Prakash Adukia

Director

DIN : 00017001

Place: Mumbai

Date : 29th May, 2017

Place: Mumbai

Date : 29th May, 2017

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis of accounting and preparation of financial statements

The financial statements are prepared to comply in all material aspects under the historical cost convention and in accordance with generally accepted accounting principles in India and the mandatory Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("Act") read with Rule- 7 of the Companies (Accounts) Rules, 2014 and provisions of the Act (to the extent notified).

1.2 Use of Estimates

Preparation of financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognised in the period in which results get crystallised.

1.3 Fixed Assets

Fixed Assets are stated at cost except Trade Marks which are valued based on valuation carried out by an independent agency.

1.4 Depreciation and Amortization

Depreciation on fixed assets is provided on straight line method according to the useful lives of various categories of assets mentioned in Schedule II (Part C) to the Act. Leasehold assets are amortised over the respective residual lease period.

1.5 Borrowing costs

Borrowing costs attributable to acquisition or construction of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expense in the period in which these are incurred.

1.6 Impairment of Assets

At each balance sheet date, management reviews the carrying amounts of assets included in each cash generating unit to determine whether there is any indication that the assets were impaired. If any such indication exists, recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to the asset. Reversal of impairment loss is recognized as income in the Statement of Profit and Loss.

1.7 Inventories

Raw materials, finished goods, stores, components and other consumables are valued at cost or net realisable value whichever is lower. Work-in-progress is valued at estimated cost.

1.8 Investments

Long term investments are valued at cost. Provision for other than temporary diminution in value of such investments is made, if necessary. Current investments are stated at cost or market value, whichever is lower.

1.9 Foreign Currency Transactions

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

1.10 Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss.

1.11 Revenue Recognition

Accounts are maintained on accrual basis. Revenue recognition is postponed to a later year when it is not possible to estimate it with reasonable accuracy. Deferred revenue expenditure is written off over six years. Dividends from investments are recognized when the Company's right to receive payment is established.

1.12 Employee Benefits

Short-term employee benefits (compensated absences) are recognised as expense at the undiscounted amount in the year in which the related service is rendered based on actuarial valuation made at end of the year. Post-employment employee benefits are recognised as expense in the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques at end of the year. Actuarial gains and losses in respect of post employment benefits are charged to the Statement of Profit and Loss.

1.13 Taxation

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originates in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. In event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

1.14 Cash and Cash Equivalents

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand.

1.15 Segment Reporting

Identification of Segments:

Segments are identified and reported taking into account nature of products and services, differing risks and returns, organizational structure and internal financial reporting system. Analysis of geographical segments is based on areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to turnover of the respective segment.

Unallocated costs:

The unallocated segment includes general corporate income and expense items which are not allocated to any particular business segment.

Segment policies:

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements for the Company as a whole.

