



# Hardcastle & Waud Manufacturing Co. Ltd.

BRABOURNE STADIUM,  
87, VEER NARIMAN ROAD,  
MUMBAI - 400 020.  
CIN : L99999MH1945PLC004581  
TEL. : 91-22-2283 7658-63  
FAX : 91-22-2287 3176  
E MAIL : ho@hawcoindia.com  
: WEB:www.hawcoindia.in

1<sup>st</sup> October, 2016

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

Dear Sir/Madam,

Sub: 70<sup>th</sup> 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 2015-16 as required under Regulation 34 duly approved and adopted by the members as per provisions of the Companies Act, 2013 as Annexure II.

Thanking you,

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

**O P Adukia**  
Director(DIN:00017001)



# HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

70<sup>th</sup> Annual Report  
2015-2016

**BOARD OF DIRECTORS**

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

**Narendra Sardarsingh Karnavat** (upto 6.11.2015)

**Hasmukh Balkrishna Gandhi**

**Tushar Gopalkrishna Agarwal** (upto 6.11.2015)

**Om Prakash Adukia**

**Dharmendra Agarwal** (upto 30.05.2016)

**Sunil Trivedi** (w.e.f. 30.05.2016)

**Smita Jatia**

**Rekha Pachheria** (w.e.f. 30.05.2016)

**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  
Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Marg,  
Subhash Nagar, Bhandup (West), Mumbai 400078

**NOTICE**

Notice is hereby given that the Seventieth 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 30th September, 2016 at 11.30 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2016 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 Mrs Smita Jatia (DIN: 03165703), who retires by rotation and being eligible, offers herself 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 Section 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 2016-2017 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 Sunil Trivedi (DIN – 00387797) as an Independent Director of the Company be and is hereby approved for a term of five years w.e.f 30.5.2016."
5. 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 Ms Rekha Pachheria (DIN – 07415573) as an Independent Director of the Company be and is hereby approved for a term of five years w.e.f 30.5.2016."
6. To consider and if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:  
**"RESOLVED THAT** pursuant to Sections 196, 197 and 203 and Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') read with applicable rules and regulations approval of the Company be and is hereby accorded to the re-appointment of Mr Banwari Lal Jatia (DIN – 00016823) as Managing Director of the Company for a period of three years with effect from April 01, 2017 subject to the following terms and conditions:-
  1. The Managing Director shall, subject to superintendence and control of the Company's Board of Directors (hereinafter referred to as 'the Board') be in overall charge of the Company's activities and shall perform such other duties and services and exercise such other powers as shall from time to time be entrusted to him by the Board;
  2. Remuneration – A monthly salary of Rs 3,00,000 (Rupees Three Lacs) in the grade of Rs 3,00,000 – 25,000 – 3,50,000.
  3. The appointee shall also be eligible to the following perquisites which shall not be included in the computation of the remuneration specified in the preceding clause;
    - a) Contribution to provident fund, superannuation fund and/or annuity fund to the extent these are not taxable under the Income Tax Act, 1961;
    - b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
    - c) Encashment of leave at the end of the tenure.
  4. OTHERS:
    - A) The appointee shall also be entitled to the following benefits :
      - i) Furnished accommodation (subject to payment of 10% of his monthly salary as rent) or House Rent Allowance equal to 50% of the monthly salary in lieu thereof (expenditure incurred by the Company on gas, electricity, water and furnishing shall be subject to a ceiling of 10% of his salary);

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

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

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

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

**"RESOLVED THAT** pursuant to the provisions of Sections 88 and 94 of the Companies Act, 2013 read with applicable rules made thereunder, approval of members be and is hereby accorded to shift and maintain the Registers and Index of Members at the office of Link Intime India Private Limited the Registrars and Transfer Agent of the Company (RTA) situated at Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Marg, Subhash Nagar, Bhandup (West), Mumbai 400078 for the time being or at such other places where the RTA may shift from time to time.

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution."

8. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 20 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, consent of members of the Company be and is hereby accorded to charging by the Company from members the following amounts for delivery of a document through any one of the modes prescribed under the Act as may be requested by the member:

- i) Actual Charges at applicable rates at the relevant time; and
- ii) Rs 100 (or such other amount as may be determined by the Board of Directors of the Company from time to time) for each document as administrative expenses."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Directors and or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be deemed necessary, proper or desirable and to settle any question, difficulty, doubt etc that may arise in respect of the matter aforesaid."

#### 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 29th September, 2016 and 30th September, 2016.
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.
5. The Company has appointed Link Intime India Private Limited, Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Marg, Subhash Nagar, Bhandup (West), Mumbai 400078 (new RTA) as its Registrars and Share Transfer Agent. Also the website address of the Company has changed from [www.hawcoindia.com](http://www.hawcoindia.com) to [www.hawcoindia.in](http://www.hawcoindia.in). Members may please make note of the same.

6. 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 new RTA.
7. 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 new RTA of the Company.
8. 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 new RTA directly.
9. 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 new RTA.
10. 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 new RTA.
11. The notice of AGM is being sent to those members / beneficial owners whose name(s) appear in the register of members / list of beneficiaries as on Friday, the 5th August, 2016 received from the depositories.
12. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date i.e. 23.09.2016 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.

13. 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, 27th September, 2016 (9.00 am) and ends on Thursday, 29th September, 2016 (5.00 p.m.). During this period, members, holding shares as on the cut-off date of 23.09.2016, 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](http://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. Members receiving physical copy of the notice, the procedure to vote electronically is as under:

- (i) Initial password is provided in the following format at the 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](http://www.evoting.nsdl.com) or call on toll free no.:1800-222-990.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after despatch of this notice and holding shares as of the cut-off date i.e. 23.09.2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at [evoting@linkintime.co.in](mailto:evoting@linkintime.co.in).
14. 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.
15. Results shall be declared within three working days after the conclusion of the AGM. Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hawcoindia.in](http://www.hawcoindia.in) and on the website of NSDL [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to the Bombay Stock Exchange Limited, where shares of the Company are listed.
16. Details of directors seeking approval / appointment / re-appointment are furnished below:

Sr No	Particulars of Candidates				
1	Name	Mrs Smita Jatia (DIN: 03165703)	Mr Sunil Trivedi (DIN: 00387797)	Ms Rekha Pacheria (DIN: 07415573)	Mr Banwari Lal Jatia (DIN: 00016823)
2	Age	46 years	59 years	26 years	72 years
3	Qualifications	A commerce graduate from Sydenham College, Mumbai, Ms Jatia has also completed an 18 - week executive management program from Harvard Business School, Boston and has undergone a Marketing and Restaurant Leadership program at the Hamburger University, USA.	Under Graduate in Science	Bachelor in Science in Information Technology (B.Sc IT)	Holds B.Com and LLB degrees from the University of Mumbai.
4	Experience / nature of expertise in specific functional areas	Over two decades of experience in the retail sector	Has long relevant working experience of over 25 years	-	Over 47 years of experience in paper, textiles, chemicals, food processing, mining, healthcare, investments and finance and retail sectors.
5	Terms and conditions	Liable to retire by rotation.	As an Independent Director for a term of 5 years w.e.f 30.5.2016	As an Independent Director for a term of 5 years w.e.f 30.5.2016	As Managing Director for a period of three years w.e.f 1.4.2017; not liable to retire by rotation.
6	Date of first appointment on the Board	30.9.2014	30.5.2016	30.5.2016	26.5.1994
7	Shareholding in the Company	6,586 Equity	Nil	Nil	6,028 Equity
8	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Daughter-in-law of Mr Banwari Lal Jatia, a director of the Company	Not related to any any other Director or KMP of the Company	Not related to any any other Director or KMP of the Company	Father-in-law of Mrs Smita Jatia, a director of the Company
9	Number of Board Meetings attended during the year	3 (Three)	NA	NA	5 (Five)
10	Other listed entities in which directorships held	Westlife Development Limited	Nil	Nil	Westlife Development Limited
*11	Membership / Chairpersonship of Committees of other Boards of listed entities	Nil	Nil	Nil	Chairman of Stakeholders Relationship Committee of Westlife Development Limited

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

17. Route Map showing directions to reach venue of the AGM appears at end of the Annual Report.

**Registered Office**

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

**Dated: 11th August, 2016**

**By Order of the Board of Directors**

**Smita Achrekar  
Company Secretary**

**Annexure to the Notice**
**Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”).**
**Item Nos. 4 & 5**

Following the resignations of M/s N. S. Karnavat & Tushar Agarwal, independent directors of the Company w.e.f 6.11.2015, Mr Chandrakant Khaitan was appointed as an Additional Director in the category of independent directors w.e.f 6.11.2015, pursuant to Section 161 of the Act. However due to personal reasons Mr Chandrakant Khaitan and Mr Dharmendra Agarwal, both independent directors, had tendered their resignations effective 30.5.2016.

Mr Sunil Trivedi (DIN: 00387797) and Ms Rekha Pacheria (DIN: 07415573) were appointed as independent directors w.e.f 30.5.2016, the Nomination and Remuneration Committee of the Company having confirmed that both Mr Trivedi and Ms Pacheria qualify for such appointment.

The Company has received notices from members along with deposit of requisite amounts under Section 160 of the Act proposing the candidature of Mr Trivedi and Ms Pacheria for the offices of Independent Director. The Company has also received declarations from both of them that they meet the criteria of independence as prescribed under the Act and the SEBI Listing Regulations.

In opinion of the Board Mr Trivedi and Ms Pacheria fulfill the conditions specified in the Act and the rules made thereunder. The Board considers that their association would be of immense benefit to the Company and it is desirable to continue to avail their services.

It is proposed that the appointment of both Mr Trivedi and Ms Pacheria as Independent Directors of the Company be approved for a term of five years w.e.f 30.5.2016.

Letters of appointments of Mr Trivedi and Ms Pacheria, setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Requisite information of both appear at note no 16 of the accompanying notice.

The Board commends the resolutions as set out at item nos 4 & 5 for approval of members.

Mr Trivedi and Ms Pacheria are interested in the respective resolution with regard to their appointment. Also their 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 resolutions.

**Item No. 6**

Mr Banwari Lal Jatia, Managing Director of the Company was appointed for a tenure of three years with effect from April 01, 2014 vide members' Special Resolution dated September 30, 2014. His tenure expires on March 31, 2017.

Since Mr Jatia has already completed 70 years of age and in view of provisions of Section 196 (3) of the Act and based on recommendation of the Nomination and Remuneration Committee, members' approval is being sought for re-appointment of Mr Jatia for a period of 3 years effective from 1st April 2017.

Considering Mr Jatia's vast experience in various facets of industry and business and his long association with the Company, the Board commends the resolution for members' approval.

