

**74<sup>TH</sup> ANNUAL REPORT**

**2019 – 2020**

**HARDCASTLE AND WAUD  
MANUFACTURING COMPANY LIMITED**

## **BOARD OF DIRECTORS**

Mr Banwari Lal Jatia, Managing Director

Mr Sunil Kantilal Trivedi

Mrs Rekha Abhishek Pacheria

Mr Piyushkumar Mehta

## **REGISTERED OFFICE**

Mall Office, 2nd Floor, Metro Junction Mall of  
West Pioneer Properties (India) Pvt Ltd, Netivali, Kalyan (E) 421 306

## **CORPORATE OFFICE**

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

## **AUDITORS**

Messrs GMJ & Co.

## **REGISTRARS & SHARE TRANSFER AGENT**

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

## **HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**

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

Tel No. 022-22837658-63 Fax No. 022-22873176

CIN No.: L99999MH1945PLC004581 E-Mail Id: ho@hawcoindia.com Website: www.hawcoindia.in

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Notice is hereby given that the Seventy-fourth Annual General Meeting (AGM) of members of the Company will be held at Club House, Residency Gate, Next to Tower-A, Near Metro Junction Mall of West Pioneer Properties (India) Pvt. Ltd, Netivali, Kalyan (E) - 421306 on Tuesday, the 22<sup>nd</sup> September, 2020 at 10.30 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2020 together with reports of the Directors and the Auditors thereon.

### **SPECIAL BUSINESS:**

2. To consider and, if thought fit, to give ASSENT / DISSENT, to the following Special 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 re-appointment of Mr Sunil Kantilal Trivedi (DIN – 00387797) as an Independent Director of the Company, for a further period of five years w.e.f. 31.05.2021, be and is hereby approved.”

3. To consider and, if thought fit, to give ASSENT / DISSENT, to the following Special 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 re-appointment of Mrs Rekha Abhishek Pacheria (DIN – 07415573) as an Independent Director of the Company, for a further period of five years w.e.f. 31.05.2021, be and is hereby approved.”

4. To consider and, if thought fit, to give ASSENT / DISSENT, to the following Special 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 Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules and regulations, Mr Vimal Chand Kothari (DIN – 00056003) be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years commencing from the date of the 74th Annual General Meeting of members of the Company.”

5. To consider and, if thought fit, to give ASSENT / DISSENT, to the following Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Sections 152 and 160 and other applicable provisions of the Companies Act, 2013 (the Act), Mr Piyushkumar Mehta (DIN: 08772311) who was appointed as an Additional Director of the Company pursuant to provisions of Section 161 (1) of the Act and holds office upto the date of this Annual General Meeting be and is hereby appointed as a non-executive director of the Company, liable to retire by rotation.”

**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.

Proxies, in order to be effective, must be delivered / deposited at Registered Office of the Company not less than 48 hours before commencement of the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2020 to 22<sup>nd</sup> September, 2020.
4. Corporate members intending to send their authorised representative to attend the meeting shall send along with such person a certified true copy of their Board’s Resolution authorizing that person to attend and vote on their behalf at the Meeting.
5. As per regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Holders of Company’s equity shares in physical form may therefore consider to dematerialize their holding of securities. Procedure to dematerialize share(s) is available on the website of the Company.
6. Rule 3 of the Companies (Management & Administration) Rules, 2014 mandates that the Register of Members of a company should include details pertaining to e-mail address, Permanent Account Number or CIN, Unique Identification Number, if any; Father’s/Mother’s/Spouse’s name, occupation, status and nationality; and in case the member is a minor, name of the guardian, date of birth of the minor, and name and address of the nominee. All members are requested to update their respective details with their depository participant (DP’s) or Link Intime India Private Limited (RTA of the Company).

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 read with Ministry of Corporate Affairs (“MCA”) Circular No. 20/2020 dated 5.5.2020, the Annual Report of the Company for the year ended 31.3.2020 is being sent in electronic mode to Members whose email id are registered with the Company/Depositories/RTA. Members are requested to update/register their email id and bank details with their respective Depository Participant or with the RTA at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html).

7. Members are requested to get updated any change in their address with their respective DP’s or the RTA directly.
8. The notice of AGM is being sent to those members whose names appear in the register of members as on Friday, 14th August, 2020.
9. A person, whose name is recorded in the register of members as on the cut-off date i.e. 16.09.2020 only shall be entitled to avail facility of remote e-voting as well as voting at the AGM through ballot paper, as the case may be. Voting rights of members shall be proportionate to their respective share in the paid-up equity capital of the Company as on the cut-off date.

10. VOTING THROUGH ELECTRONIC MEANS:

- I. Members can exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means. The facility of casting votes by members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. Facility for voting through ballot paper shall also be available at the AGM. Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot papers. There shall be no voting by show of hands at the AGM.
- III. Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Friday, 18<sup>th</sup> September, 2020 (9.00 am) and ends on Monday, 21<sup>st</sup> September, 2020 (5.00 p.m.). During this period, members holding shares as on the cut-off date of 16.09.2020, 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) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - b) Click on Shareholder – Login
  - c) Enter User ID and Password: -

Your User ID details are as below:

Shares held in Demat / Physical	Your User ID is:
For members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares in Physical Form	REVEN (remote e-Voting event number) followed by Folio Number registered with the company  For example, if folio number is 001*** and REVEN is 101456 then user ID is 101456001***

Your Password is as per below:

- 1) If you are already registered with NSDL for remote e-Voting, then you can use your existing password to login and cast your vote.
- 2) If you are using NSDL remote e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you.

Following is the process to retrieve your initial password:

- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you by NSDL on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account; last 8 digits of client ID for CDSL account; or folio number for shares held in physical form, as the case may be. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
  - (iii) If you are unable to retrieve or have not received the "initial password" or have forgotten your password, click on the following option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com):
    - "Forgot User Details/Password?" (If you are holding shares in demat mode)
    - "Physical User Reset Password?" (If you are holding shares in physical mode)
    - If you are still unable to get the password by following above, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address.
  - (iv) Once you retrieve your 'initial password', enter the 'initial password' and click login. Password change menu appears, change the password with new password of your choice. Note new password.
- d) Home page of remote e-Voting opens. Click on Active Voting Cycles
  - e) Select "REVEN" (remote e-Voting Event Number) of Hardcastle and Waud Mfg Co. Ltd.
  - f) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - g) Upon confirmation, the message "Vote cast successfully" will be displayed.

VI. In case of any queries, you may refer the FAQs and remote e-voting user manual for members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.:1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Members may also contact Ms Pallavi Mhatre, Manager, at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), who will also address grievances pertaining to remote e-voting.

- VII. Any person, who acquires shares of the Company and becomes its member after the date of sending of this notice and holding shares as of the cut-off date i.e. 16.09.2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
11. Mr Shailesh Kachalia, (PCS - CP No.3888) will scrutinise voting at the AGM and remote e-voting process in a fair and transparent manner.
12. Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hawcoindia.in](http://www.hawcoindia.in) and on website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the same shall also be communicated to the Bombay Stock Exchange, where shares of the Company are listed.
13. Route Map showing directions to reach venue of the AGM at end of this Report.

**Registered Office**

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

**By Order of the Board of Directors**

**Smita Achrekar**  
**Company Secretary**

**Dated: 18<sup>th</sup> July, 2020**

## **Annexure to the Notice**

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

#### **Item Nos. 2 and 3**

At the 70<sup>th</sup> AGM of the Company held on 30.09.2016, Mr Sunil Kantilal Trivedi (DIN: 00387797) and Mrs Rekha Abhishek Pacheria (DIN: 07415573), were appointed as Independent Directors of the Company for a term of five years w.e.f 30.5.2016. Their term of appointment will come to end on 30.05.2021.

Pursuant to Section 149(10) of the Act, Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria are eligible for re-appointment for a further period of 5 years.

On recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors (the Board) recommends to members of the Company to re-appoint Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria as Independent Directors of the Company for a further period of 5 years, w.e.f 31.05.2021.

Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria have consented to continue as independent directors of the Company for a further period of five years w.e.f 31.05.2021, if re-appointed. Also they are not disqualified u/s 164(2) of the Act nor debarred from holding the office of directors by virtue of any order of SEBI or any other authority.

The Company has received declarations from Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria stating that they meet criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also received notices from members under Section 160 of the Act proposing the candidature of Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria for the office of Independent Directors.

In opinion of the Board, Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria fulfill conditions specified in the Act and the rules made thereunder and are independent of the management. The Board considers that their continued association would be beneficial to the Company.

It is proposed that the re-appointment of Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria as Independent Directors of the Company be approved for a term of further period of five years w.e.f 31.05.2021.

Draft of letters of appointment of Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria, setting out terms and conditions are available for inspection by members at the Registered Office of the Company on working days, during working hours.

Requisite information about Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria appears in part II below.

Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria are interested in the resolutions. 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 is, in any way, concerned or interested financially or otherwise, in the resolution.

The Board commends the special resolutions as set out at item nos. 2 and 3 of the notice for approval of members.

**Item No. 4**

Mr Vimal Chand Kothari (DIN: 00056003) has been nominated by Nomination and Remuneration Committee for the appointment as an Independent Director of the Company.

The Company has received a declaration from Mr Vimal Chand Kothari stating that he meets criteria of independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also received a notice from a Member of the Company under Section 160 of the Act proposing the candidature of Mr Vimal Chand Kothari for the office of Independent Director.

Also, he is not disqualified u/s 164 (2) of the Act nor debarred from holding the office of director by virtue of any order of SEBI or any other authority.

In the opinion of the Board, Mr Vimal Chand Kothari fulfils the conditions specified in the Act and the rules made thereunder and is independent of the Management.

Considering Mr Vimal Chand Kothari's long and vast professional experience and expertise the Board is of the opinion that appointing Mr Vimal Chand Kothari as an independent director would be beneficial to the Company. Accordingly, it is proposed to appoint Mr Vimal Chand Kothari as an Independent Director of the Company for a term of five consecutive years commencing from the date of the 74th Annual General Meeting of members of the Company.

Draft of Letter of appointment of Mr Vimal Chand Kothari, setting out the terms and conditions is available for inspection by members at the Registered Office of the Company on working days, during working hours.

Requisite information about Mr Vimal Chand Kothari appears in part II below.

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

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

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

**Item No. 5**

Mr Piyushkumar Mehta (DIN: 08772311) was appointed as an Additional Director w.e.f. 18.07.2020, upon recommendation from Nomination and Remuneration Committee of the Company. He is 42 years of age and holds a B.E. Chemical Degree and has around 15 years' of work experience in productions and project management in the field of Industrial Chemicals including solvents, specialty chemicals, agro chemicals, etc.

Pursuant to Section 161(1) of the Act, Mr Piyushkumar Mehta holds office upto the date of ensuing Annual General Meeting.

A notice under Section 160 of the Act has been received from a Member proposing the candidature of Mr Piyushkumar Mehta for the office of Director. Mr Piyushkumar Mehta is not disqualified from being appointed as Director in terms of Section 164(2) of the Act.

Requisite information about Mr Piyushkumar Mehta appears in part II below.

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

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

The Board commends the ordinary resolution as set out at item no. 5 of the notice for approval of members.

**II. Details of Directors seeking approval of appointment and re-appointment and are furnished below:**

PARTICULARS		Mr Sunil Kantilal Trivedi (DIN: 00387797)	Mrs Rekha Abhishek Pacheria (DIN: 07415573)	Mr Vimal Chand Kothari (DIN: 00056003)	Mr Piyushkumar Mehta (DIN: 08772311)
1.	Age	63 years	30 years	80 years	42 years
2.	Qualifications	Under Graduate in Science	Bachelor in Science in Information Technology (B.Sc IT)	M.Com, LLB, FICWA, GDCS and FCS	B. E. Chemical
3.	Experience/nature of expertise in specific functional areas	Has long relevant working experience of around 30 years	Has adequate experience	Around 40 years of experience in Corporate Planning and Cost/Management Audit	Around 15 years' of work experience in productions and project management in the field of Industrial Chemicals
4.	Terms and Conditions	Re-appointment as an Independent Director of the Company for a further period of 5 years w.e.f. 31.05.2021	Re-appointment as an Independent Director of the Company for a further period of 5 years w.e.f. 31.05.2021	Appointment as an Independent Director of the Company for a term of five consecutive years commencing from the date of the 74th Annual General Meeting of members of the Company	Appointment as a non-executive director of the Company, liable to retire by rotation
5.	Date of first appointment on the Board	30.05.2016	30.05.2016	NA	18.07.2020
6.	Shareholding in the Company	Nil	Nil	Nil	Nil
7.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Director, Manager or Key Managerial Personnel of the Company.	Not related to any other Director, Manager or Key Managerial Personnel of the Company.	Not related to any other Director, Manager or Key Managerial Personnel of the Company.	Not related to any other Director, Manager or Key Managerial Personnel of the Company.

8.	Number of Board Meetings attended during the year	5 (Five)	5 (Five)	NA	NA
9.	Other listed entities in which directorship held	Nil	Nil	West Leisure Resorts Limited	Nil
*10	Membership / Chairpersonship of Committees of other Boards of listed entities	Nil	Nil	West Leisure Resorts Limited: Audit Committee – Chairman	Nil

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

**Registered Office**

Mall Office, 2nd Floor,  
Metro Junction Mall of  
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Netivali, Kalyan (E) 421306

**By Order of the Board of Directors**

**Smita Achrekar**  
**Company Secretary**

**Dated: 18<sup>th</sup> July, 2020**

## HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED

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

Tel No. 022-22837658-63 Fax No. 022-22873176

CIN No.: L99999MH1945PLC004581 E-Mail Id: ho@hawcoindia.com Website: www.hawcoindia.in

### DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in placing before you their Seventy-fourth Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2020 and Management Discussion and Analysis.

#### 1. FINANCIAL RESULTS AND APPROPRIATIONS:

Particulars	Year Ended	Year Ended
	March 31, 2020	March 31, 2019
	(Rs Lakhs)	(Rs Lakhs)
Profit before Interest, Depreciation & Amortisation Exps	164.15	56.78
Interest	0.05	0.31
Depreciation & Amortisation Exps	40.45	37.74
Profit before Taxation	123.65	18.73
Provision for Taxation	15.13	-
Deferred Tax	21.72	6.23
Income Tax for earlier years	(3.33)	0.52
Net Profit after Taxation	90.13	11.98
Other Comprehensive Income	(261.14)	(8.61)
Total Comprehensive Income for the year	(171.01)	3.37
Balance b/f from previous year	(873.23)	(876.60)
Total Available	(1044.24)	(873.23)
Transferred to General Reserve	-	-
Carried Forward	(1044.24)	(873.23)

In view of accumulated loss no dividend is being recommended.

#### 2. OPERATIONS:

The Company has registered a turnover of Rs 352.00 lakhs this year as against Rs 288.64 lakhs during the previous year. There is a growth of 21.95% in the overall revenue from operations of the Company. The increase in revenue is mainly due to increase in income from leasing activities.

The Total Income for the year ended March 31, 2020 was at Rs 368.51 lakhs as compared to Rs 308.61 lakhs in the previous year. Consequently, profit before tax for the current year stood at Rs 123.65 lakhs as against Rs 18.73 lakhs during the previous year.