1.16 Earnings per share

Basic Earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	₹	No. of shares	₹
2 SHARE CAPITAL				
Authorised:				
Equity Shares of ₹ 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Paid Up:				
Equity Shares of ₹ 10 each, fully paid up	6,79,474	67,94,740	6,79,474	67,94,740
2.1 Reconciliation of number of Equity Shares outstanding:				
Equity Shares at beginning of the year	6,79,474	67,94,740	6,79,474	67,94,740
Equity Shares at end of the year	6,79,474	67,94,740	6,79,474	67,94,740
2.2 Details of Shareholders holding more than 5% shares :				
	As at 31st March, 2017		As at 31st March, 2016	
Name of Shareholder	No. of shares	% held	No. of Shares	% held
Winmore Leasing & Holdings Ltd	2,98,946	44.00%	2,98,946	44.00%
Shri Ambika Trading Co. Pvt. Ltd	78,705	11.58%	78,705	11.58%
Saubhagya Impex Pvt. Ltd	50,051	7.37%	50,051	7.37%
2.3 Terms/Rights attached to equity shares:				
a) The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Final dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholders.				
b) None of the above shares are reserved for issue under options/contracts/commitments for sale of shares or disinvestments.				
			As at 31st March, 2017	As at 31st March, 2016
			₹	₹
3 RESERVES AND SURPLUS				
Share Premium Account				
As per last Balance Sheet			7,88,52,831	7,88,52,831
General Reserve				
As per last Balance Sheet			36,97,43,487	36,97,43,487
Revaluation Reserve				
As per last Balance Sheet			-	200,000
Less: Written off against trademark			-	200,000
Balance at the end of the year			-	-
Surplus as per Statement of Profit And Loss				
As per last Balance Sheet			(97,930,776)	10,319
Add : Profit/(Loss) for the year			2,224,372	(97,941,095)
			(9,57,06,404)	(9,79,30,776)
			35,28,89,914	35,06,65,542
4 OTHER LONG TERM LIABILITIES				
Other Payables			-	17,406
			-	17,406
5 TRADE PAYABLES				
Sundry Creditors			7,31,982	3,257,907
			7,31,982	3,257,907
6 OTHER CURRENT LIABILITIES				
Security Deposits (Unsecured)			2,25,00,000	2,25,00,000
Other Payables (includes statutory dues payable & others)			11,89,594	13,11,614
			2,36,89,594	2,38,11,614
7 SHORT-TERM PROVISIONS				
Provision for Leave Encashment			3,71,025	3,04,007
			3,71,025	3,04,007

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8	FIXED ASSETS	(Amount in ₹)								
		GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
PARTICULARS	As at 01.04.2016	Additions	Deductions / Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deductions / Adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
TANGIBLE ASSETS :										
OWN ASSETS :										
Electrical Installation	1,116,135	-	72,066	1,044,069	850,223	90,659	68,466	872,416	171,653	265,912
Furniture & Fixtures	7,816,139	-	1,370	7,814,769	6,456,748	435,225	1,370	6,890,603	924,166	1,359,391
Office Equipments	2,354,507	108,900	288,515	2,174,892	2,027,782	92,499	267,490	1,852,791	322,101	326,725
Office Computers	5,900,661	-	-	5,900,661	5,606,536	-	-	5,606,536	294,125	294,125
Motor Vehicles	3,833,339	-	-	3,833,339	1,463,035	382,574	-	1,845,609	1,987,730	2,370,304
Sub-Total	21,020,781	108,900	361,951	20,767,730	16,404,324	1,000,957	337,326	17,067,955	3,699,775	4,616,457
ASSETS GIVEN ON LEASE :										
Lease - hold Land	1,135,690	-	-	1,135,690	154,661	14,496	-	169,157	966,533	981,029
Buildings	66,996,375	258,290	-	67,254,665	9,886,435	1,222,662	-	11,109,097	56,145,568	57,109,940
Plant & Machinery	16,047,631	4,863,069	-	20,910,700	8,192,160	590,638	-	8,782,798	12,127,902	7,855,471
Electrical Installation	1,577,037	134,739	-	1,711,776	1,418,283	8,279	-	1,426,562	285,214	158,754
Water Equipments	39,030	-	-	39,030	16,012	-	-	16,012	23,018	23,018
Laboratory Equipments	83,538	-	-	83,538	79,361	-	-	79,361	4,177	4,177
Furniture & Fixtures	101,096	-	-	101,096	97,116	20	-	97,136	3,960	3,980
Office Equipments	166,876	-	-	166,876	158,532	-	-	158,532	8,344	8,344
Office Computers	143,325	-	-	143,325	3,783	45,396	-	49,179	94,146	139,542
Motor Vehicles	2,557,603	2,056,999	1,475,147	3,139,455	2,036,999	369,067	1,371,778	1,034,288	2,105,167	520,604
Sub-Total	88,848,201	7,313,097	1,475,147	94,686,151	22,043,342	2,250,558	1,371,778	22,922,122	71,764,029	66,804,859
Total	109,868,982	7,421,997	1,837,098	115,453,881	38,447,666	3,251,515	1,709,104	39,990,077	75,463,803	71,421,315
Previous Year ₹	117,935,406	971,285	9,037,709	109,868,982	43,491,874	3,304,909	8,349,116	38,447,666	71,421,315	

Buildings include ₹750 being value of fully paid shares in Co - operative Housing Societies.