Mr B. L. Jatia and Mrs Smita Jatia, director of the Company and their relatives may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

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

Statement as required under Clause (B) of Section II Part II of Schedule V of the Act with respect to the aforesaid item No. 6 is as follows:

**I. General Information:**

- |  |                               |
|--|-------------------------------|
| (1) Nature of Industry   | Manufacturing / Trading       |
| (2) Date of commencement of commercial production  | Since more than 60 years ago. |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not applicable                |
| (4) Financial performance based on given indicators :  |                               |

	For 3 months ended 30.6.2016 (Unaudited) (Rs Lacs)	Financial Year 2015-16 (Audited) (Rs Lacs)	Financial Year 2014-15 (Audited) (Rs Lacs)
Net Sales/ Income from operations	64.52	506.53	365.86
Other Income	33.29	193.40	219.06
Total Expenditure (Including Loss on Sale of Investments, etc.)	91.78	500.82	451.92
Finance Costs	0.02	0.01	0.02
Depreciation	8.23	33.05	32.25

	For 3 months ended 30.6.2016 (Unaudited) (Rs Lacs)	Financial Year 2015-16 (Audited) (Rs Lacs)	Financial Year 2014-15 (Audited) (Rs Lacs)
Prior year Adjustments	-	(0.09)	11.70
Profit/ (Loss) before Tax	(2.22)	165.96	112.43
Tax Expense	(0.95)	1145.37	(17.87)
Net Profit / (Loss)	(1.27)	(979.41)	130.30

(5) Foreign investments or Collaborations, if any Nil

#### II. Information about the Appointee:

- |   |  |
|---|--|
| (1) Background details  | Mr Banwari Lal Jatia is a commerce and law graduate with over 47 years' experience in various industries.  |
| (2) Past Remuneration   | Was last appointed as Managing Director in the grade of Rs 2,45,000-15,000-2,75,000 p.m. for 3 years w.e.f. 1.4.2014 and with other perquisites and benefits.  |
| (3) Recognition or awards   | -  |
| (4) Job profile and his suitability   | Overall charge of running affairs of the Company subject to superintendence and control of the Board of Directors and performing such other duties and services as entrusted to him by the Board from time to time.<br><br>He has managed the affairs of the Company successfully for the past 22 years and is thus eminently suited for the office. |
| (5) Remuneration proposed   | Monthly salary in the grade of Rs 3,00,000 – 25,000 – 3,50,000 with other perquisites and benefits.  |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.   | The proposed remuneration is comparable with the remuneration drawn by peers   |
| (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Mr Banwari Lal Jatia is a Promoter of the Company controlling 73.47% of its equity capital. He is father-in-law of Mrs Smita Jatia, a director of the Company.<br><br>He has no relationship with the managerial personnel of the Company.   |

#### III. Other information:

- |   |  |
|---|--|
| (1) Reasons of loss or inadequate profits                             | General depressed economic conditions              |
| (2) Steps taken or proposed to be taken for improvement               | Reducing costs and exploring new avenues of income |
| (3) Expected increase in productivity and profits in measurable terms | Difficult to quantify                              |

The above information may be treated as written memorandum setting out the terms of re-appointment of Mr B. L. Jatia under Section 190 of the Act.

#### Item No. 7

In accordance with Section 94 of the Act read with applicable rules made thereunder the Registers and Index of Members has to be kept and maintained at the Registered Office of the Company unless a Special Resolution is passed in a general meeting of members authorizing to keep the same at any other place in which more than one-tenth of the total number of members resides.

The Board recommends keeping of Registers and Index of Members at the office of Link Intime India Private Limited, RTA situated at Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Marg, Subhash Nagar, Bhandup (West), Mumbai 400078 and at such other places where the RTA may shift from time to time.

The Board commends the resolution as set out at item no.7 for approval of members.

None of the directors / key managerial personnel of the Company / their relatives are, except as shareholders of the Company, in any way, concerned or interested financially or otherwise, in this resolution.

#### Item No. 8

Pursuant to provisions of Section 20 (2) of the Act a document may be served by the Company on any member by sending it to him either by post or by registered post or by speed post or by courier or by delivering it at his office address. The said section also provides that a member may request the Company for delivery of any document through a particular mode for which the Company may charge fees from such member; however, such fees must be pre-determined by the Company in a general meeting.

It is therefore proposed to fix the amount of such fee which shall be payable by shareholders to the Company, for delivering of any document(s), if any, by a particular mode upon any such request.

The Board commends the resolution as set out at item no. 8 for approval of members.



None of the directors / key managerial personnel of the Company / their relatives are, except as shareholders of the Company, in any way, concerned or interested financially or otherwise, in this resolution.

**Registered Office**

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

**Dated: 11th August, 2016**

**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 Seventieth Annual Report together with the Audited Financial Statements for the year ended March 31, 2016. The Management Discussion and Analysis is also included in this Report.

### 1. FINANCIAL RESULTS AND APPROPRIATIONS

	Year Ended March 31, 2016 (₹ Lacs)	Previous Year March 31, 2015 (₹ Lacs)
Profit/ (Loss) before Interest, Depreciation & Exceptional Items	199.11	133.00
Interest	0.01	0.02
Depreciation, etc.	33.05	32.25
Profit/(Loss) before Taxation and Past MAT entitlement lapsed Rs 42.89 Lacs (Prev. Year Nil)	166.05	100.73
Prior Year Adjustments	0.09	(11.70)
Provision for Taxation	60.32	4.90
Deferred Tax	1085.05	(22.77)
Net /Profit/(Loss) after Taxation	(979.41)	130.30
Balance b/f from Previous Year	0.10	3037.80
Total Available	(979.31)	3168.10-
Transferred to General Reserve	-	3168.00
Carried forward	(979.31)	0.10

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

### 2. OPERATIONS:

The Company achieved a turnover of Rs 506.53 lacs this year as against Rs 365.86 lacs during the previous year. However, due to increase in other indirect business expenses as specified in the notes to the financial statements and reversal of deferred tax asset amount the Company has incurred after tax loss of Rs 979.41 lacs as against profit of Rs 130.30 lacs in the previous year.

The Company is hopeful for a better year ahead.

### 3. MANAGEMENT DISCUSSION AND ANALYSIS:

During the year, the Company's sales of products and services amounted to Rs 506.53 lacs as compared to Rs 365.86 lacs in the previous year, implying approximate growth of 38.45%.

The Company's current business activity consists of two segments, Industrial Chemicals and Investments. During the year under review, revenue from industrial segment was Rs 608.10 lacs in comparison to Rs 470.40 lacs in the previous year and revenue from investments segment was Rs 91.49 lacs in comparison to Rs 104.03 lacs in the previous year.

The activities at Company's factory were suspended due to lack of orders and business exigencies. The Company has during the current year given its manufacturing assets on lease.

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

The Company has in place internal financial control systems, commensurate with its size and the nature of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the 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 Directors Report.

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

### 4. DIRECTORS:

- a) At the 69th Annual General Meeting (AGM) held on 30.09.2015, Mr Om Prakash Adukia (DIN: 00017001) was re-appointed as a director of the Company. Also Mr Dharmendra Agarwal (DIN: 06406889) was appointed as an Independent Director.
- b) Mr N. S. Karnavat (DIN: 00027130) and Mr Tushar Agarwal (DIN: 00043184), Independent Directors, resigned w.e.f 6.11.2015. On recommendations of the Nomination and Remuneration Committee of the Company (NRC), Mr Chandrakant Khaitan was appointed as

an additional director of the Company in the category of Independent Director w.e.f 6.11.2015. However, Mr Chandrakant Khaitan and Mr Dharmendra Agarwal, both independent directors, have since resigned as directors w.e.f 30.5.2016. Mr Sunil Trivedi (DIN: 00387797) and Ms Rekha Pacharia (DIN: 07415573) were appointed as additional directors of the Company w.e.f 30.5.2016, in the category of independent directors. Pursuant to Section 150 (2) of the Act the appointments of both Mr Trivedi and Ms Pacharia need to be approved by members.

The appointees possess requisite expertise and knowledge and are qualified for being Independent Directors of the Company. The Company has also received prescribed notices from members along with security deposits.

Approval of members is being sought for appointment of Mr Trivedi and Ms Pacharia for a term of five years w.e.f 30.5.2016.

Necessary declaration 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.

- c) At the 68th AGM of members Mr Banwari Lal Jatia (DIN:00016823) was re-appointed as Managing Director of the Company for a period of three years w.e.f 01.04.2014. Since the tenure of Mr Jatia would expire on 31.3.2017 the Board at its meeting held on 11.8.2016, decided to seek members' approval for re-appointment of Mr Jatia as Managing Director of the Company for a further period of 3 years.
- d) Mrs Smita Jatia (DIN: 03165703) retires by rotation at the ensuing AGM but being eligible offers herself 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 5 board meetings were convened and held.

#### 5. COMMITTEES OF BOARD:

The Board of Directors has reconstituted its following committees:

i) Audit Committee:

Mr Sunil Trivedi (Chairman)

Ms Rekha Pacharia

Mr Om Prakash Adukia

During the year there were no instances where the Board had not accepted the recommendations 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 such mechanism.

ii) Nomination and Remuneration Committee:

Mr Sunil Trivedi (Chairman)

Ms Rekha Pacharia

Mr Om Prakash Adukia

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

iii) Stakeholders' Relationship Committee:

Mr Om Prakash Adukia (Chairman)

Mr B L Jatia

Mr Sunil Trivedi

iv) Risk Management Committee:

Mr B L Jatia (Chairman)

Mr Om Prakash Adukia

Mr Sunil Trivedi

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

Share Transfer Committee was also reconstituted for administrative convenience.

#### 6. FRESH LISTING AGREEMENT:

The Company has executed a fresh listing agreement with the Bombay Stock Exchange Limited pursuant to SEBI Circular dated 13.10.2015 consequent to notification of the SEBI Listing Regulations.

#### 7. CHANGE IN COMPANY'S REGISTRARS AND TRANSFER AGENT (RTA):

Pursuant to SEBI order WTM/RKA/MIRSD2/41/2016 dated 22.3.2016, Link Intime India Pvt Ltd were appointed as the Company's RTA in place

of Sharepro Services (India) Pvt Ltd w.e.f. 1.5.2016. Members are requested to note the change and address all correspondence and requests relating to transfer of shares etc to the new RTA whose contact details appear in Annexure - V to this report.

**8. UNCLAIMED SHARE CERTIFICATES:**

It may be recalled that in the year 2000, pursuant to a Scheme of Arrangement between the Company and Vesna Agencies Pvt Ltd (Hawcoplast Chemicals Ltd) (HCL) the Company had issued and allotted to each member of the Company on a proportionate basis 2 fully paid equity shares of Rs10 each of the Company in lieu of every 5 each equity shares held on the relevant date. For claiming the new share certificates, members so were required to surrender their old certificates. While majority of the members so surrendered their certificates, many members did not do so despite the Company regularly advising them to do so and collect the new certificates through its notices of AGMs.