The Company's business activity currently consists of Industrial Chemicals, Investments and Leasing. During the year under review, revenue from industrial segment was Rs 115.03 lakhs compared to Rs 150.51 lakhs in the previous year, revenue from investment activity was Rs 12.14 lakhs in comparison to Rs 7.14 lakhs in the previous year, while leasing activity yielded a revenue of Rs 224.83 lakhs as compared to Rs 130.99 lakhs in the previous year. During the year there is a significant increase in Revenue from Operation of the Company due to increase in Income from Leasing Activities.

### **3. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Company's activities pertaining to sale of traded goods and investments have been impacted due to present pandemic situation arising due to COVID-19. Further the Company has also made an investment in an entity which is engaged in Operating Commercial mall and Construction & Development of Real Estate Projects. Due to impact of Covid – 19 on Real Estate Sector, there is an impact on the value of such Investment made by the Company. The Company has assessed fair value of its Investments and the impact has been accounted for by the Company. However, this has no impact on the cash flows of the Company.

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

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

There were no material developments in the Company's Human Resource Capital except appointment of Chief Financial Officer effective 22<sup>nd</sup> April, 2019.

### **RATIOS**

#### Key Financial Ratios

1. Return on Net Worth decreased to -4.87% during the current year in comparison to 0.09% in the previous year mainly due to impact of Fair Value measurements of investments, during the current year.
2. Inventory Turnover Ratio was 4.36 during the current year in comparison to 51.28 in the previous year mainly due to decrease in Sales and Increase in Inventories during the current year.
3. Current Ratio was 0.91 during the current year in comparison to 0.28 in the previous year mainly due to increase in current investments.
4. Operating Profit Margin was 33.55% during the current year in comparison to 6.06% in previous year mainly due to increase in Revenue from Leasing activities during the current year.
5. Net Profit Margin was 24.45% during the current year in comparison to 3.88% in the previous year mainly due to increase in Revenue from Leasing activities during the current year.

### **4. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

- a) At the 73<sup>rd</sup> Annual General Meeting (AGM) held on 30.09.2019, Mr Om Prakash Adukia (DIN: 00017001) was re-appointed as a director of the Company. Mr Banwari Lal Jatia (DIN: 00016823) was re-appointed as Managing Director for a period of 3 years w.e.f. 1<sup>st</sup> April, 2020

- b) Mr Piyushkumar Mehta (DIN: 08772311) has been appointed as an Additional Director and Mr Om Prakash Adukia has resigned as Director of the Company w.e.f 18.07.2020. Pursuant to Section 161(1) Companies Act, 2013 (the Act), Mr Piyushkumar Mehta holds office upto the date of ensuing Annual General Meeting, approval of members is sought to appoint Mr Piyushkumar Mehta as a non-executive director of the Company.
- c) Mr Sunil Kantilal Trivedi (DIN: 00387797) and Mrs Rekha Abhishek Pacheria (DIN: 07415573) will complete their term of appointment as Independent Directors of the Company on 30.05.2021.

Pursuant to Section 149(10) of the Act the said independent directors are eligible for re-appointment for a further period of 5 years.

On recommendations of the Nomination and Remuneration Committee of the Company, the Board of Directors recommends to members of the Company to re-appoint Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria as independent directors of the Company for a further period of 5 years, w.e.f. 31.05.2021.

The Company has received consents of Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria to act as independent directors of the Company for a further period of five years w.e.f. 31.5.2021, if re-appointed. Also, requisite declarations from both of them have been obtained.

Approval of members by way of special resolutions is being sought for re-appointment of Mr Sunil Kantilal Trivedi and Mrs Rekha Abhishek Pacheria for a second term of 5 years.

- d) Requisite declarations have been received from the independent directors of the Company under Section 149(7) of the Act regarding meeting the criteria of independence laid down in Section 149 (6) of the Act and also under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).
- e) Board Evaluation:

Pursuant to the Act and the Listing Regulations the Board has carried out an annual performance evaluation of its own performance, of the Directors individually, as well as the evaluation of working of its Audit, Nomination and Remuneration and other Committees of the Board. The performance of Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting. Evaluation of performance of Independent Directors was carried out by the entire Board of Directors, excluding the director being evaluated. The directors expressed satisfaction with the evaluation process and the results thereof.

- f) Meetings:

During the year 5 board meetings were convened and held.

## **5. AUDIT COMMITTEE:**

The present composition of the Audit Committee of the Company is as under:

1. Mr Sunil Kantilal Trivedi - Chairman
2. Mrs Rekha Pacheria
3. Mr Banwari Lal Jatia

Board of Directors of the Company has accepted all recommendations of its Audit Committee during Financial Year 2019 – 2020. The Company has in place a vigil mechanism for directors and employees, to report genuine concerns about any wrongful act and any unethical conduct with respect to the Company or its business affairs to the Audit Committee which oversees functioning of the said mechanism.

#### **6. NOMINATION AND REMUNERATION COMMITTEE (NRC):**

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

Salient features of the policy include, having an appropriate mix of executive, non - executive and independent directors primarily to maintain independence. NRC assesses independence of directors at time of appointment / re-appointment as well as annually. NRC takes into consideration various factors as specified in the policy while considering any remuneration to be paid to directors, key managerial personnel and other employees, etc.

The Policy is available on the Company's website [www.hawcoindia.in](http://www.hawcoindia.in) under the section 'Policies'.

#### **7. RISK MANAGEMENT:**

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

#### **8. UNCLAIMED SHARE CERTIFICATES:**

As reported earlier, the Company had in accordance with the Listing Regulations transferred on 27.5.2016 to a separate demat account in the Company's name 9778 unclaimed shares of the Company belonging to 79 shareholders who had failed to exchange their old certificates for new certificates in the Company allotted to members pursuant to a Scheme of Arrangement between the Company and Vesna Agencies Pvt Ltd (Hawcoplast Chemicals Ltd) even after many reminders by the Company. At end of the year, the number of shareholders and the outstanding shares lying in the suspense account is 77 and 9,447 respectively.

During the year one member had claimed his entitlement of 203 shares lying in the unclaimed suspense account.

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

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

#### **9. AUDITORS:**

Messrs GMJ & Co., Chartered Accountants (FRN: 103429W), were appointed as Statutory Auditors of the Company for 5 years from the conclusion of its 73<sup>rd</sup> AGM.

The requirement of ratification of appointment of the Statutory Auditors at every AGM has been dispensed with. Accordingly, no such item has been placed for approval of the members at this AGM.

Messrs GMJ & Co., have confirmed that they are eligible for continuing to act as statutory auditors of the Company and no proceeding against the firm or any partner of the firm is pending with respect to professional matters of conduct.

**10. AUDITORS' REPORT:**

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

**11. SECRETARIAL AUDIT:**

A Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 is annexed hereto as 'Annexure I'.

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

**12. LOANS, GUARANTEES OR INVESTMENTS:**

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

**13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

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

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

**14. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There were no foreign earnings and outgo during the year.

**15. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

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

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

**17. PARTICULARS OF EMPLOYEES:**

- a. Required particulars of employees under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as 'Annexure – II' to this report.
- b. There are no employees covered by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**18. EXTRACT OF ANNUAL RETURN:**

An extract of the Company's annual return for the year ended 31<sup>st</sup> March, 2020 in Form MGT-9 is annexed hereto as "Annexure III". The same is also available on the website of the Company at [www.hawcoindia.in](http://www.hawcoindia.in) under the section 'Disclosures'.

**19. CORPORATE GOVERNANCE:**

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

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

**20. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

**21. MAINTENANCE OF COST RECORDS:**

The Government of India has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act for any activities of the Company, thus the Company is not required to maintain cost records.

**22. SECRETARIAL STANDARDS OF ICSI:**

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

**23. GENERAL:**

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

- i. Details relating to Deposits covered under Chapter V of the Act;
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise;
- iii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- iv. No significant or material orders were passed by Regulators or Courts or Tribunals which impact the Company's going concern status and operations in the future;

- v. No material changes and commitments have occurred after close of the year till the date of this report, which might affect the financial position of the Company; and
- vi. No fraud is reported by auditors under Section 143(12) of the Act.