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
9 NON-CURRENT INVESTMENTS		
Long Term Investments (At Cost) :		
Trade Investment		
Investment in Properties		
Commercial Premises	20,140,217	19,906,985
Non-Trade Investments		
In Equity Shares - Quoted, of ₹ 2 each, fully paid up		
1,500 (Previous Year 1,500) of Ambuja Cements Ltd	-	-
In Equity Shares - Quoted, of ₹ 10 each, fully paid up		
10 (Previous Year Nil) of Winmore Leasings & Holdings Ltd	100	-
In Equity Shares - Unquoted, fully paid up		
1,80,300 (Previous Year 1,80,300) shares of Houghton Hardcastle (India) Pvt Ltd of ₹10 each	10,664,296	10,664,296
4,38,948 (Previous Year 4,38,948) of Hawcoplast Investments & Trading Limited of ₹ 10 each	5,038,944	5,038,944
8,470 (Previous Year 8,470) of Global Trendz Private Limited of ₹ 100 each	424,559	430,945
150 (Previous Year 150) of Deve Paints Limited of ₹ 10 each	2,400	2,400
100 (Previous Year 100) of Sanathnagar Enterprises Ltd (Formerly known as Bakelite Hylem Limited) of ₹ 10 each	2,800	2,800
150 (Previous Year 150) of Swastik Rubber Products Limited of ₹ 10 each	500	500
	16,133,599	16,139,885
In 8% Non-cumulative Preference Shares - Unquoted, fully paid up		
31,50,000 (Previous Year 35,00,000) of Anand Veena Twisters Private Limited of ₹ 10 each	31,500,000	35,000,000
In Redeemable Preference Shares - Unquoted of ₹ 10 each, fully paid up		
10,16,625 (Previous Year 10,88,125) shares of Winmore Leasing & Holdings Limited	163,066,650	174,535,250
	230,840,466	245,582,120
Aggregate amount of unquoted investments - Cost	230,840,366	245,582,120
Aggregate amount of quoted investments	100	-
Market Value of quoted investments	356,196	348,225
10 DEFERRED TAX ASSETS/(LIABILITIES) (NET)		
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	809,000	94,000
Deferred Tax Liabilities		
Related to Fixed Assets	(9,955,000)	9,269,000
	(9,146,000)	(9,175,000)