The Company again sent three fresh reminders to each of such members on 20.11.2015, 29.12.2015 and 29.01.2016. Since the shares remaining unclaimed after the 3rd reminder are required to be maintained in electronic mode, the Company has opened a separate demat account with Rashi Equisearch Pvt Ltd, a registered depository participant, and 9778 such unclaimed shares have been transferred thereto on 27.5.2016 after dematerialization. Members who have not yet collected their share certificates can still do so through the Company's new Registrars and Transfer Agent, Link Intime India Pvt Ltd.

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

**9. SHIFTING OF REGISTERED OFFICE OF THE COMPANY:**

With effect from 13.7.2016 the registered office address of the Company has been changed to Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) – 421306, Thane.

**10. PROPOSED SHIFTING OF REGISTER OF MEMBERS:**

Subject to approval of members at the ensuing AGM, the Board of Directors have decided to shift and maintain the Registers and Index of Members at the office of Link Intime India Private Limited, RTA situated at Pannalal Silk Mills Compound, C-13, Lal Bahadur Shastri Marg, Subhash Nagar, Bhandup (West), Mumbai 400078 for administrative convenience.

**11. CHANGE IN WEBSITE ADDRESS OF THE COMPANY:**

The website address of the Company has been changed from www.hawcoindia.com to www.hawcoindia.in. Members are requested to make note of the same.

**12. 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.

**13. AUDITORS' REPORT:**

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

**14. SECRETARIAL AUDIT:**

A Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed hereto as 'Annexure II'.

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

**15. 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.

**16. 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 an arm's length basis. During the year, the Company did not enter into any contract/arrangement/transaction with related parties which could be considered to be material.

**17. CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required by Section 134(3) (m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in 'Annexure III' to this report.

**18. 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.

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

The Company has no subsidiary, joint venture or associate.

**20. 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 – IV' to this report.

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

**21. EXTRACT OF ANNUAL RETURN:**

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

**22. CORPORATE GOVERNANCE:**

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

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

### 23. 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 the end of the financial year and of its loss for that period;
- (c) Proper and sufficient care have 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 operated 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.

### 24. 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; and
- 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.

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.

### 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: 11th August, 2016

## 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 board 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 Committee shall assess independence of directors at the time of appointment / re-appointment as well as annually as laid down in 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 Committee 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 Committee 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 Committee does not propose to fix the actual amounts of remuneration that may be payable to each individual KMP or senior management personnel. However, the Committee 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 Committee 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 Committee. 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 Committee 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 Articles of Association of the Company and or Central Government from time to time.

## **ANNEXURE II SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31st March, 2016

[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, 2016 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, 2016 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) SEBI (Share Based Employee Benefits) Regulations, 2014;

- (e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealings with clients;
  - (g) SEBI (Delisting of Equity Shares) Regulations, 2009; and
  - (h) SEBI (Buyback of Securities) Regulations, 1998.
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
- vi. Other Applicable Laws:
1. All labour laws, including the following and amendments thereto, if any;
    - (a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
    - (b) Employees' State Insurance Act, 1948;
    - (c) Payment of Gratuity Act, 1972; and
    - (d) Payment of Bonus Act, 1965;
  2. All Direct Taxes and Indirect Taxes, including the following and amendments thereto, if any;
    - (a) Income Tax Act, 1961;
    - (b) Provisions of Finance Act, 1994 relating to Service Tax;
    - (c) Central Excise Act, 1944;
    - (d) Customs Act, 1962;
    - (e) Maharashtra Value Added Tax Act, 2002; and
    - (f) The Central Sales Tax Act, 1956
  3. The Bombay Stamp Act, 1958;
  4. Bombay Shops and Establishments Act, 1948;
  5. Factories Act, 1948; and
  6. 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 period 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 the Company has:

- (i) pursuant to SEBI Circular dated 13.10.2015 entered into fresh listing agreement dated 15.12.2015 with BSE for continuing the listing of its securities with the said exchange;
- (ii) changed the website address of the Company from [www.hawcoindia.com](http://www.hawcoindia.com) to [www.hawcoindia.in](http://www.hawcoindia.in);
- (iii) decided to cease activities at the Company's Sarigam factory due to lack of orders from clients and business exigencies w.e.f 10.3.2016 till further review and to give the facility on lease for the time being.

Place : Mumbai  
Date : 09.08.2016

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

**ANNEXURE III**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is provided hereunder:

**(A) Conservation of Energy :**

- (i) steps taken or impact on conservation of energy
- (i) steps taken by the company for utilising alternate sources of energy
- (ii) capital investment on energy conservation equipments

Appropriate measures are being adopted to derive maximum benefit from energy saving equipment and energy efficient technology for the production processes. However, no capital investment for energy conservation equipments was incurred during the year.

**(B) Technology absorption :**

- (i) efforts made towards technology absorption :
- (ii) benefits derived like product improvement, cost reduction, product development or import substitution :
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
  - (a) details of technology imported;
  - (b) year of import;
  - (c) whether the technology has been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and :
- (iv) expenditure incurred on Research and Development :

Efforts are being made to develop new processes and their upgradation.  
The Company has recently ceased its manufacturing activity at the Sarigam Plant in Gujarat w.e.f 10.3.2016.

NIL

(₹ in Lacs)

	2015-2016	2014-2015
a. Capital	<b>NIL</b>	NIL
b. Recurring	<b>NIL</b>	NIL
Total	<b>NIL</b>	NIL

**(C) Foreign exchange earnings and Outgo :**

(₹ in Lacs)

	2015-2016	2014-2015
Earned	<b>NIL</b>	NIL
Outgo	<b>2.78</b>	1.10

**ANNEXURE IV**
**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES;**

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

Sr No.	Name	Designation	Remuneration F Y 2015-16 ₹ in lakhs	% Increase in remuneration 2015-16	Ratio / Times per Median of employee remuneration
1	Mr Banwari Lal Jatia	Managing Director	31.20	14.16	6.96
2	Mr Narendra Abhichandani	Chief Financial Officer	8.24	15.73	-
3	Mrs Smita Achrekar	Company Secretary	4.05	13.35	-

The median remuneration of employees (7 Nos) of the company during the financial year was ₹ 4.48 lacs (increase of 2.63% over 2014-2015).

Note: 1. The average % increase in the remuneration for the non-managerial personnel during the year 2015-2016 over the earlier year was 10.43% as compared to the % increase of 14.32% in the case of managerial personnel. The difference is normal considering the fact that the responsibilities the two categories vary vastly.

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

## ANNEXURE V Form No. MGT -9

Extract of Annual Return as on the financial year ended on 31.3.2016

[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 Registrar & Transfer Agent, if any.	Sharepro Services (India) Pvt Ltd (upto 30.4.2016) 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 Tel. 022-67720300 / 67720400 Fax No. 022-28591568 Email: sharepro@shareproservices.com  Link Intime India Pvt Ltd (w.e.f 01.5.2016) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078 Tel. 022 25946970 Fax No. 022 25946969 Email: dematremat@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	86.92
2	Investments	6499	13.08

### 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 1.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
<b>1) Indian</b>									
a Individual/HUF	28,454	0	28,454	4.19	28,454	0	28,454	4.19	0
b Central Govt.	–	–	–	–	–	–	–	–	–
c State Govt (s)	–	–	–	–	–	–	–	–	–
d Bodies Corporate	4,56,241	0	4,56,241	67.15	4,56,241	0	4,56,241	67.15	0
e Bank/FI	–	–	–	–	–	–	–	–	–
f Any other	–	–	–	–	–	–	–	–	–



Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Sub Total (A) (1) :</b>	<b>4,84,695</b>	<b>0</b>	<b>4,84,695</b>	<b>71.34</b>	<b>4,84,695</b>	<b>0</b>	<b>4,84,695</b>	<b>71.34</b>	<b>0</b>
<b>2) Foreign</b>									
a NRI- Individuals	14,488	0	14,488	2.13	14,488	0	14,488	2.13	0
b Other Individuals	-	-	-	-	-	-	-	-	-
c Bodies Corporate	-	-	-	-	-	-	-	-	-
d Banks/ FI	-	-	-	-	-	-	-	-	-
e Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>14,488</b>	<b>0</b>	<b>14,488</b>	<b>2.13</b>	<b>14,488</b>	<b>0</b>	<b>14,488</b>	<b>2.13</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A1 + A2)</b>	<b>4,99,183</b>	<b>0</b>	<b>4,99,180</b>	<b>73.47</b>	<b>4,99,183</b>	<b>0</b>	<b>4,99,183</b>	<b>73.47</b>	
<b>B Public Shareholding</b>									
<b>1) Institutions</b>									
a Mutual Funds	0	560	0	0.08	0	560	560	0.08	0
b Banks/ FI	-	-	-	-	-	-	-	-	-
c Central Govt.	-	-	-	-	-	-	-	-	-
d State Govt.(s)	-	-	-	-	-	-	-	-	-
e Venture Capital Funds	-	-	-	-	-	-	-	-	-
f Insurance Companies	-	-	-	-	-	-	-	-	-
g FIs	3,318	0	3,318	0.49	0	0	0	0	-0.49
h Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>3,318</b>	<b>560</b>	<b>3,878</b>	<b>0.57</b>	<b>0</b>	<b>560</b>	<b>560</b>	<b>0.08</b>	<b>-0.49</b>
<b>2) Non-Institutions</b>									
a Bodies Corporates									
i. Indian	70,382	5,213	75,595	11.13	68,162	5,213	73,375	10.80	-0.33
ii. Overseas	-	-	-	-	-	-	-	-	-
b Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lac	72,703	26,919	99,622	14.66	78,298	26,711	1,05,009	15.45	0.79
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-	-	-
c Others									
i. Non-Resident Indian	1,150	26	1,176	0.17	1301	26	1327	0.2	0.03
ii. Foreign Nationals	0	20	20	0	0	20	20	0	0
<b>Sub-Total (B) (2)</b>	<b>1,44,235</b>	<b>32,178</b>	<b>1,76,413</b>	<b>25.96</b>	<b>1,47,761</b>	<b>31,970</b>	<b>1,79,731</b>	<b>26.45</b>	<b>0.49</b>
<b>Total Public Shareholding (B)= (B 1 + B 2)</b>	<b>1,47,553</b>	<b>32,738</b>	<b>1,80,291</b>	<b>26.53</b>	<b>1,47,761</b>	<b>32,530</b>	<b>1,80,291</b>	<b>26.53</b>	<b>0</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>6,46,736</b>	<b>32,738</b>	<b>6,79,474</b>	<b>100</b>	<b>6,46,944</b>	<b>32,530</b>	<b>6,79,474</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 1.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in share- holding 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	0	2,98,946	44	0	0
2	Shri Ambika Trading Co. Pvt Ltd.	78,705	11.58	0	78,705	11.58	0	0
3	Saubhagya Impex Pvt. Ltd.	50,051	7.37	0	50,051	7.37	0	0
4	Achal Exim Pvt. Ltd.	18,606	2.74	0	18,606	2.74	0	0
5	Shri Anurag Jatia	12,588	1.85	0	12,588	1.85	0	0
6	Amit Jatia HUF	10,070	1.48	0	10,070	1.48	0	0
7	Vishwas Investment & Trading Co. Pvt. Ltd.	9,420	1.39	0	9,420	1.39	0	0
8	Smt Smita Jatia	6,586	0.97	0	6,586	0.97	0	0
9	Shri Banwarilal Jatia	6,028	0.89	0	6,028	0.89	0	0
10	Smt Lalita Devi Jatia	5,550	0.82	0	5,550	0.82	0	0
11	Shri Akshay Jatia	950	0.14	0	950	0.14	0	0
12	Shri Ayush Jatia	950	0.14	0	950	0.14	0	0
13	Horizon Impex Pvt. Ltd.	490	0.07	0	490	0.07	0	0
14	Smt Usha Devi Jatia	170	0.03	0	170	0.03	0	0
15	Shri Amit Jatia	50	0.01	0	50	0.01	0	0
16	Subh Ashish Exim Pvt. Ltd.	20	0	0	20	0	0	0
17	Anand Veena Twisters Pvt. Ltd.	1	0	0	1	0	0	0
18	Houghton Hardcastle (India) Pvt. Ltd.	1	0	0	1	0	0	0
19	Hawcoplast Investments & Trading Ltd.	1	0	0	1	0	0	0
<b>Total</b>		<b>4,99,183</b>	<b>73.47</b>	<b>0</b>	<b>4,99,183</b>	<b>73.47</b>	<b>0</b>	<b>0</b>