Your directors further state that, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review there were no complaints filed under the said Act.

**ACKNOWLEDGEMENTS:**

The Board sincerely thanks all stakeholders for their continued support.

**For and on behalf of the Board**

**Dated: 18<sup>th</sup> July, 2020**

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

**Sunil Kantilal Trivedi  
Director  
(DIN: 00387797)**

**SECRETARIAL AUDIT REPORT**

For Financial Year ended 31<sup>st</sup> March, 2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
Members of  
Hardcastle And Waud Mfg Co. Limited,

I have conducted Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by Hardcastle And 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, during conduct of the audit, I hereby report that in my opinion, the Company has, during the financial year ended on 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 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 prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and
  - (d) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**I further report that** there were no events / actions covered by:

- a) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) SEBI (Share Based Employee Benefits) Regulations, 2014;
- c) SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
- d) SEBI (Delisting of Equity Shares) Regulations, 2009; and
- e) SEBI (Buyback of Securities) Regulations, 2018;

requiring compliance thereof by the Company during the Audit period.

vi. Other Applicable Laws:

- a. The Maharashtra Stamp Act, 1958;
- b. Bombay Shops and Establishments Act, 1948;
- c. Factories Act, 1948; and
- d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and all other applicable laws for the 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 Acts, Rules, Regulations, 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. No changes in the composition of the Board of Directors took place during the year under review.

Adequate notice is given to all directors to schedule board meetings and agenda thereof 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 meetings and for meaningful participation at the meetings.

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, standards etc.

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

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

Place: Mumbai  
Date: 17<sup>th</sup> July, 2020

Sd/-  
Shailesh A. Kachalia  
FCS No. 1391  
C P No. 3888  
PR No. 628/2019  
UDIN number: F001391B000466746

## ANNEXURE II

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL / EMPLOYEES;					
Information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.					
Sr No	Name	Designation	Remuneration F. Y. 2019 -2020 Rs in Lakhs	% Increase in remuneration 2019 – 2020	Ratio / Times per Median of employee remuneration
1	Mr Banwari Lal Jatia	Managing Director	Nil		Not quantified as the incumbent did not draw remuneration during the current year
2	Mrs Shivani Bhargava	Chief Financial Officer	5.03		Not quantified as the incumbent has been appointed w.e.f 22.4.2019
3	Mrs Smita Achrekar	Company Secretary	11.50	11.57	---
The median remuneration of employees (6 Nos) of the Company during the financial year was Rs 6.22 lakhs (increase of 7.25% over 2018-2019).					
<b>Note:</b> The Remuneration paid is in consonance with the Remuneration Policy of the Company.					

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31.03.2020  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L99999MH1945PLC004581
ii)	Registration Date	15th October, 1945
iii)	Name of the Company	Hardcastle & Waud Manufacturing Company Limited
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, West Pioneer Properties (India) 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 and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Phone : 022 49186270 Fax: 022 49186060 e-mail : rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sr. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	Industrial Chemicals	46691	32.68
2	Leasing Activities	7730	63.87

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr.No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.4.2019)				No. of Shares held at the end of the year (As on 31.3.2020)				% 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	30,347	-	30,347	4.466	43,446	-	43,446	6.394	1.928
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	4,56,248	-	4,56,248	67.147	4,55,737	-	4,55,737	67.072	(0.075)
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1) :</b>	<b>4,86,595</b>	<b>-</b>	<b>4,86,595</b>	<b>71.613</b>	<b>4,99,183</b>	<b>-</b>	<b>4,99,183</b>	<b>73.466</b>	<b>1.853</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	12,588	-	12,588	1.853	-	-	-	-	(1.853)
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2) :</b>	<b>12,588</b>	<b>-</b>	<b>12,588</b>	<b>1.853</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.853)</b>
<b>Total Shareholding of Promoters (A) = (A) (1) + (A) (2)</b>	<b>4,99,183</b>	<b>-</b>	<b>4,99,183</b>	<b>73.466</b>	<b>4,99,183</b>	<b>-</b>	<b>4,99,183</b>	<b>73.466</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	560	560	0.082	-	560	560	0.082	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (1) :</b>	<b>-</b>	<b>560</b>	<b>560</b>	<b>0.082</b>	<b>-</b>	<b>560</b>	<b>560</b>	<b>0.082</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies Corporates									
i) Indian	64,516	2,540	67,056	9.869	64,903	2,540	67,443	9.926	0.057
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	76,526	18,146	94,672	13.933	79,943	16,262	96,205	14.159	0.226
ii) Individuals shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)									
i. Non-Resident Indian	1,411	26	1,437	0.211	1,384	26	1,410	0.208	(0.004)
ii. HUF	5,078	-	5,078	0.747	5,069	-	5,069	0.746	(0.001)
iii. Clearing Members	1,838	-	1,838	0.271	157	-	157	0.023	(0.247)
iv. Hardcastle & Waud Mfg. Co.Ltd. Unclaimed Suspense Account	9,650	-	9,650	1.420	9,447	-	9,447	1.390	(0.030)
<b>Sub Total (B) (2) :</b>	<b>1,59,019</b>	<b>20,712</b>	<b>1,79,731</b>	<b>26.451</b>	<b>1,60,903</b>	<b>18,828</b>	<b>1,79,731</b>	<b>26.451</b>	<b>-</b>
<b>Total Public shareholding (B) = (B) (1) + (B) (2)</b>	<b>1,59,019</b>	<b>21,272</b>	<b>1,80,291</b>	<b>26.534</b>	<b>1,60,903</b>	<b>19,388</b>	<b>1,80,291</b>	<b>26.534</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>6,58,202</b>	<b>21,272</b>	<b>6,79,474</b>	<b>100.000</b>	<b>6,60,086</b>	<b>19,388</b>	<b>6,79,474</b>	<b>100.000</b>	<b>-</b>

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at beginning of the year (As on 01.04.2019)			Shareholding at end of the year (As on 31.03.2020)			% of change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Winmore Leasing & Holdings Limited	2,98,946	43.997	-	2,98,946	43.997	-	-
2	Shri Ambika Trading Company Private Limited	78,705	11.583	-	78,705	11.583	-	-
3	Saubhagya Impex Private Limited	50,051	7.366	-	50,051	7.366	-	-
4	Achal Exim Private Limited	18,606	2.738	-	18,606	2.738	-	-
5	Shri Anurag Jatia	12,588	1.853	-	-	-	-	(1.853)
6	Amit Jatia HUF	10,070	1.482	-	-	-	-	(1.482)
7	Vishwas Investmet & Trading Company Private Limited	9,420	1.386	-	9,420	1.386	-	-
8	Smt Smita Jatia	6,586	0.969	-	-	-	-	(0.969)
9	Shri Banwari Lal Jatia	6,028	0.887	-	6,028	0.887	-	-
10	Smt Lalita Devi Jatia	5,543	0.816	-	5,543	0.816	-	-
11	Shri Amit Jatia	1,948	0.287	-	-	-	-	(0.287)
12	Shri Akshay Jatia	1	0.000	-	1	0.000	-	-
13	Shri Ayush Jatia	1	0.000	-	1	0.000	-	-
14	Smt Ushadevi Jatia	170	0.025	-	170	0.025	-	-
15	Horizon Impex Private Limited	490	0.072	-	-	-	-	(0.072)
16	Subh Ashish Exim Private Limited	20	0.003	-	-	-	-	(0.003)
17	Anand Veena Twisters Private Limited	1	0.000	-	-	-	-	(0.000)
18	Houghton Hardcastle (India) Private Limited	1	0.000	-	1	0.000	-	-
19	Hawcoplast Investments & Trading Limited	1	0.000	-	1	0.000	-	-
20	Hardcastle Petrofer Private Limited	1	0.000	-	1	0.000	-	-
21	Vandeep Tradelinks Private Limited	1	0.000	-	1	0.000	-	-
22	Acacia Impex Private Limited	1	0.000	-	1	0.000	-	-
23	Amit BL Properties Private Limited	1	0.000	-	1	0.000	-	-
24	Concept Highland Business Private Limited	1	0.000	-	1	0.000	-	-
25	Akshay Ayush Impex Private Limited	1	0.000	-	1	0.000	-	-
26	Hawco Petrofer LLP	1	0.000	-	1	0.000	-	-
27	Shri Achal Jatia	-	-	-	31,703	4.666	-	4.666
	<b>Total</b>	<b>4,99,183</b>	<b>73.466</b>		<b>4,99,183</b>	<b>73.466</b>		