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31st March, 2017	As at 31st March, 2016
		₹	₹
11	LONG-TERM LOANS AND ADVANCES (Unsecured, Considered Good unless otherwise stated)		
	Prepaid Expenses	7,680	4,330
	Capital Advances	69,437,661	49,964,388
	Security Deposits	966,730	1,226,924
	Loans & Advances to Employees	167,399	-
	Advance Income Tax (Net of provision for taxation)	2,212,309	3,044,247
	MAT Credit Entitlement	1,009,032	465,310
	Others (include receivables from Govt. Authorities & Others)	1,245,993	1,506,437
		75,046,804	56,211,636
12	CURRENT INVESTMENTS		
	In Mutual Fund units of ₹ 1,000 each - fully paid up (At Cost or Market Value being Net Asset Value, whichever is lower) Nil (Previous Year 2537) of HDFC Liquid Fund - Direct Plan - Growth Option	-	7,514,632
		-	7,514,632
	Aggregate Market Value of current Quoted Investments	-	7,586,206
13	INVENTORIES		
	Stores & Spare Parts	-	41,834
		-	41,834
14	TRADE RECEIVABLES		
	Unsecured		
	Outstanding for a period exceeding six months from due date		
	Other Debts		
	Considered Good	3,487,647	4,159,383
	Doubtful	-	-
	Total Trade Receivables	3,487,647	4,159,383
15	CASH AND CASH EQUIVALENTS		
	Cash on Hand	523,291	46,504
	In Accounts with Banks	2,757,213	4,282,168
	Cheques on Hand	35,774	31,086
		3,316,278	4,359,758
16	SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
	Prepaid Expenses	123,409	136,203
	Capital Advances	-	2,056,999
	Loans & Advances to Employees	537,148	510,876
	Receivables from Government Authorities	2,324,623	942,256
	Others	599,432	1,089,204
		3,584,612	4,735,538
		For the Year 2016-17	For the Year 2015-16
		₹	₹
17	REVENUE FROM OPERATIONS		
	Sale of Products & Services		
	Industrial Chemicals		
	Traded Goods	24,272,404	25,972,850
	Job Charges Income	-	24,680,365
	Profit/(Loss) on Sale/Discard of Fixed Assets	-	(81,681)
		24,272,404	50,571,534
	Investments Activities		
	Dividend Income from Current Investments (Non-Trade)	4,202	37,800
	Provisions, no longer required, written back for- Diminution in Value of Investments	-	9,111,648
	Net Loss/(Profit) on Sale of Investments On Current Investments	373,748	314,632
	On Long - Term Investments	1,613,400	(9,075,278)
		1,991,350	388,802
	Leasing Activities		
	Rent Received	12,337,000	10,068,000
	Profit/(Loss) on Sale/Discard of Fixed Assets	198,853	170,862
		12,535,853	10,238,862
		38,799,607	61,199,198

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year 2016-17 ₹	For the Year 2015-16 ₹
18 OTHER INCOME		
Interest Income	240,129	33,492
Other Non-Operating Income		
Profit/(Loss) on Sale/Discard of Fixed Assets	(24,625)	-
Sundry Income	1,340,932	-
	1,316,307	-
	1,556,436	33,492
19 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE		
Inventories at Commencement		
Stock-in-Trade	-	53,594
	-	53,594
	-	53,594
20 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, & Allowances	4,105,180	6,101,607
Contribution to Provident & Other Funds	213,479	528,400
Contribution to Gratuity Fund	1,976	(50,811)
Employee Welfare Expenses	95,534	63,296
	4,416,169	6,642,492
21 FINANCE COST		
Interest on Others	2,020	641
	2,020	641
22 OTHER EXPENSES		
Power, Fuel and Water	-	915,916
Consumption of Stores and Spares	-	129,705
Rent	2,544,934	2,724,186
Rates and Taxes	515,088	280,904
Insurance	152,541	155,924
Repairs and Maintenance		
Machineries	127,269	95,394
Buildings	506,067	969,087
Others	177,321	174,082
Freight and Forwarding	50,348	161,502
Rebates and Discounts	5,705,938	6,514,256
Directors' Fees	78,000	70,000
Bank Charges	11,512	11,446
Travelling and Conveyance Expenses	1,042,016	1,422,494
Communication Expenses	219,777	256,498
Electricity Expenses	1,098,235	1,532,700
Payment to Auditors	120,000	120,000
Legal & Professional Expenses	693,950	509,700
Service Charges	745,000	877,200
Miscellaneous Expenses	1,294,773	1,133,798
Bad Debts/Irrecoverable Advances Written Off	231,967	-
	15,314,736	18,054,790
23.1 CONTINGENT LIABILITIES AND COMMITMENTS (Not Provided for)		
1) CONTINGENT LIABILITIES		
Claims not acknowledged as debts* (Demands for Excise and Sales Tax under contest) Future Profitability may be affected to the extent indicated if such liabilities crystallise.	2,902,557	2,897,131
2) COMMITMENTS		
Estimated amount of contracts remaining to be executed on Capital Account	1,762,878	21,236,151
* out of above ₹ 10,93,200 (Previous Year ₹ 11,57,668) paid under protest		
23.2 Trade Purchases		
Indigenous	15,522,964	16,570,734
	15,522,964	16,570,734
23.3 Expenditure in Foreign Currency		
Travelling Expenses	391,161	278,260
	391,161	278,260