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

Sr. No	Shareholding at the beginning of the year (As on 01.04.2015)	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares	% of total Shares of the Company
At the beginning of the year	4,99,183	73.47	4,99,183
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	No Change
<b>At the end of the year</b>	<b>4,99,183</b>	<b>73.47</b>	<b>4,99,183</b>

**(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 (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% 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	01.04.2015	-	-	-	-
		36,825	5.42	31.03.2016	-	-	-	-
2	Bay Capital Advisors Pvt Ltd	12,150	1.79	01.04.2015	-	-	-	-
		12,150	1.79	31.03.2016	-	-	-	-
3	Discovery Financial Services Pvt Ltd	10,000	1.47	01.04.2015	-	-	-	-
		7,000	1.03	12.06.2015	-3,000	Transfer	7,000	1.03
				31.03.2016	-	-	-	-

Sr. No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
4	Shri Kanwarlal Anopchand Bothra	6,509	0.96	01.04.2015	-	-	-	-
				01.05.2015	1,500	Transfer	8,009	1.78
				15.05.2015	-1,350	Transfer	6,659	0.98
				05.06.2015	-45	Transfer	6,614	0.97
				12.06.2015	-1,306	Transfer	5,308	0.78
				26.06.2015	-784	Transfer	4,524	0.67
				25.03.2016	-100	Transfer	4,424	0.65
		4,424	0.65	31.03.2016	-	-	-	-
5	Shri Vijay Aggarwal	5,000	0.74	01.04.2015	-	-	-	-
		5,000	0.74	31.03.2016	-	-	-	-
6	Shringar Film Pvt Ltd	2,895	0.43	01.04.2015	-	-	-	-
				10.04.2015	-1,010	Transfer	1,885	0.28
		1,885	0.28	31.03.2016	-	-	-	-
7	Kashmira Investment And Leasing Pvt Ltd	2,500	0.37	01.04.2015	-	-	-	-
				31.07.2016	-1,500	Transfer	1,000	0.15
		1,000	0.15	31.03.2016	-	-	-	-
8	Shri Kamlesh Himatlal Shah	2,289	0.34	01.04.2015	-	-	-	-
		2,289	0.34	31.03.2016	-	-	-	-
9	Smt Suva K Bothra	2,281	0.34	01.04.2015	-	-	-	-
		2,281	0.34	31.03.2016	-	-	-	-
10	Sikkim Jansewa Pratisthan Pvt Ltd	2,000	0.29	01.04.2015	-	-	-	-
		2,000	0.29	31.03.2016	-	-	-	-

**(v) Shareholding Pattern of Directors and Key Managerial Personnel**

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shri Banwari Lal Jatia	6,028	0.89	01.04.2015	-	-	-	-
		6,028	0.89	31.03.2016	-	-	-	-
2	Smt. Smita Jatia	6,586	0.97	01.04.2015	-	-	-	-
		6,586	0.97	31.03.2016	-	-	-	-
3	Smt. Smita Achrekar	1	0	01.04.2015	-	-	-	-
		1	0	31.03.2016	-	-	-	-
4	Shri Narendra Abhichandani	1	0	01.04.2015	-	-	-	-
		1	0	31.03.2016	-	-	-	-

**V. INDEBTEDNESS**

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

(₹ Lacs)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>				
i) Principal Amount		Nil		
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total ( i+ii+iii)</b>				

**Change in Indebtedness during the financial year**

- . Addition
- . Reduction

**Net Change**

Nil

**Indebtedness at the end of the financial year 31.03.2016**

- 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	31.20	31.20
	(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)	31.20	31.20
	Ceiling as per the Act		42.00

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ Lacs)
		Shri H. B. Gandhi	Shri Dharmendra Agarwal	Shri N. S. Karnavat (upto 5.11.2015)	Shri Tushar Agarwal (upto 5.11.2015)	Shri Chandrakant Khaitan (from 6.11.2015)	
1.	Independent Directors						
	. Fee for attending board committee meetings	0.16	0.06	0.10	0.10	0.04	0.46
	. Commission	-	-	-	-	-	-
	. Others, please specify	-	-	-	-	-	-
	Total (1)	0.16	0.06	0.10	0.10	0.04	0.46
2.	Other Non-Executive Directors		Shri Om Prakash Adukia		Smt. Smita Jatia		Total Amount (₹ Lacs)
	. Fee for attending board committee meetings		0.18		0.06		0.24
	. Commission		-		-		-
	. Others, please specify		-		-		-
	Total (2)		0.18		0.06		0.24
	Total (B) = (1+2)						0.70
	Total Managerial Remuneration						31.90
	Overall Ceiling as per the Act						42.70

**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	7.24	4.01	11.25
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	1.00	0.04	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		
		Shri Narendra Abhichandani – CFO	Smt Smita Achrekar – Company Secretary	Total Amount (₹ Lacs)
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>8.24</b>	<b>4.05</b>	<b>12.29</b>

**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)
<b>A. COMPANY</b>	Penalty Punishment Compounding					
<b>B. DIRECTORS</b>	Penalty Punishment Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>	Penalty Punishment Compounding					

### ANNEXURE VI 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 Listing Agreement entered into by the Company with the BSE Ltd applicable upto 30.11.2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1.12.2015 for the financial year ended March 31, 2016.

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 : 09.08.2016

**Shailesh A Kachalia**  
CP 3888  
Company Secretary

### CORPORATE GOVERNANCE REPORT

**1) Company's Philosophy On Code Of Governance:**

Hawco's philosophy on good Corporate Governance envisages a combination of business practices that result in enhancement of value of the Company to the shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, employees, vendors, dealers, financiers and to the society at large. Your Company firmly believes that such practices are founded upon the core values of transparency, professionalism, empowerment, equity and accountability.

Your Company makes best endeavours to uphold and nurture these core values in all facets of its operations and aims to increase and sustain corporate value through growth and innovation.

Your Company is fully committed to and continues to follow procedures and practices in conformity with the various regulations prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**2) Board Of Directors:**

(a) Composition and Category of Directors as at 31.3.2016:

Sr No.	Name	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 Has Mukh B Gandhi (DIN:00009153)	Independent, Non-Executive	4	-	-	
4	Mr Dharmendra Agarwal (DIN:06406889)	Independent, Non-Executive	4	-	-	
5	Mr. Chandra Kant Khaitan (DIN:02423698) w.e.f 6.11.2015	Independent, Non-Executive	4	-	-	
6	Ms Smita Jatia (DIN:03165703)	Promoter, Non-Executive	4	-	-	Daughter-in-law of Mr B. L. Jatia

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

(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 5 Board meetings were held.

Sr No.	Name of the Director	Dates of Board Meeting and its Attendance					Date of Last AGM and its Attendance 30.09.2015
		13.05.2015	12.08.2015	06.11.2015	25.01.2016	10.03.2016	
1	Mr Banwari Lal Jatia (DIN:00016823)	Attended	Attended	Attended	Attended	Attended	Attended
2	Mr Om Prakash Adukia (DIN:00017001)	Attended	Attended	Attended	Attended	Attended	Attended
3	Mr Has Mukh B Gandhi (DIN:00009153)	Attended	Attended	Attended	Attended	Not Present	Not Present
4	Mr Dharmendra Agarwal (DIN:06406889)	Not Present	Not Present	Attended	Not Present	Attended	Not Present
5	Mr Chandra Kant Khaitan (DIN:02423698) w.e.f 6.11.2015	N.A.	N.A.	N.A.	Attended	Attended	N.A.
6	Mr N. S. Karnavat (DIN:00027130) upto 5.11.2015	Attended	Attended	N.A.	N.A.	N.A.	Not Present
7	Mr Tushar Agarwal (DIN:00043184) upto 5.11.2015	Attended	Attended	N.A.	N.A.	N.A.	Not Present
8	Ms Smita Jatia (DIN:03165703)	Not Present	Not Present	Attended	Attended	Attended	Not Present

(c) Number of equity shares held by non-executive directors as at 31.3.2016:

	No of equity shares held
i) Mrs Smita Jatia	6,586
ii) Mr Dharmendra Agarwal	Nil
iii) Mr Chandrakant Khaitan w.e.f 6.11.2015	Nil
iv) Mr Om Prakash Adukia	Nil
v) Mr H. B. Gandhi	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 is 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 Auditor's and the quantum of audit fees.

(b) Composition of Audit Committee as at 31.3.2016:

- Mr Dharmendra Agarwal (Chairman, Independent Director)
- Mr Has Mukh Gandhi (Member, Independent Director)
- 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 Director	Dates of Board Meeting and its Attendance			
		13.05.2015	12.08.2015	06.11.2015	25.01.2016
1	Mr Hasmukh B Gandhi (DIN:00009153) Chairman upto 06.11.2015	Attended	Attended	Attended	Attended
2	Mr Om Prakash Adukia (DIN:00017001)	Attended	Attended	Attended	Attended
3	Mr Dharmendra Agarwal (DIN:06406889) Member/Chairman w.e.f. 06.11.2015	N.A.	N.A.	N.A.	Attended
4	Mr N. S. Karnavat (DIN:00027130) upto 6.11.2015	Attended	Attended	Attended	N.A.
5	Mr Tushar Agarwal (DIN:00043184) upto 6.11.2015	Attended	Attended	Attended	N.A.