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

Sr. No.		Shareholding at beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	4,99,183	73.466	4,99,183	73.466
2	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	#			#
3	At the end of the year	4,99,183	73.466	4,99,183	73.466

# Inter-se transfers among Promoters

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning of the year (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri Anurag Jatia	12,588	1.853	01.04.2019				
				27.02.2020	(12,588)	Transfer	-	-
		-	-	31.03.2020				
2	Amit Jatia HUF	10,070	1.482	01.04.2019				
				27.02.2020	(10,070)	Transfer	-	-
				31.03.2020				
3	Smt Smita Jatia	6,586	0.969	01.04.2019				
				27.02.2020	(6,586)	Transfer	-	-
		-	-	31.03.2020				
4	Shri Amit Jatia	1,948	0.287	01.04.2019				
				27.02.2020	(1,948)	Transfer	-	-
		-	-	31.03.2020				
5	Horizon Impex Private Limited	490	0.072	01.04.2019				
				27.02.2020	(490)	Transfer	-	-
		-	-	31.03.2020				
6	Subh Ashish Exim Private Limited	20	0.003	01.04.2019				
				27.02.2020	(20)	Transfer	-	-
		-	-	31.03.2020				
7	Anand Veena Twisters Private Limited	1	0.000	01.04.2019				
				27.02.2020	(1)	Transfer	-	-
		-	-	31.03.2020				
8	Shri Achal Jatia	-	-	01.04.2019				
				27.02.2020	31,703	Transfer	31,703	4.666
		31,703	4.666	31.03.2020				

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

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning of the year (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Bay Capital Advisors Private Limited	48,975	7.208	01.04.2019	No Change		-	-
		48,975	7.208	31.03.2020			-	-
2	Dicoverly Financial Services Private Limited	7,000	1.030	01.04.2019	No Change		-	-
		7,000	1.030	31.03.2020			-	-
3	Shri Vijay Aggarwal	5,000	0.736	01.04.2019	No Change		-	-
		5,000	0.736	31.03.2020			-	-
4	Marudhar Vyapaar Pvt. Ltd	3,000	0.442	01.04.2019	No Change		-	-
		3,000	0.442	31.03.2020			-	-
5	Shri Kamlesh Himatlal Shah	2,289	0.337	01.04.2019	No Change		-	-
		2,289	0.337	31.03.2020			-	-
6	Sikkim Jansewa Pratisthan Pvt. Ltd	2,000	0.294	01.04.2019	No Change		-	-
		2,000	0.294	31.03.2020			-	-
7	Shri Raichand Sethia	1,885	0.277	01.04.2019	No Change		-	-
		1,885	0.277	31.03.2020			-	-
8	Smt. Sushiladevi Somani	1,597	0.235	01.04.2019	No Change		-	-
		1,597	0.235	31.03.2020			-	-
9	Shri Tapan Kumar Dey	1,450	0.213	01.04.2019	50	Transfer	-	-
				03.05.2019			50	0.007
		50	0.007	31.03.2020			-	-
10	Smt Dorothy Dsouza	1,400	0.206	01.04.2019	No Change		-	-
		1,400	0.206	31.03.2020			-	-

**v) Shareholding of Directors & Key Managerial Personnel**

Sr. No.	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning of the year (01.04.2019) / end of the year (31.03.2020)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Shri Banwari Lal Jatia	6,028	0.887	01.04.2019			-	-
					No Change			
		6,028	0.887	31.03.2020			-	-

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

(Rs In Lakhs)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2019)</b>				
i. Principal Amount	-	25.00	-	25.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	0.01	-	0.01
<b>Total (i + ii + iii)</b>		25.01		25.01
<b>Change in Indebtedness during the financial year</b>				
Additions	-	5.00	-	5.00
Reduction	-	(25.01)	-	(25.01)
<b>Net Change</b>	-	(20.01)	-	(20.01)
<b>Indebtedness at the end of the financial year (31.3.2020)</b>				
i. Principal Amount	-	5.00	-	5.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	0.01	-	0.01
<b>Total (i + ii + iii)</b>	-	5.01	-	5.01

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A) Remuneration to Managing Director, Whole time Directors and / or Manager:

Sr No.	Particulars of Remuneration	Name of MD	Total Amount (Rs Lakhs)
		Shri Banwari Lal Jatia	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(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	-	-
	<b>Total (A)</b>		-
	<b>Ceiling as per the Act</b>		<b>60.00</b>

**B) Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of the Director		
1	Independent Directors	Shri Sunil Kantilal Trivedi	Smt Rekha Pacheria	Total Amount (Rs Lakhs)
	(a) Fee for attending board and committee meetings	0.18	0.18	0.36
	(b) Commission	-	-	-
	(c) Others	-	-	-
	Total (1)	<b>0.18</b>	<b>0.18</b>	<b>0.36</b>
2	Other Non-Executive Directors	Shri Om Prakash Adukia		Total Amount (Rs Lakhs)
	(a) Fee for attending board and committee meetings	0.18		0.18
	(b) Commission	-		-
	(c) Others	-		-
	Total (2)	0.18		<b>0.18</b>
	Total (B) = 1 + 2			<b>0.54</b>
	Total Managerial Remuneration			<b>0.54</b>
	<b>Overall Ceiling as per the Act.</b>			<b>60.54</b>

**C) Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD:**

Sr No.	Particulars of Remuneration	Name of KMP		Total Amount (Rs Lakhs)
		Smt Shivani Bhargawa-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	5.03	11.50	16.53
	(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	-	-	-
	<b>Total</b>	<b>5.03</b>	<b>11.50</b>	<b>16.53</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			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**COMPLIANCE CERTIFICATE**

To  
Members  
Hardcastle And Waud Mfg Co. Ltd.  
Kalyan

I have examined the Company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020.

Compliance of conditions of corporate governance is 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 review and of 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 the conditions of Corporate Governance.

Place : Mumbai  
Date : 17.07.2020

Sd/-  
Shailesh A Kachalia  
FCS No. 1391  
C P No. 3888  
PR No. 628/2019  
UDIN number: F001391B000466669



(c) Number of equity shares of the Company held by non-executive directors as at 31.3.2020:

	No. of equity shares held
i) Mr Om Prakash Adukia	Nil
ii) Mr Sunil Kantilal Trivedi	Nil
iii) Mrs Rekha Abhishek Pacheria	Nil

(d) The Board has identified the following skills/expertise/competencies as fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of Business dynamics, across the industrial sector and regulatory jurisdictions.
Strategy	Appreciation of long – term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long – term effective stakeholder engagements and driving corporate ethics and values.

The directors of the Company have all the above skills / competence / expertise.

(e) Independent Directors confirmation:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (“the Act”) and Regulation 16(1) (b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations). In opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations.

### 3) AUDIT COMMITTEE:

(a) Broad terms of reference:

The objects of the Audit Committee include overseeing the Company’s financial reporting process; review of the Company’s quarterly and annual financial statements and auditor’s report thereon before submission to the Board for its approval; evaluation of internal financial controls and risk management systems; recommendation for appointment, remuneration and terms of appointment of auditors of the Company. The terms of reference and role of the audit committee are in accordance with the Act and the SEBI’s Listing Regulations.