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year 2016-17 ₹	For the Year 2015-16 ₹
23.4 Payment to Auditors		
Audit Fees	75,000	75,000
Tax Audit Fees	15,000	15,000
Limited Review	30,000	30,000
	1,20,000	1,20,000
23.5 MICRO AND SMALL ENTERPRISES		
The Company has not received any intimation from its creditors regarding their respective status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made. (relied upon by auditors)	-	-
23.6 EARNING PER SHARE (EPS)		
Basic and Diluted		
a) Net Profit/(loss) after taxation (₹)	2,224,372	(97,941,095)
b) No. of Equity Shares of ₹ 10 each	679,474	679,474
c) Basic and Diluted Earning Per share (₹)	3.27	(144.14)

23.7 RELATED PARTY DISCLOSURES (As per Accounting Standard 18) :

(as identified by the management and relied by the auditors)

i) Person having control :

Mr B. L. Jatia

ii) Associate Company

Winmore Leasing and Holdings Ltd.

iii) Enterprises & other parties over which persons having control are able to exercise significant influence with whom transactions have taken place during the year :

Achal Exim Pvt Ltd
 Hawco Lubricants Pvt. Ltd
 Hardcastle Petrofer Pvt Ltd
 Saubhagya Impex Private Limited
 Shri Ambika Trading Co. Private Limited
 Vishwas Investment & Trading Co. Private Limited
 West Leisure Resorts Ltd
 West Pioneer Properties (India) Private Ltd

iv) Key Management Personnel :

Mr B. L. Jatia - Managing Director
 Ms Smita Tambe - Company Secretary
 Mr N. Abhichandani - Chief Finance Officer

Transactions with Related Parties in the ordinary course of business :

	Enterprises in which a director has significant influence ₹	Key Management Personnel ₹
A) Transactions during the year :		
CURRENT YEAR		
a) Rent Income	-	-
	(270,000)	
b) Rent Paid	1,500,000	-
	(1,500,000)	
c) Service Charges Paid	720,000	-
	(877,200)	
d) Purchase of Investments	100	-
	-	
e) Sale of Investments	13,082,000	
	-	
f) Purchase of Trade Goods	14,951,359	
	(15,974,394)	
g) Remuneration paid		1,896,385
		(4,723,542)
B) Balance outstanding at the end of the year :		
Current Year	-	-
Previous Year	3,253,163	-

*Figures in () represent previous year figures

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year 2016-17	For the Year 2015-16
	₹	₹
23.8 DEFINED BENEFIT : GRATUITY PLAN		
(Information as required under Accounting Standard - 15)		
Obligations at beginning of the year	2,238,401	2,109,625
Interest Cost	173,476	163,496
Service Cost	157,178	151,585
Benefits Settled	-	-
Actuarial (Gain)/Loss	(146,455)	(186,305)
Obligations at end of the year	2,422,600	2,238,401
Change in Plan Assets		
Fair Value of Plan Assets at beginning of the year	2,394,914	2,209,327
Expected Return on Plan Assets	196,452	200,421
Contributions	-	-
Benefits Settled	-	-
Actuarial Gain/(Loss)	(14,229)	(14,834)
Fair Value of Plan Assets at end of the year	2,577,137	2,394,914
Reconciliation of Present Value of the Obligations and Fair Value of Plan Assets		
Fair Value of Plan Assets at end of the year	(2,577,137)	(2,394,914)
Present Value of defined benefit obligations at end of the year	2,422,600	2,238,401
Liability/(Asset) recognised in Balance Sheet	(154,537)	(156,513)
Gratuity Cost for the year		
Service Cost	157,178	151,585
Interest Cost	173,476	163,496
Expected Return on Plan Assets	(196,452)	(200,421)
Actuarial (Gain)/Loss	(132,226)	(171,471)
Expense recognised in Statement of Profit & Loss	1,976	(56,811)
Assumptions		
Interest Rate	6.50%	7.75%
Expected Return on Plan Assets	6.50%	7.75%
Expected Rate of Salary Increase	7.00%	7.00%
Attrition Rate	1.00%	1.00%
Retirement Age	55-58 years	55-58 years
	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
23.9 SEGMENT INFORMATION (As per Accounting Standard 17) :		
Primary Segment reporting - Business Segments		
SEGMENT REVENUE		
Industrial Chemicals	24,272,404	50,571,534
Investments	1,991,350	388,802
Leasing Activities	12,535,853	10,238,862
Total	38,799,607	61,199,198
SEGMENT RESULT		
Industrial Chemicals	1,755,838	11,003,856
Investments	1,990,219	387,794
Leasing Activities	8,779,184	8,675,429
Total	12,525,241	20,067,078
Unallocated Corporate (Expenses)/Income	(10,774,242)	(3,469,972)
Operating Profit/(Loss)	1,750,999	16,597,107
Interest Expense	2,020	641
Income Tax (including Deferred Tax)	(475,393)	114,537,561
Net Profit/(Loss) After Tax	2,224,372	(97,941,095)
OTHER INFORMATION		
Total carrying amount of Segment Assets		
Industrial Chemicals	5,430,395	83,051,715
Investments	210,700,249	233,189,767
Leasing Activities	94,592,168	69,915,419
Unallocated Corporate Assets	82,900,443	7,869,315
Total Assets	393,623,255	394,026,216