**4) NOMINATION & REMUNERATION COMMITTEE (NRC):**

(a) Broad terms of reference:

The brief description of Terms of Reference of NRC is to guide the Board in relation to appointments and removals, identification of persons and to recommend / review remuneration of the directors 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 31.3.2016 is as below;

- i) Mr Dharmendra Agarwal (Chairman, Independent Director)
- ii) Mr Hasmukh Gandhi (Member, Independent Director)
- iii) Mr Om Prakash Adukia (Member, Non-Independent Director)

(c) During the year under review the committee met once on 6.11.2015 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 is available at the following link [http://www.hawcoindia.in/pdf/Criteria\\_for\\_making\\_payments\\_to\\_Non\\_Executive\\_Directors.pdf](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 2015-2016 is as under.

Sr. No.	Particulars	₹ in Lacs
1	Salary, benefits, bonuses, stock options, pension etc;	31.20
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 31.03.2016 one investor complaint / query was received which has 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 Resolution passed at the Meeting
30.09.2013	Netivali Baug, Kalyan (East) - 421 306	11.00 am	Nil
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

(b) The Company did not pass any special resolution during last year and also presently, no special resolution is proposed to be passed, 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 websites of the Company and the Bombay Stock Exchange Limited.

#### 9) GENERAL SHAREHOLDER INFORMATION:

(a) The Seventieth Annual General Meeting of the Company for the financial year 2015-2016 will be held on Friday, the 30th September, 2016 at 11.30 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 31.3.2016.

(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 2016-2017.

(d) The Company's stock code with BSE is 509597 under International Securities Identification No. INE722D01015.

(e) Market Price Data during 2015-2016:

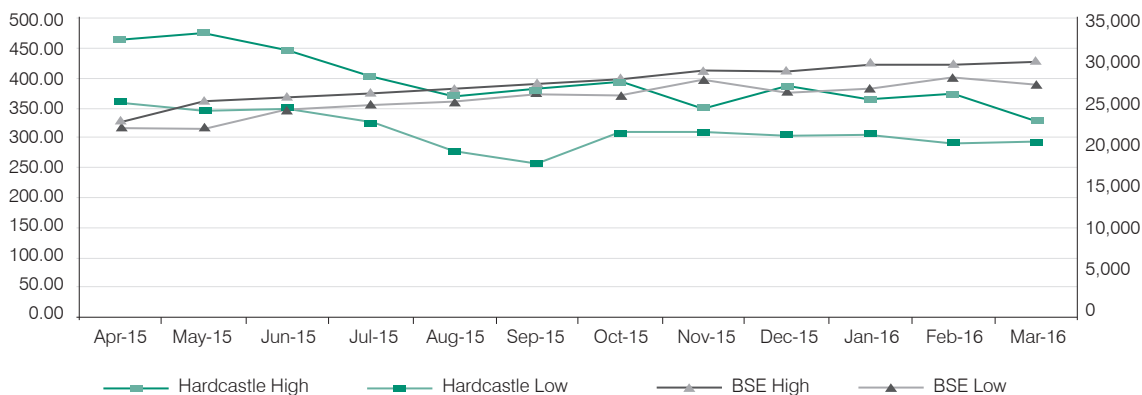
The monthly high and low market prices of the Company's equity share traded on BSE during each month of the Financial Year from April 01, 2015 to March 31, 2016 are as under:

Month	BSE	
	High Price (₹)	Low Price (₹)
April, 2015	464.00	360.00
May, 2015	475.00	348.00
June, 2015	445.90	350.00
July-2015	402.00	325.00
August, 2015	370.00	278.00
September, 2015	379.00	258.00
October, 2016	393.30	307.10
November, 2015	350.00	310.00
December, 2015	386.00	303.00
January, 2016	364.00	308.00
February, 2016	373.70	289.30
March, 2016	329.00	293.00

Source: BSE website – www.bseindia.com

(f) Stock Performance in Comparison to BSE Sensex:

**Performance of Hardcastle & Waud Mfg Co. Ltd. Stock price in comparison to BSE Sensex**



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

Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound,  
 Lal Bahadur Shastri Marg, Bhandup (West).  
 Mumbai 400 078  
 Phone : 022 25946970 Fax : 022 25946969  
 e-mail : dematremat@linkintime.co.in  
 website : www.linkintime.co.in



(h) Share Transfer System:

Transfers requests for shares in physical form are processed within a period of 15 days of receipt. The requests for dematerialisation of shares are confirmed within 21 days from the date of receipt.

(i) Distribution of shareholding as on 31.3.2016:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shareholders	% of Shareholders
1-500	1,330	95.89	73,857	10.87
501 to 1000	31	2.24	23,901	3.52
1001 to 2000	9	0.65	15,197	2.24
2001 to 3000	2	0.14	4,570	0.67
3001 to 4000	-	0	-	0
4001 to 5000	2	0.14	9,424	1.39
5001 to 10000	5	0.36	34,584	5.09
10001 & above	8	0.58	5,17,941	76.22
	<b>1,387</b>	<b>100</b>	<b>6,79,474</b>	<b>100</b>

(j) Dematerialization of shares and liquidity:

As on 31.3.2016, 95.21% of equity shares of the Company are 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 and have a potential conflict with the interest of the Company at large.
- (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 the Listing Regulations but has not adopted any discretionary requirements mentioned in Regulation 27(1) of Listing Regulations except relating to financial statements of the Company which are generally accompanied with unmodified audit reports.
- (e) Materiality of Subsidiaries - The Company does not have a 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](http://www.hawcoindia.in/pdf/Policy_determining_materiality_of_related_party_transactions.pdf)

**11) 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.

**12) Disclosure with respect to demat suspense account for unclaimed shares:**

The Company has no outstanding shares lying in the Company's Suspense account for unclaimed shares either at the beginning of the year nor at the end of the year viz 31.03.2016. However as stated in the Directors' Report the Company has transferred 9778 unclaimed equity shares to its demat suspense account w.e.f 25.07.2016 and the voting rights on such shares henceforth will remain frozen till the rightful owner(s) claim(s) the shares.

## 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, 2016.

For **Hardcastle and Waud Mfg. Co. Limited**

**B. L. Jatia**  
Managing Director  
(DIN 00016823)

Mumbai 11th August, 2016

## 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 Mfg. Co. Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2016, 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 the 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 the 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 the provisions of the Act for safeguarding of the 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 the accuracy and completeness of the accounting records, relevant to the 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 the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 the assessment of the 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 fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the 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 2016 and its loss 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 the Annexure a statement on the matters specified in paragraphs 3 and 4 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) In our opinion and to the 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 the 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.

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

**CA Atul Jain**  
Partner  
M. No. 037097

Place: Mumbai  
Date: 30th May, 2016

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

### Ref.: **HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**

- (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 books 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) The 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 Companies Act, 2013 (the Act) and hence the provisions of clauses (iii) (a), (b) and (c) of paragraph 3 of the Order, are not applicable to the Company.
- (iv) In respect of investments provisions of Section 185 and 186 of the Companies Act, 2013 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 Act and the rules framed there under to the extent notified.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the activities of the Company.
- (vii) According to the 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 the 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, 2016 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 Involved (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	1991-92, 2002-03, 2005-06	1,67,183
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	2000-2001	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

There were no dues of Income tax, duty of customs, service tax and value added tax which have not been deposited as at March 31, 2016 on account of dispute

- (viii) The company has not taken any loan from any Financial Institution, Bank or Government and have 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 this clause is 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 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) As the company does not fall into the category of nidhi company, hence this clause is not applicable to the company.
- (xiii) According to the information and explanation given to us all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the 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 him under the provisions of section 192 of Companies Act, 2013.
- (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: 30th May, 2016

## ANNEXURE - B TO THE AUDITORS' REPORT

### Report on the 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 2016 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 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the 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 the assessment of the 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 the reliability of financial reporting and the 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 the 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 the inherent limitations of internal financial controls over financial reporting, including the 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 the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the 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 31 March 2016, 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.

Place: Mumbai  
Date: 30th May, 2016

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

**CA Atul Jain**  
Partner  
M. No. 037097

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	67,94,740	67,94,740
Reserves & Surplus	3	35,06,65,542	44,88,06,637
		<b>35,74,60,282</b>	45,56,01,377
<b>Non-Current Liabilities</b>			
Other Long-Term Liabilities	4	17,406	11,274
Deferred Tax Liabilities (Net)	10	91,75,000	-
<b>Current Liabilities</b>			
Trade Payables	5	32,57,907	11,32,806
Other Current Liabilities	6	2,38,11,614	2,25,76,746
Short-Term Provisions	7	3,04,007	2,75,795
		<b>2,73,73,528</b>	2,39,85,347
<b>Total</b>		<b>39,40,26,216</b>	47,95,97,998
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	8		
Tangible Assets		7,14,21,315	7,42,43,531
Intangible Assets		-	2,00,000
Non-Current Investments	9	24,55,82,120	6,03,18,712
Deferred Tax Assets (Net)	10	-	9,93,30,000
Long-Term Loans and Advances	11	5,62,11,636	4,83,77,013
		<b>37,32,15,071</b>	28,24,69,256
<b>Current Assets</b>			
Current Investments	12	75,14,632	18,51,99,546
Inventories	13	41,834	75,516
Trade Receivables	14	41,59,383	42,63,659
Cash and Cash Equivalents	15	43,59,758	61,12,388
Short-Term Loans and Advances	16	47,35,538	14,77,633
		<b>2,08,11,145</b>	19,71,28,742
<b>Total</b>		<b>39,40,26,216</b>	47,95,97,998
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 : 30th May, 2016

For and on behalf of the Board

**Smita Tambe**

Company Secretary

**Narendra Abhichandani**

Chief Financial Officer

Place: Mumbai

Date : 30th May, 2016

**Banwari Lal Jatia**

Managing Director

DIN : 00016823

**Om Prakash Adukia**

Director

DIN : 00017001

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	2015 - 2016 ₹	2014 - 2015 ₹
<b>INCOME</b>			
Revenue from Operations	17	5,06,53,215	3,65,86,342
Other Income	18	1,93,40,121	2,19,06,345
<b>Total Revenue</b>		<b>6,99,93,336</b>	5,84,92,687
<b>EXPENDITURE</b>			
Purchase of Stock-in-Trade		1,65,70,734	1,95,20,352
Change in Inventories of Finished Goods and Stock-in Trade	19	53,594	(53,594)
Employee Benefits Expense	20	66,42,492	60,48,082
Finance Costs	21	641	2,368
Depreciation, Amortisation & Impairment Expense	8	33,04,909	32,24,713
Other Expenses	22	2,68,15,436	1,96,77,222
<b>Total Expenses</b>		<b>5,33,87,808</b>	4,84,19,143
<b>Profit/(Loss) before Prior Year Adjustments</b>		<b>1,66,05,529</b>	1,00,73,544
<b>Add : Prior Year Adjustments (Net)</b>		<b>(9,064)</b>	11,69,502
<b>Profit/(Loss) Before Tax</b>		<b>1,65,96,466</b>	1,12,43,046
<b>Tax Expenses</b>			
Current Tax (including Wealth Tax)		14,20,000	14,000
Deferred Tax		10,85,05,000	(22,77,000)
Provision for Earlier Years		97,791	7,07,100
MAT Credit Entitlement Lapsed		42,88,972	-
MAT Credit Entitlement Utilised		2,25,798	(2,31,068)
<b>Net Profit/(Loss) After Tax</b>		<b>(9,79,41,095)</b>	1,30,30,014
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic and Diluted	23.6	<b>(144.14)</b>	19.18
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 : 30th May, 2016