(b) Composition of Audit Committee as at 31.3.2020 was as under:

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

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

Sr No	Name of the Member	Dates of Audit Committee Meetings and Attendance				
		22.04.2019	24.05.2019	06.08.2019	09.11.2019	13.02.2020
1	Mr Sunil Kantilal Trivedi (DIN: 00387797)	Attended	Attended	Attended	Attended	Attended
2	Mrs Rekha Abhishek Pacheria (DIN: 07415573)	Attended	Attended	Attended	Attended	Attended
3	Mr Om Prakash Adukia (DIN: 00017001)	Attended	Attended	Attended	Attended	Attended

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

- (a) Broad terms of reference:

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

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

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

- (b) Composition of the NRC as at 31.3.2020 is as below;

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

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

The framework used to evaluate 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 shareholders in accordance with their duties and obligations.

#### 5) REMUNERATION OF DIRECTORS:

- (a) Except payment of sitting fees, the Company did not have any pecuniary relations or transactions with any of its non-executive directors during the year.
- (b) Criteria for making payments to non-executive directors are available at the 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) None of the directors is being paid any remuneration other than fee for attending board / committee meetings. Disclosure pertaining to remuneration paid to Managing Director during the year 2019 - 2020 is as under.

Sr No	Particulars	Rs in Lakhs
1	Salary, benefits, bonuses, stock options, pension etc	Nil
2	Fixed component and performance linked incentives	Nil
3	Service contracts, notice period, severance fees	Nil

The Company did not offer any Stock Options.

**6) STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC):**

- (a) Mr Om Prakash Adukia was Chairman of the SRC upto 18.07.2020. Presently the Chairman of SRC is Mr Piyushkumar Mehta
- (b) Mrs Smita Achrekar, Company Secretary of the Company is the compliance officer. During the year ended 31.03.2020, Company has not received any complaint from the Investor.

**7) GENERAL BODY MEETINGS:**

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

Date	Location of the Meeting	Time	No. of Special Resolutions passed at the Meeting
29.09.2017	Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (India) Pvt. Ltd, Netivali, Kalyan (E) 421306	11.00 am	Nil
27.09.2018	Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (India) Pvt. Ltd, Netivali, Kalyan (E) 421306	11.00 am	1 (one)
30.09.2019	Mall Office, 2nd Floor, Metro Junction Mall of West Pioneer Properties (India) Pvt. Ltd, Netivali, Kalyan (E) 421306	10.30 am	2 (Two)

- (b) No special resolution was passed, through postal ballot last year.
- (c) Resolution(s), if any, to be passed through postal ballot during the financial year 2020-2021 will be taken up as and when necessary.
- (d) 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 (BSE).

**9) GENERAL SHAREHOLDER INFORMATION:**

- (a) The Seventy-fourth Annual General Meeting of the Company for the financial year 2019 - 2020 will be held on Tuesday, the 22<sup>nd</sup> September, 2020 at 10.30 a.m. at Club House, Residency Gate, Next to Tower-A, Near Metro Junction Mall of West Pioneer Properties (India) Pvt. Ltd, Netivali, Kalyan (E) - 421306.
- (b) No dividend is recommended for the financial year ended 31.3.2020.

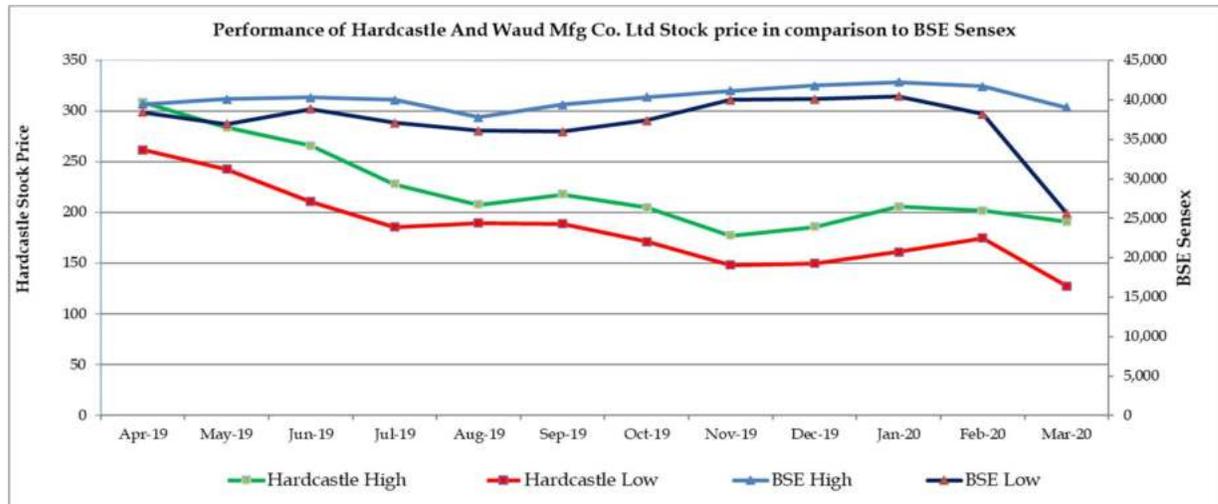
- (c) The Company's equity shares are listed on the BSE Limited at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The Company has duly paid its annual listing fee to BSE Limited for the financial year 2020 – 2021.
- (d) The Company's stock code with BSE is 509597 under International Securities Identification No. INE722D01015.
- (e) Market Price Data during 2019 - 2020:

The monthly high and low market prices of the Company's equity share traded on BSE during each month of the Financial Year from April 1, 2019 to March 31, 2020 are as under:

BSE		
Month	High Price (Rs)	Low Price (Rs)
Apr-19	308.95	262.00
May-19	284.00	242.85
Jun-19	266.00	211.00
Jul-19	228.00	186.10
Aug-19	207.90	190.00
Sep-19	218.00	189.05
Oct-19	205.00	171.50
Nov-19	177.35	148.50
Dec-19	185.85	150.00
Jan-20	206.00	161.50
Feb-20	202.00	175.00
Mar-20	191.00	127.85

Source: BSE website – [www.bseindia.com](http://www.bseindia.com)

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



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

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

(h) Share Transfer System:

As per regulation 40 of the SEBI Listing Regulations securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Accordingly no physical share transfer request are accepted.

(i) Distribution of shareholding as on 31.3.2020:

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1-500	1,259	96.25	73,574	10.83
501- 1000	28	2.14	20,225	2.98
1001 - 2000	7	0.54	10,962	1.61
2001 - 3000	2	0.15	5,289	0.78
3001 - 4000	-	-	-	-
4001 - 5000	1	0.08	5,000	0.74
5001 - 10000	5	0.38	37,438	5.51
10001 - above	6	0.46	526,986	77.56
Total	1,308	100.00	679,474	100.00

(j) Dematerialization of shares and liquidity:

As on 31.3.2020, 97.15% of equity shares of the Company including the entire shareholding of the Promoters group are in dematerialized form.

(k) The Company has presently no manufacturing activity.

(l) Address for correspondence: Corporate Office: Gate No. 10, 1<sup>st</sup> Floor, Brabourne Stadium, 87 Veer Nariman Road, Mumbai – 400020.

**10) OTHER DISCLOSURES:**

(a) The Company has not entered into any materially significant transaction with any related party that may have a potential conflict with the interests of the Company. The policy for dealing with related party transactions is available at <http://www.hawcoindia.in/pdf/Policy%20Determining%20Materiality%20of%20Related%20Party%20Transactions.pdf>

(b) No penalties or strictures have been imposed/made on/attached to the Company by BSE Ltd or SEBI or any other 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.

The same can be accessed on the website of the Company. No employee of the Company was denied access to the Audit Committee during the year.