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
Total carrying amount of Segment Liabilities		
Industrial Chemicals	116,468	4,890,934
Investments	-	-
Leasing Activities	23,503,403	22,500,000
Unallocated Corporate Liabilities	10,318,730	9,175,000
Total	33,938,601	36,565,934
Capital Expenditure incurred during the year		
Other Non Cash Expenditure	7,421,997	971,285
NOTES :	3,251,515	3,304,909
1) Industrial Chemicals segment includes Metal Working & Maint. Products etc. Investment segment relates primarily to the activity of Investment.		
2) Operations of the Company are entirely in India and hence, there are no other reportable geographical segments.		
23.10 LEASES :		
i) Non-cancellable operating leases taken for use of premises :		
Less than one year	250,000	375,000
One to Five years	734,400	1,468,800
More than Five years	Nil	Nil
Total minimum lease rental obligations	984,400	1,843,800
ii) Non-cancellable operating leases granted for use of premises :		
Less than one year	2,799,000	3,967,000
One to Five years	Nil	Nil
More than Five years	Nil	Nil
Total minimum lease rental	2,799,000	3,967,000

23.11 Details of Specified Bank Notes (SBN) held and transacted during the period 09/11/2016 to 30/12/2016 as required vide notification No. G.S.R. 308 (e) dt 30/03/2017 are provided in the table below:

Particulars	SBNs*	Other denomination notes	Amount Rs.
Closing cash in hand as on 08.11.2016	51,500	4,923	56,423
Amount withdrawn from Banks	-	562,000	562,000
Receipts	15,000	-	15,000
Permitted Payments (other than bank)	-	113,439	113,439
Amount Deposited in Banks	66,500	-	66,500
Closing cash in hand as on 30.12.2016	-	453,484	453,484

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

23.12 Loans and Advances include deposits of ₹ 12,45,993 (Previous Year ₹ 15,07,522) with Sales Tax Authorities in respect of contested demands raised against the Company. Part of these demands pending in adjudication and/or in first appeals is included under Contingent Liabilities not provided for.

23.13 Sales exclude Sales Tax/VAT amounting to ₹ 9,41,617 (Previous Year ₹ 9,60,380) collected from customers and paid to the concerned Sales Tax Department.

23.14 Items and figures for the previous year have been recast, regrouped and/or re-arranged wherever necessary to conform to the current year's presentation.