For and on behalf of the Board

**Smita Tambe**

Company Secretary

**Narendra Abhichandani**

Chief Financial Officer

Place: Mumbai

Date : 30th May, 2016

**Banwari Lal Jatia**

Managing Director

DIN : 00016823

**Om Prakash Adukia**

Director

DIN : 00017001

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	2015-16 ₹	2014-15 ₹
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) before tax</b>	<b>1,66,05,529</b>	1,00,73,544
<b>Adjustments for:</b>		
Prior period Items	<b>(9,064)</b>	11,69,502
Provision for Ascertained Liabilities (Net)	-	(1,12,856)
Provision for diminution in value of investments	<b>(91,11,648)</b>	(94,94,625)
Provision For Impairment of Fixed Assets Written back	-	(2,55,484)
Provision for Doubtful Debts Written Back	-	(4,04,265)
Provision for Leave Encashment	<b>28,212</b>	51,454
Bad Debts & Advances Written Off	-	4,04,265
(Profit)/Loss on Sale of Investments	<b>87,60,646</b>	38,32,111
(Profit)/Loss on Sale of fixed assets	<b>(89,181)</b>	(30,689)
Depreciation & Amortisation	<b>33,04,909</b>	32,24,713
Interest/Dividend (Net)	<b>(70,651)</b>	(19,55,639)
<b>Operating profit/(loss) before working capital changes</b>	<b>1,94,18,752</b>	65,02,031
Increase/(decrease) in long-term liabilities	<b>6,132</b>	11,274
Increase/(decrease) in trade payable	<b>21,25,101</b>	(20,81,926)
Increase/(decrease) in other current liabilities	<b>12,34,868</b>	(16,32,010)
Decrease/(increase) in long-term loans and advances	<b>(1,17,59,478)</b>	8,11,810
Decrease/(increase) in Trade Receivable	<b>1,04,276</b>	17,04,51,318
Decrease/(increase) in Inventories	<b>33,682</b>	(40,896)
Decrease/(increase) in short-term loans and advances	<b>(32,57,905)</b>	(4,65,532)
<b>Cash generated from/(used in) operations</b>	<b>79,05,428</b>	17,35,56,069
Direct taxes paid (net)	<b>(21,07,706)</b>	(10,94,312)
<b>Net cash flow from/(used in) operating activities - (A)</b>	<b>57,97,722</b>	17,24,61,757
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	<b>(9,71,285)</b>	(29,93,525)
Sale of fixed assets	<b>5,77,774</b>	28,739
Purchase of Current Investments	<b>(2,54,07,492)</b>	(17,21,05,740)
Sale/(Purchase) of Investments	<b>1,81,80,000</b>	21,16,227
Dividend Received	<b>37,800</b>	9,08,985
Interest received	<b>33,492</b>	10,49,022
<b>Net cash used in investing activities - (B)</b>	<b>(75,49,711)</b>	(17,09,96,291)
<b>Cash flow from financing activities</b>		
Interest Paid	<b>(641)</b>	(2,368)
<b>Net cash from financing activities - (C)</b>	<b>(641)</b>	(2,368)
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(17,52,630)</b>	14,63,097
Cash and cash equivalents at the beginning of the year	<b>61,12,388</b>	46,49,291
<b>Cash and cash equivalents at the end of the year</b>	<b>43,59,758</b>	61,12,388
Components of cash and cash equivalents		
Cash on hand	<b>46,504</b>	32,778
Balances with scheduled banks:		
- In current accounts	<b>43,13,254</b>	60,79,610
<b>Cash and Bank balances</b>	<b>43,59,758</b>	61,12,388

**Note :**

- All figures in bracket are outflows.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The total of cash and cash equivalents 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

**Smita Tambe**  
Company Secretary

**Atul Jain**

 Partner  
M. No. 037097

**Narendra Abhichandani**  
Chief Financial Officer

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

**Om Prakash Adukia**  
Director  
DIN : 00017001

 Place: Mumbai  
Date : 30th May, 2016

 Place: Mumbai  
Date : 30th May, 2016

## 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 segments.

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, 2016		As at 31st March, 2015	
		No. of shares	₹	No. of shares	₹
<b>2</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised:</b>				
	Equity Shares of ₹ 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	<b>Issued, Subscribed and Paid Up:</b>				
	Equity Shares of ₹ 10 each, fully paid up	6,79,474	67,94,740	6,79,474	67,94,740
<b>2.1</b>	<b>Reconciliation of number of Equity Shares outstanding:</b>				
	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
<b>2.2</b>	<b>Details of Shareholders holding more than 5% shares :</b>				
		As at 31st March, 2016		As at 31st March, 2015	
	<b>Name of Shareholder</b>	<b>No. of shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
	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%
<b>2.3</b>	<b>Terms/Rights attached to equity shares:</b>				
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.				
<b>3</b>	<b>RESERVES AND SURPLUS</b>				
	<b>Share Premium Account</b>				
	As per last Balance Sheet		7,88,52,831		7,88,52,831
	<b>General Reserve</b>				
	As per last Balance Sheet		36,97,43,487		5,27,81,476
	Less : Carrying value of assets (whose "useful life" is over) written off		-		(7,75,115)
	Add : Transferred from Surplus Provision for Doubtful Debts		-		9,37,126
	Add : Transferred from Surplus in Profit And Loss Account		-		31,68,00,000
			36,97,43,487		36,97,43,487
	<b>Revaluation Reserve</b>				
	As per last Balance Sheet		2,00,000		2,00,000
	Less: Written off against trademark		2,00,000		-
	Balance at the end of the year		-		2,00,000
	<b>Surplus Provision for Doubtful Debts</b>				
	As per last Balance Sheet		-		9,37,126
	Less : Transferred to General Reserve		-		(9,37,126)
			-		-
	<b>Surplus as per Statement of Profit And Loss</b>				
	As per last Balance Sheet		10,319		30,37,80,305
	Add : Profit/(Loss) for the year		(9,79,41,095)		1,30,30,014
			(9,79,30,776)		31,68,10,319
	Less : Transferred to General Reserve		-		31,68,00,000
			(9,79,30,776)		10,319
			35,06,65,542		44,88,06,637
<b>4</b>	<b>OTHER LONG TERM LIABILITIES</b>				
	Other Payables		17,406		11,274
			17,406		11,274
<b>5</b>	<b>TRADE PAYABLES</b>				
	Sundry Creditors		32,57,907		11,32,806
			32,57,907		11,32,806
<b>6</b>	<b>OTHER CURRENT LIABILITIES</b>				
	Security Deposits (Unsecured)		2,25,00,000		2,20,00,000
	Other Payables (includes statutory dues payable & others)		13,11,614		5,76,746
			2,38,11,614		2,25,76,746

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31st March, 2016	As at 31st March, 2015
		₹	₹
<b>7</b>	<b>SHORT-TERM PROVISIONS</b>		
	Provision for Leave Encashment	3,04,007	2,75,795
		<b>3,04,007</b>	<b>2,75,795</b>

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01.04.2015	Additions	Deductions / Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	Deductions / Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>TANGIBLE ASSETS :</b>										
<b>OWN ASSETS :</b>										
Lease - hold Land	1,135,690	-	-	1,135,690	140,165	14,496	-	154,661	981,029	995,525
Buildings	12,283,139	-	57,974	12,225,165	3,996,064	357,616	3,911	4,349,768	7,875,397	8,287,075
Plant & Machinery	15,528,963	696,820	178,152	16,047,631	7,801,184	554,429	163,453	8,192,160	7,855,471	7,727,779
Electrical Installation	2,693,172	-	-	2,693,172	1,844,231	424,275	-	2,268,506	424,666	848,941
Water Equipments	39,030	-	-	39,030	16,012	-	-	16,012	23,018	23,018
Laboratory Equipments	460,451	-	376,913	83,538	456,274	-	376,913	79,361	4,177	4,177
Furniture & Fixtures	8,240,555	-	323,320	7,917,235	6,439,834	437,072	323,042	6,553,864	1,363,371	1,800,721
Office Equipments	3,036,157	131,140	645,914	2,521,383	2,746,169	66,791	626,646	2,186,314	335,069	289,988
Office Computers	6,874,596	143,325	973,935	6,043,986	6,545,259	3,783	938,723	5,610,319	433,667	329,337
Motor Vehicles	4,843,162	-	1,009,823	3,833,339	1,798,793	382,574	718,332	1,463,035	2,370,304	3,044,369
<b>Sub-Total</b>	<b>55,134,915</b>	<b>971,285</b>	<b>3,566,031</b>	<b>52,540,169</b>	<b>31,783,985</b>	<b>2,241,036</b>	<b>3,151,020</b>	<b>30,874,000</b>	<b>21,666,168</b>	<b>23,350,929</b>
<b>ASSETS GIVEN ON LEASE :</b>										
Buildings	54,771,210	-	-	54,771,210	4,671,620	865,047	-	5,536,667	49,234,543	50,099,590
Motor Vehicles	4,029,281	-	1,471,678	2,557,603	3,236,269	198,826	1,398,096	2,036,999	520,604	793,012
<b>Sub-Total</b>	<b>58,800,491</b>	<b>-</b>	<b>1,471,678</b>	<b>57,328,813</b>	<b>7,907,889</b>	<b>1,063,873</b>	<b>1,398,096</b>	<b>7,573,666</b>	<b>49,755,147</b>	<b>50,892,602</b>
<b>Total (A)</b>	<b>113,935,406</b>	<b>971,285</b>	<b>5,037,709</b>	<b>109,868,982</b>	<b>39,691,874</b>	<b>3,304,909</b>	<b>4,549,116</b>	<b>38,447,666</b>	<b>71,421,315</b>	<b>74,243,531</b>
<b>INTANGIBLE ASSETS :</b>										
Trade Marks	4,000,000	-	4,000,000	-	3,800,000	-	3,800,000	-	-	200,000
<b>Total (B)</b>	<b>4,000,000</b>	<b>-</b>	<b>4,000,000</b>	<b>-</b>	<b>3,800,000</b>	<b>-</b>	<b>3,800,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
<b>Total (A+B)</b>	<b>117,935,406</b>	<b>971,285</b>	<b>9,037,709</b>	<b>109,868,982</b>	<b>43,491,874</b>	<b>3,304,909</b>	<b>8,349,116</b>	<b>38,447,666</b>	<b>71,421,315</b>	<b>74,443,531</b>
Previous Year ₹	108,794,335	9,258,712	117,641	117,935,406	39,867,121	3,224,713	(400,040)	43,491,874	74,443,531	

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

Value of Trademarks ₹2 lacs expired written off during the year.