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

**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 appended to this Report.

**12) CERTIFICATE FROM PRACTICING COMPANY SECRETARY:**

The Company has obtained a Certificate from Shri Shailesh Kachalia, Practicing Company Secretary, Membership No. 3888, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a director of the Company by the Securities and Exchange Board of India or by the Ministry of Corporate Affairs or by any other authority.

**13) RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED:**

All recommendations given by the committees of the Board are required to be placed before the Board. The Board has accepted all the recommendations made by its committees during the financial year 2019 – 2020.

**14) TOTAL FEES PAID TO THE STATUTORY AUDITORS FOR THE FINANCIAL YEAR 2019 - 2020:**

Total fees for all the services paid by the Company to the statutory auditors viz. M/s GMJ and Co. are as follows:

Sr. No.	Particulars	Amount (in Rs)
1	Statutory Audit Fees (Annually)	95,000
2	Tax Audit Fees (Annually)	15,000
3	Limited Review	45,000
	<b>Total</b>	<b>1,55,000</b>

**15) DISCLOSURE IN RELATION TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

During the year under review no complaints were filed/received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has, however, complied with provisions relating to constitution of Internal Complaints Committee under the said Act.

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

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

### **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, 2020.

For Hardcastle and Waud Manufacturing Company Limited

B. L. Jatia  
Managing Director  
(DIN: 00016823)  
Mumbai  
18<sup>th</sup> July, 2020

**Independent Auditor's Report****To Members****Hardcastle and Waud Manufacturing Company Limited,****Report on the Indian Accounting Standards ("Ind AS") Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Hardcastle and Waud Manufacturing Company Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the Profit and total comprehensive loss, changes in equity and its cash flow for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**Valuation of Investments**

<p>The Company's investment portfolio consists of Non Current investments.</p> <p>Total investment portfolio of the Company represents 42.64 per cent of the Company's total assets.</p> <p>Current Investments are stated at market value, determined on an individual investment basis. Long term investments are stated at cost less provision for diminution other than temporary in the value of these investments.</p> <p>In respect of the portfolio of quoted investments we do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had significant impact on our overall audit strategy.</p> <p>The portfolio of unquoted investments which includes equity shares and preference shares is 39.33 per cent of the Company's Total Assets. Valuation of unquoted investments involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable. Refer Note no. 4 to the Financial Statements and Note no. 1.17(v) of the significant accounting policies.</p>	<p>Our audit procedures for this area included:</p> <ul style="list-style-type: none"> <li>• We assessed appropriateness of the pricing methodologies with reference to Company's accounting and valuation policy;</li> <li>• We have assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls;</li> <li>• For quoted investments, recalculated the valuations of investments with independent pricing sources;</li> <li>• For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine appropriateness of the valuations recorded with reference to the Company's valuation guidelines.</li> </ul>
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**Investment Properties**

<p>The Company's investment properties consist of premises.</p> <p>Total Investment properties of the Company represents 19.97 per cent of the Company's total assets.</p> <p>Investment properties are valued at cost as per Ind AS 40 .Refer Note no. 1.05 of Significant Accounting Policies and Note no. 3 to the Financial Statements.</p>	<p>Our audit procedures for this area included:</p> <ul style="list-style-type: none"> <li>• We have verified whether each of the investment in properties are purchased to be held for capital appreciation or for earning rental income so as to classify it under investment properties.</li> <li>• We assessed the method of verification and valuation of properties to ensure its reasonableness in the circumstances relating to each asset.</li> </ul>
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**Evaluation of uncertain Indirect Tax positions**

<p>The company has pending litigation matters with various appellate authorities and at different forums.</p> <p>The Company has material uncertain tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 27.01 to the Financial Statements.</p>	<p>Our audit procedures for this area included:</p> <ul style="list-style-type: none"> <li>• Obtained details of complete tax assessment and demands for the year ended March 31, 2020 from management.</li> <li>• We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.</li> <li>• Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li> <li>• Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.</li> </ul>
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### **Emphasis of Matter**

**We draw attention to note 27.16 of the financial statements which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management. Our opinion is not modified in this matter.**

### **Other Matters**

Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium.

### **Other Information**

The Company's Board of Directors is responsible for preparation of the other information. Other information comprises the information included in the Management Discussion and Analysis of the Board's Report including Annexures thereto to Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were



operating effectively for ensuring accuracy and completeness of the accounting records relevant to preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure "A" hereto a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS 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 31<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year
- h) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements -Refer Note no. 27.01 of Ind As Financial Statements.
  - ii. The Company does 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 No. 103429W



(CA Atul Jain)

Partner

M. No. 037097

UDIN: 20037097AAAAAR2023

Place: Mumbai

Date: 15.06.2020



**Hardcastle and Waud Manufacturing Company Limited**

**Annexure "A" to the Independent Auditor's Report**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
  - (b) Some of the fixed assets were physically verified during the year by the management in accordance with a phased manner of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies have been noticed on such verification;
  - (c) According to the information and explanations given to us and the records examined by us, we report that the title deeds of buildings, are held in the name of the Company as at the balance sheet date. In respect of Leasehold land, the lease deed is in the name of the Company;
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
  - (iii) The Company has not granted loans, secured or unsecured to any firms, companies or other parties covered in the register maintained under Section 189 of the Company's Act, 2013 ( the Act ) and hence provisions of clauses (iii) (a) ,(b) and(c) of paragraph 3 of the Company ( Auditors Report ) Order 2016 ( the Order ) are not applicable to the Company;
  - (iv) The Company has not granted any loans, or provided any guarantee or security on behalf of the parties covered under section 185 of the Act and in respect of investments made, the Company has complied with provisions of section 186 of the Act;
  - (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 thereunder;
  - (vi) The Central Government of India has not prescribed maintenance of cost records under subsection (1) of Section 148 of the Act for any of the activities of the Company;



(vii) According to records of the Company, examined by us and the information and explanations given to us:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other statutory dues with appropriate authorities. There were no undisputed amounts payable for a period of more than six months from the date they became payable;

(b) Details of dues of Sales tax, duty of excise and income tax which have not been deposited as at March 31, 2020 on account of disputes are given below :

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (F.Y.)	Amount*
Sales Tax	Sales Tax	Deputy Commissioner (Ct), Chennai	2002-03, 2003-04, 2004-05	4,65,848
Sales Tax	Sales Tax	Appellate Assistant Commissioner, Chennai	2009-10, 2010-11	84,299
Sales tax	Sales tax	Assessing Officer	2004-05	3,30,744
Sales Tax	Sales Tax	Deputy Commissioner Appeal (Mumbai)	2013-2014	2,50,473
Sales Tax	CST	Deputy Commissioner Appeal (Mumbai)	2012-2013	5,36,431
Income Tax	Income Tax	Jurisdictional AO	2008-2009	802
Income Tax	Income Tax	Central Processing Cell	2009-2010	12,84,140

\*The amount includes Rs.3,51,952/- which has been deposited with Sales Tax Authorities in respect of contested demands raised against the Company.

There were no dues of duty of customs and goods & service tax which have not been deposited as at March 31, 2020 on account of any dispute;

(viii) The Company has not taken any loan from any financial Institution, bank or government and has not issued any debentures;



- (ix) The Company has not raised money by way of initial public offer or further public offer and term loans therefore clause (ix) of para 3 of the Order 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) The Company has not paid any remuneration in accordance with the requisite provisions of section 197 read with Schedule V of the Act;
- (xii) As the Company does not fall into the category of a Nidhi company, clause (xii) of para 3 of the Order is not applicable to the Company;
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and details have been disclosed in the Ind AS Financial Statements as required by applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them under provisions of section 192 of Act; and
- (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 No. 103429W

  
(CA Atul Jain)

Partner  
M. No. 037097  
UDIN: 20037097AAAAAR2023  
Place: Mumbai  
Date: 15.06.2020



**Annexure – “B” to Auditor’s Report****Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Hardcastle and Waud Manufacturing Company Limited (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Ind AS 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. These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring orderly and efficient conduct of its business, including adherence to Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 control operated effectively in all material respects.