Signatories to Notes 1 to 23

As per our report of date attached

For GMJ & CO

Chartered Accountants

Atul Jain

Partner

M. No. 037097

Place: Mumbai

Date : 29th May, 2017

Smita Tambe

Company Secretary

Narendra Abhichandani

Chief Financial Officer

Place: Mumbai

Date : 29th May, 2017

For and on behalf of the Board

Banwari Lal Jatia

Managing Director

DIN : 00016823

Om Prakash Adukia

Director

DIN : 00017001

HARDCASTLE & WAUD MANUFACTURING COMPANY LTD.

CIN No.: L99999MH1945PLC004581

Registered Office: Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) 421306
 Tel. No.: 022- 22837658-63 • Fax No.: 022- 22873176 • E-mail Id: ho@hawcoindia.com • Website : www.hawcoindia.in

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name(s) of the member (s): _____

Registered address: _____

E-mail Id: _____

Folio No/ Client Id: _____

DP ID: _____

I/We, being member(s) of _____ shares of the above named Company, hereby appoint

1. Name : _____ Address : _____
 E-mail Id : _____ Signature : _____, or failing him/her
2. Name : _____ Address : _____
 E-mail Id : _____ Signature : _____ or failing him/her
3. Name : _____ Address : _____
 E-mail Id : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 71st Annual General Meeting of the Company to be held on Friday, the 29th September, 2017 at 11.00 a.m. at Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) 421306 and at any adjournment thereof in respect of the following:

Resolution No.	
1.	Adoption of the audited financial statements for the year ended March 31, 2017.
2.	Re-appointment of Mr Om Prakash Adukia, as a Director of the Company, liable to retire by rotation.
3.	Ratification of appointment of M/s. GMJ & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.
4.	Appointment of Mr Govind Prasad Goyal as an Independent Director of the Company.

Signed this day of 2017.

Signature of shareholder

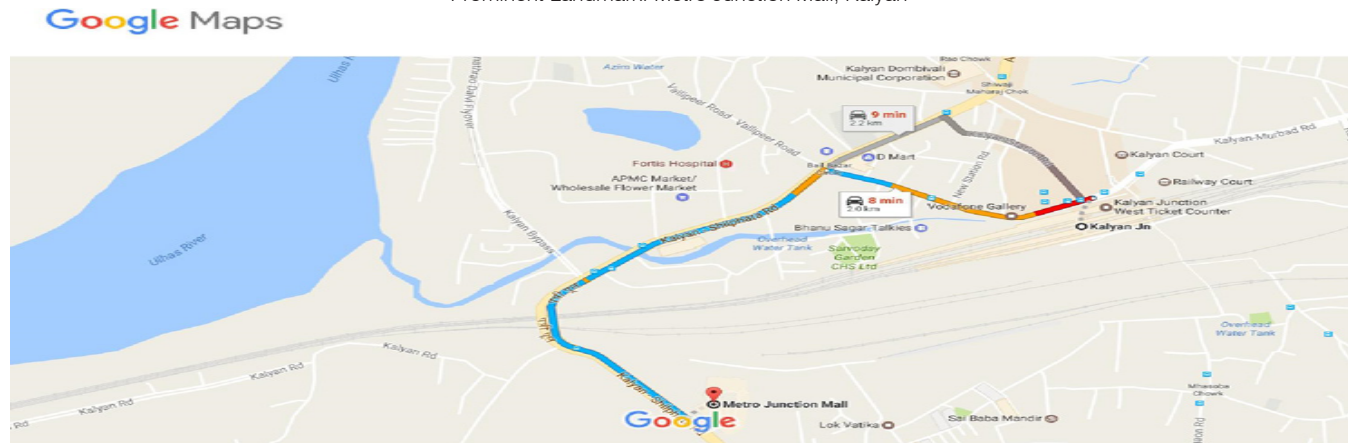
Signature of Proxy holder(s)

Affix
Revenue
Stamp
Here

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. Alterations, if any made in the Form of Proxy should be initialled.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map
 Prominent Landmark: Metro Junction Mall, Kalyan





If undelivered, please return to:

HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

Brabourne Stadium

87, Veer Nariman Road, Mumbai - 400 020