		As at 31st March, 2016	As at 31st March, 2015
		₹	₹
<b>9</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>Long Term Investments (At Cost) :</b>		
	Investment in Properties		
	Commercial Premises	19,906,985	19,799,493
	<b>In Equity Shares - Quoted, of ₹ 2 each, fully paid up</b>		
	1,500 (Previous Year 1,500) of Ambuja Cements Ltd	-	-
	<b>In Equity Shares - Unquoted, fully paid up</b>		
	1,80,300 shares of Houghton Hardcastle (India) Pvt Ltd of ₹10 each	1,06,64,296	-
	4,38,948 (Previous Year 4,38,948) of Hawcoplast Investments & Trading Limited of ₹ 10 each	50,38,944	50,38,944
	8,470 (Previous Year 4,73,500) of Global Trendz Private Limited of ₹ 100 each (Refer Note No. 23.13)	4,30,945	95,86,223
	150 (Previous Year 150) of Deve Paints Limited of ₹ 10 each	2,400	2,400
	100 (Previous Year 100) of Bakelite Hylem Limited of ₹ 10 each	2,800	2,800
	150 (Previous Year 150) of Swastik Rubber Products Limited of ₹ 10 each	500	500
		<b>1,61,39,885</b>	<b>1,46,30,867</b>
	<b>In 8% Non-cumulative Preference Shares - Unquoted, fully paid up</b>		
	35,00,000 (Previous Year 35,00,000) of Anand Veena Twisters Private Limited of ₹ 10 each	35,00,000	35,00,000
	<b>In Redeemable Preference Shares - Unquoted of ₹ 10 each, fully paid up</b>		
	10,88,125 shares of Winmore Leasing & Holdings Limited	17,45,35,250	-
		<b>24,55,82,120</b>	<b>6,94,30,360</b>
		<b>24,55,82,120</b>	<b>6,94,30,360</b>
	Aggregate amount of unquoted investments - Cost		
	Less : Provision for diminution in value of investments		
			91,11,648
		<b>24,55,82,120</b>	<b>6,03,18,712</b>

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

		As at 31st March, 2016	As at 31st March, 2015
		₹	₹
<b>10</b>	<b>DEFERRED TAX ASSETS/(LIABILITIES) (NET)</b>		
	<b>Deferred Tax Assets</b>		
	Disallowances under the Income Tax Act, 1961	94,000	10,82,90,000
	<b>Deferred Tax Liabilities</b>		
	Related to Fixed Assets	(92,69,000)	89,60,000
		<b>(91,75,000)</b>	<b>9,93,30,000</b>
<b>11</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	<b>(Unsecured, Considered Good unless otherwise stated)</b>		
	Prepaid Expenses	4,330	5,752
	Capital Advances	4,99,64,388	3,81,97,808
	Security Deposits	12,26,924	12,31,519
	Advance Income Tax (Net of provision for taxation)	30,44,247	24,54,332
	MAT Credit Entitlement	4,65,310	49,80,080
	Others (include receivables from Govt. Authorities & Others)	15,06,437	16,17,522
	Less : Provision for doubtful advances	-	(1,10,000)
		<b>5,62,11,636</b>	<b>4,83,77,013</b>
<b>12</b>	<b>CURRENT INVESTMENTS</b>		
	In Redeemable Preference Shares - Unquoted of ₹ 10 each, fully paid up		
	NIL (Previous Year 10,88,125) of Winmore Leasing & Holdings Limited	-	17,45,35,250
	In Equity Shares - Unquoted, fully paid up		
	NIL (Previous Year 1,80,300) of Houghton Hardcastle (India) Pvt Ltd of ₹10 each	-	1,06,64,296
	In Mutual Fund units of ₹1000 each fully paid up		
	(At Cost or Market Value being Net Asset Value, whichever is lower)		
	2,537 (Previous Year Nil) of HDFC Liquid Fund - Direct Plan - Growth Option	75,14,632	-
		<b>75,14,632</b>	<b>18,51,99,546</b>
	Aggregate Market Value of current Quoted Investments	75,86,206	-
	Aggregate Value of current Unquoted Investments	-	18,51,99,546
<b>13</b>	<b>INVENTORIES</b>		
	Stores & Spare Parts	41,834	21,922
	Stock-in-Trade	-	53,594
		<b>41,834</b>	<b>75,516</b>
<b>14</b>	<b>TRADE RECEIVABLES</b>		
	Unsecured		
	<b>Outstanding for a period exceeding six months from due date</b>		
	Considered Good	-	-
	Considered Doubtful	-	-
		-	-
	<b>Other Debts</b>		
	Considered Good	41,59,383	42,63,659
	Considered Doubtful	-	-
	<b>Total Trade Receivables</b>	<b>41,59,383</b>	<b>42,63,659</b>
<b>15</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash on Hand	46,504	32,778
	In Accounts with Banks	42,82,168	49,54,957
	Cheques on Hand	31,086	11,24,653
		<b>43,59,758</b>	<b>61,12,388</b>
<b>16</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>(Unsecured, Considered Good)</b>		
	Prepaid Expenses	1,36,203	1,72,261
	Capital Advances	20,56,999	-
	Loans & Advances to Employees	5,10,876	1,45,000
	Receivables from Government Authorities	9,42,256	8,18,341
	Others	10,89,204	3,42,031
		<b>47,35,538</b>	<b>14,77,633</b>

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year 2015-16 ₹	For the Year 2014-15 ₹
<b>17 REVENUE FROM OPERATIONS</b>		
<b>Sale of Products &amp; Services</b>		
Traded Goods	2,59,72,850	2,78,84,450
Job Charges Income	2,46,80,365	87,01,892
	<b>5,06,53,215</b>	<b>3,65,86,342</b>
<b>18 OTHER INCOME</b>		
<b>Interest Income</b>	33,492	10,49,022
<b>Dividend Income from Current Investments (Non-Trade)</b>	37,800	9,08,985
<b>Provisions, no longer required, written back for-</b>		
Ascertained Liabilities	-	1,12,856
Diminution in Value of Investments	91,11,648	94,94,625
Impairment of Fixed Assets	-	2,55,484
Doubtful Debts/Advances	-	4,04,265
	<b>91,11,648</b>	<b>1,02,67,230</b>
<b>Other Non-Operating Income</b>		
Profit/(Loss) on Sale/Discard of Fixed Assets	89,181	30,689
Rent Received	1,00,68,000	96,48,000
Sundry Income	-	2,419
	<b>1,01,57,181</b>	<b>96,81,108</b>
	<b>1,93,40,121</b>	<b>2,19,06,345</b>
<b>19 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-TRADE</b>		
<b>Inventories at Close</b>		
Finished Goods	-	-
Stock-in-Trade	-	53,594
	-	53,594
<b>Inventories at Commencement</b>		
Stock-in-Trade	53,594	-
	<b>53,594</b>	-
	<b>53,594</b>	<b>(53,594)</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus, & Allowances	61,01,607	54,65,693
Contribution to Provident & Other Funds	5,28,400	4,66,437
Contribution to Gratuity Fund	(50,811)	49,486
Employee Welfare Expenses	63,296	66,466
	<b>66,42,492</b>	<b>60,48,082</b>
<b>21 FINANCE COST</b>		
Interest on Intercompany Deposits	-	2,368
Interest on Others	641	-
	<b>641</b>	<b>2,368</b>
<b>23 OTHER EXPENSES</b>		
Power, Fuel and Water	9,15,916	3,90,930
Consumption of Stores and Spares	1,29,705	1,66,671
Rent	27,24,186	25,75,248
Rates and Taxes	2,80,904	2,65,281
Insurance	1,55,924	1,21,032
Repairs and Maintenance		
Machineries	95,394	1,62,872
Buildings	9,69,087	5,09,642
Others	1,74,082	1,75,010
Freight and Forwarding	1,61,502	1,58,570
Rebates and Discounts	65,14,256	51,91,173
Directors' Fees	70,000	58,000
Bank Charges	11,446	14,851
Travelling and Conveyance Expenses	14,22,494	13,63,648
Communication Expenses	2,56,498	2,99,253
Electricity Expenses	15,32,700	14,73,388
Payment to Auditors	1,20,000	1,20,000
Legal & Professional Expenses	5,09,700	4,60,700
Service Charges	8,77,200	8,13,600
Miscellaneous Expenses	11,33,798	11,20,977
Bad Debts/Irrecoverable Advances Written Off	-	4,04,265
Net Loss/(Profit) on Sale of Investments		
On Current Investments	(3,14,632)	(81,302)
On Long - Term Investments	90,75,278	39,13,413
	<b>2,68,15,436</b>	<b>1,96,77,222</b>

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	For the Year 2015-16	For the Year 2014-15
	₹	₹
<b>23.1 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>1) CONTINGENT LIABILITIES</b>		
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.	<b>28,97,131</b>	19,50,186
<b>2) COMMITMENTS</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for * out of above ₹ 11,57,668/- paid under protest	<b>2,12,36,151</b>	3,30,02,731
<b>23.2 Trade Purchases</b>		
Indigenous	<b>1,65,70,734</b>	1,95,20,352
	<b>1,65,70,734</b>	1,95,20,352
<b>23.3 Expenditure in Foreign Currency</b>		
Travelling Expenses	<b>2,78,260</b>	1,10,057
	<b>2,78,260</b>	1,10,057
<b>23.4 Payment to Auditors</b>		
Audit Fees	<b>75,000</b>	75,000
Tax Audit Fees	<b>15,000</b>	15,000
Limited Review	<b>30,000</b>	30,000
	<b>1,20,000</b>	1,20,000
<b>23.5 MICRO AND SMALL ENTERPRISES</b>		
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)	-	-
<b>23.6 EARNING PER SHARE (EPS)</b>		
<b>Basic and Diluted</b>		
a) Net Profit/(loss) after taxation (₹)	<b>(9,79,41,095)</b>	1,30,30,014
b) No. of Equity Shares of ₹ 10 each	<b>6,79,474</b>	6,79,474
c) Basic and Diluted Earning Per share (₹)	<b>(144.14)</b>	19.18
<b>23.7 RELATED PARTY DISCLOSURES (As per Accounting Standard 18) :</b> <b>(as identified by the management and relied by the auditors)</b>		
<b>i) Control :</b>		
Mr B. L. Jatia		
<b>ii) Enterprises &amp; other parties over which persons having control are able to exercise significant influence with whom transactions have taken place during the year :</b>		
Hawco Lubricants Pvt. Ltd		
Saubhagya Impex Private Limited		
Shri Ambika Trading Co. Private Limited		
Vishwas Investment & Trading Co. Private Limited		
West Leisure Resorts Ltd		
Westlife Development Ltd		
West Pioneer Properties (India) Private Ltd		
<b>iii) Key Management Personnel :</b>		
Mr B. L. Jatia - Managing Director		
Ms Smita Tambe - Company Secretary		
Mr N. Abhichandani - Chief Finance Officer		
<b>iv) Relatives :</b>		
Smt Lalita Devi Jatia		
Smt Usha Devi Jatia		
Shri Amit Jatia		

## NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Transactions with Related Parties in the ordinary course of business :

	Enterprises in which a director has significant influence	Key Management Personnel	Relatives
	₹	₹	₹
<b>A) Transactions during the year :</b>			
<b>CURRENT YEAR</b>			
a) Rent Income	2,70,000	-	-
	(32,40,000)	-	-
b) Rent Paid	15,00,000	-	-
	(15,00,000)	-	-
c) Service Charges Paid	8,77,200	-	-
	(7,89,600)	-	-
d) Purchases of Investments	-	-	-
	(1,30,000)	-	(18,47,37,700)
e) Sales of Investments	-	-	-
	(1,19,60,625)	-	-
f) Remuneration paid			
Mr B. L. Jatia - Managing Director	-	34,94,400	-
	-	(28,59,251)	-
Ms Smita Tambe - Company Secretary	-	4,04,809	-
	-	(5,35,617)	-
Mr N. Abhichandani - Chief Finance Officer	-	8,24,333	-
	-	(7,12,221)	-
<b>B) Balance outstanding at the end of the year :</b>			
Current Year	-	-	-
Previous Year	-	-	-

\*Figures in ( ) represent previous year figures

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>24.7 DEFINED BENEFIT : GRATUITY PLAN</b>		
<b>(Information as required under Accounting Standard - 15)</b>		
Obligations at beginning of the year	21,09,625	18,79,697
Interest Cost	1,63,496	1,69,173
Service Cost	1,51,585	1,52,837
Benefits Settled	-	-
Actuarial (Gain)/Loss	(1,86,305)	(92,082)
Obligations at end of the year	22,38,401	21,09,625
<b>Change in Plan Assets</b>		
Fair Value of Plan Assets at beginning of the year	22,09,327	20,28,885
Expected Return on Plan Assets	2,00,421	1,86,197
Contributions	-	-
Benefits Settled	-	-
Actuarial Gain/(Loss)	(14,834)	(5,755)
Fair Value of Plan Assets at end of the year	23,94,914	22,09,327
<b>Reconciliation of Present Value of the Obligations and Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at end of the year	22,38,401	21,09,625
Present Value of defined benefit obligations at end of the year	(23,94,914)	(22,09,327)
Liability/(Asset) recognised in Balance Sheet	(1,56,513)	(99,702)
<b>Gratuity Cost for the year</b>		
Service Cost	1,51,585	1,52,837
Interest Cost	1,63,496	1,69,173
Expected Return on Plan Assets	(2,00,421)	(1,86,197)
Actuarial (Gain)/Loss	(1,71,471)	(86,327)
Expense recognised in Statement of Profit & Loss	(56,811)	49,486
<b>Assumptions</b>		
Interest Rate	7.75%	7.75%
Expected Return on Plan Assets	7.75%	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

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>23.8 SEGMENT INFORMATION (As per Accounting Standard 17) :</b>		
<b>Primary Segment reporting - Business Segments</b>		
<b>SEGMENT REVENUE</b>		
Industrial Chemicals	<b>6,08,10,396</b>	4,70,40,055
Investments	<b>91,49,448</b>	1,04,03,610
<b>Total</b>	<b>6,99,59,844</b>	5,74,43,665
<b>SEGMENT RESULT</b>		
Industrial Chemicals	<b>1,96,79,288</b>	52,46,855
Investments	<b>3,87,790</b>	65,70,938
<b>Total</b>	<b>2,00,67,078</b>	1,18,17,793
<b>Unallocated Corporate (Expenses)/Income</b>	<b>(34,69,972)</b>	(5,72,379)
<b>Operating Profit/(Loss)</b>	<b>1,65,97,107</b>	1,12,45,414
Interest Expense	<b>641</b>	2,368
Income Tax (including Deferred Tax)	<b>11,45,37,561</b>	(17,86,968)
<b>Net Profit/(Loss) After Tax</b>	<b>(9,79,41,095)</b>	1,30,30,014
<b>OTHER INFORMATION</b>		
<b>Total carrying amount of Segment Assets</b>		
Industrial Chemicals	<b>13,30,60,149</b>	12,86,37,352
Investments	<b>25,30,96,752</b>	24,55,18,258
<b>Total</b>	<b>38,61,56,901</b>	37,41,55,610
Add : Unallocated Corporate Assets	<b>(13,05,685)</b>	61,12,388
<b>Total Assets</b>	<b>38,48,51,216</b>	38,02,67,998
<b>Total carrying amount of Segment Liabilities</b>		
Industrial Chemicals	<b>2,73,90,934</b>	2,39,96,621
Investments	<b>-</b>	-
<b>Total</b>	<b>2,73,90,934</b>	2,39,96,621
Add : Total Net Worth	<b>35,74,60,282</b>	35,62,71,377
<b>Total Liabilities</b>	<b>38,48,51,216</b>	38,02,67,998
Capital Expenditure incurred during the year	<b>9,71,285</b>	92,58,712
Other Non Cash Expenditure	<b>33,04,909</b>	32,24,713
<b>NOTES :</b>		
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.		
<b>23.9 LEASES :</b>		
<b>i) Non-cancellable operating leases taken for use of premises :</b>		
Less than one year	<b>3,75,000</b>	5,00,000
One to Five years	<b>14,68,800</b>	Nil
More than Five years	<b>Nil</b>	Nil
Total minimum lease rental obligations	<b>18,43,800</b>	5,00,000
<b>ii) Non-cancellable operating leases granted for use of premises :</b>		
Less than one year	<b>39,67,000</b>	36,06,000
One to Five years	<b>Nil</b>	Nil
More than Five years	<b>Nil</b>	Nil
<b>Total minimum lease rental obligations</b>	<b>39,67,000</b>	36,06,000
<b>23.10</b> Loans and Advances include deposits of Nil (Previous Year ₹ 1,10,000) with Central Excise Deptt and ₹ 15,07,522 (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.		
<b>23.11</b> Sales exclude Sales Tax/VAT amounting to ₹ 9,60,380 (Previous Year ₹ 9,86,934) collected from customers and paid to the concerned Sales Tax Department.		
<b>23.12</b> During the year 4,73,500 Equity Shares of Global Trendz Pvt Ltd of ₹ 100 each were cancelled by Global Trendz Pvt Ltd under a court order due to reduction of Share Capital and in lieu of that 9,470 Equity Shares of Rs 100 each were received. Out of these 9470 Equity Shares 1000 Equity Shares sold during the year.		
<b>23.13</b> 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.		

**23.10** Loans and Advances include deposits of Nil (Previous Year ₹ 1,10,000) with Central Excise Deptt and ₹ 15,07,522 (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.

**23.11** Sales exclude Sales Tax/VAT amounting to ₹ 9,60,380 (Previous Year ₹ 9,86,934) collected from customers and paid to the concerned Sales Tax Department.

**23.12** During the year 4,73,500 Equity Shares of Global Trendz Pvt Ltd of ₹ 100 each were cancelled by Global Trendz Pvt Ltd under a court order due to reduction of Share Capital and in lieu of that 9,470 Equity Shares of Rs 100 each were received. Out of these 9470 Equity Shares 1000 Equity Shares sold during the year.

**23.13** 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 : 30th May, 2016

For and on behalf of the Board

**Smita Tambe**  
Company Secretary

**Narendra Abhichandani**  
Chief Financial Officer

Place: Mumbai  
Date : 30th May, 2016

**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.com

## 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 70th Annual General Meeting of the Company to be held on Friday, the 30th September, 2016 at 11.30 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, 2016.
2. Re-appointment of Mrs Smita Jatia, 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 Sunil Trivedi as an Independent Director of the Company.
5. Appointment of Mrs Rekha Pacharia as an Independent Director of the Company.
6. Re-appointment of Mr Banwari Lal Jatia as Managing Director of the Company for a period of three years.
7. Shifting of Registers and Index of Members at the office of RTA viz Link Intime India Pvt. Ltd.
8. Determination of fees to be charged for service of documents through a particular mode.

Signed this ..... day of ..... 2016.

\_\_\_\_\_  
Signature of shareholder

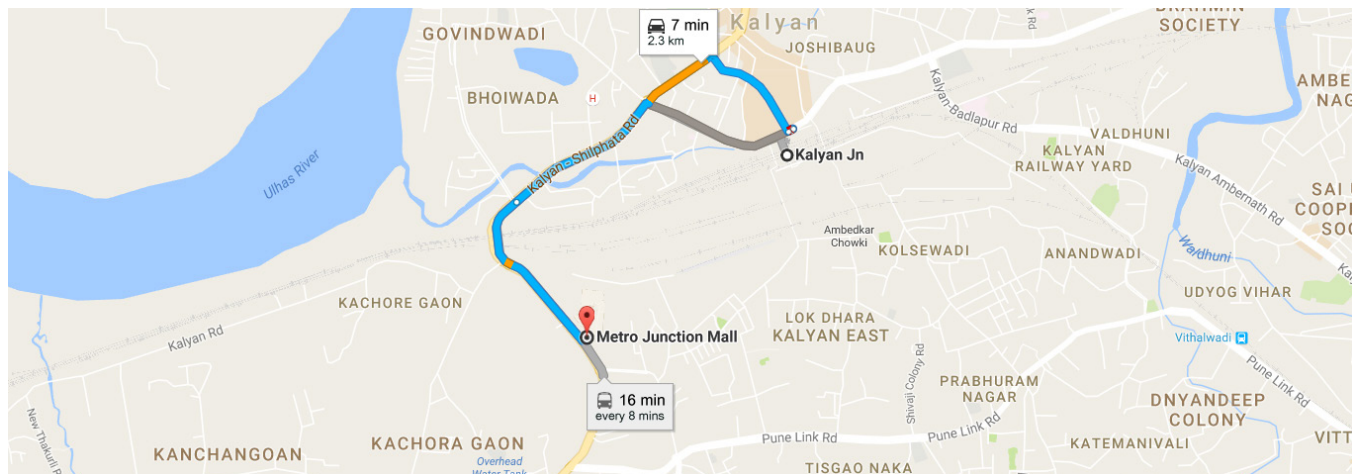
\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp  
Here

### Note:

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.

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