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

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



### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding reliability of financial reporting and preparation of Ind AS 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 maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co.  
Chartered Accountants  
Firm No. 103429W

  
(CA Atul Jain)

Partner

M. No. 037097

UDIN: 20037097AAAAAR2023

Place: Mumbai

Date: 15.06.2020



01C

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**BALANCE SHEET AS AT 31st March 2020**

(₹ in Hundreds)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipments	2	3,60,409.46	3,76,867.22
(b) Capital work-in-Progress		26,762.37	-
(c) Investment Properties	3	7,51,683.45	6,60,711.23
(d) Financial Assets			
(i) Investments	4	14,83,030.09	19,90,980.73
(e) Deferred Tax Assets (net)	5	92,593.58	21,280.95
(f) Other Non-Current Assets	6	8,17,865.58	8,27,826.07
		<b>35,32,344.53</b>	<b>38,77,666.20</b>
<b>2 Current assets</b>			
(a) Inventories	7	26,409.06	2,935.06
(b) Financial Assets			
(i) Investments	8	1,22,278.85	-
(ii) Trade Receivables	9	26,080.52	36,236.95
(iii) Cash and Cash Equivalents	10	12,096.12	33,939.15
(c) Other Current Assets	11	45,636.36	2,834.20
		<b>2,32,500.91</b>	<b>75,945.36</b>
<b>TOTAL ASSETS</b>		<b>37,64,845.44</b>	<b>39,53,611.56</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	12	67,947.40	67,947.40
(b) Other Equity	13	34,41,722.01	36,12,735.56
		<b>35,09,669.41</b>	<b>36,80,682.96</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	5,006.16	25,011.10
(ii) Trade Payables due to			
(a) Micro & Small Enterprise	15	6,346.39	-
(b) Other than Micro & Small Enterprise	15	1,179.34	3,171.67
(iii) Other Financial Liabilities	16	2,29,245.64	2,32,774.37
(b) Provisions	17	13,398.50	11,971.46
		<b>2,55,176.03</b>	<b>2,72,928.60</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,64,845.44</b>	<b>39,53,611.56</b>

Significant Accounting Policies 1.A

The accompanying notes are an integral part of the financial statements. 2-27

As per our report of even date attached  
For GMJ & Co  
Chartered Accountants  
Firm Registration No.103429W

  
CA Atul Jain  
Partner

M. No. 037097

UDIN :20037097AAAAAR2023

Place: Mumbai

Date : 15th June 2020



For and on behalf of the Board



Banwari Lal Jatia  
Managing Director  
DIN : 00016823

  
Shivani Bhargava  
Chief Financial Officer



Om Prakash Adukia  
Director  
DIN : 00017001

  
Smita Achrekar  
Company Secretary

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**Statement of Profit and Loss for the Year Ended 31st March, 2020**

(₹ in Hundreds)

Particulars	Note No.	Current Year	Previous Year
Revenue from Operations	18	3,52,004.58	2,88,637.07
Other Income	19	16,508.03	19,974.04
<b>Total Income</b>		<b>3,68,512.61</b>	<b>3,08,611.11</b>
<b>Expenses</b>			
Purchase of Stock-in-Trade	20	94,772.27	1,12,895.20
Changes in Inventories of Stock-in-Trade	21	(23,474.00)	(1,694.63)
Employee Benefits Expenses	22	60,781.09	64,075.39
Finance costs	23	49.30	309.70
Depreciation and Amortisation Expenses	24	40,446.60	37,739.24
Other Expenses	25	72,287.81	76,555.69
<b>Total Expenses</b>		<b>2,44,863.07</b>	<b>2,89,880.59</b>
<b>Profit before Tax</b>		<b>1,23,649.54</b>	<b>18,730.52</b>
<b>Tax Expenses:</b>			
Current Tax		15,125.11	-
Deferred Tax		21,725.58	6,232.10
Income tax for earlier years		(3,326.75)	515.08
		<b>33,523.94</b>	<b>6,747.18</b>
<b>Profit for the year</b>		<b>90,125.60</b>	<b>11,983.34</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(a) (i) Remeasurement of net defined benefit obligations		1,965.28	1,314.82
(ii) Income tax expenses on Remeasurement of net defined benefit obligations		(510.97)	(341.85)
(b) (i) Net fair Value gain/(loss) on investment in equity shares		(3,56,142.64)	(15,236.68)
(ii) Income tax expenses on Net fair Value gain/(loss) on investment in equity shares		93,549.18	5,655.05
<b>Total Other Comprehensive Income for the Year, net of tax</b>		<b>(2,61,139.15)</b>	<b>(8,608.66)</b>
<b>Total Comprehensive (Loss)/Income for the Year (Comprising Profit and other Comprehensive Income for the Year)</b>		<b>(1,71,013.55)</b>	<b>3,374.68</b>
<b>Earning per equity share (₹)</b>			
(1) Basic		13.26	1.76
(2) Diluted		13.26	1.76

Significant Accounting Policies

1.A

The accompanying notes are an integral part of the financial statements.

2-27

As per our report of even date attached  
 For GMJ & Co  
 Chartered Accountants  
 Firm Registration No.103429W

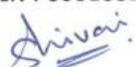
For and on behalf of the Board

  
 CA Atul Jain  
 Partner  
 M. No. 037097  
 UDIN :20037097AAAAAR2023  
 Place: Mumbai  
 Date : 15th June 2020





Banwari Lal Jatia  
 Managing Director  
 DIN : 00016823

  
 Shivani Bhargava  
 Chief Financial Officer

  
 Om Prakash Adukia  
 Director  
 DIN : 00017001

  
 Smita Achrekar  
 Company Secretary

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2020**

(₹ in Hundred)

Particulars	Current Year	Previous Year
<b>Cash flow from Operating Activities</b>		
<b>Profit before Tax</b>	<b>1,23,649.54</b>	<b>18,730.52</b>
<b>Adjustments for:</b>		
Provision for Leave Encashment	596.88	(440.28)
Provision for Gratuity	2,795.44	2,311.51
Net gain /(loss) on fair valuation of investments	(7,307.22)	(3,690.00)
Net gain /(loss) on sale of investments	(4,806.63)	(3,422.54)
(Profit)/Loss on Sale of Property, Plant and Equipments (net)	(81,386.65)	(1,707.97)
Depreciation & Amortisation	40,446.60	37,739.24
Dividend income	(22.52)	(30.02)
Interest Income	(2,513.90)	(7,974.04)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>71,451.54</b>	<b>41,516.42</b>
Increase/(Decrease) in Trade Payables	4,354.06	3,171.67
Increase/(Decrease) in Other Current Liabilities	(3,528.73)	1,923.62
Decrease/(Increase) in Other non-current assets	(2,679.42)	(17,569.64)
Decrease/(Increase) in Trade Receivables	10,156.43	(1,833.50)
Decrease/(Increase) in Inventories	(23,474.00)	(1,694.63)
Decrease/(Increase) in Other current assets	(42,802.16)	24,092.93
<b>Cash generated from/(used in) Operations</b>	<b>13,477.72</b>	<b>49,606.87</b>
Direct Taxes Paid (Net)	2,381.00	14,925.46
<b>Net Cash Flow from/(used in) Operating Activities - (A)</b>	<b>15,858.72</b>	<b>64,532.33</b>
<b>Cash Flows from Investing Activities</b>		
Sale/(Purchase) of Property, Plant and Equipments	(60,336.79)	(1,30,833.37)
Fixed Deposits with Banks	-	(274.52)
Sale/(Purchase) of Investments (net)	41,643.00	41,673.84
Dividend Received	22.52	30.02
Interest Received	974.46	584.94
<b>Net cash used in Investing Activities - (B)</b>	<b>(17,696.81)</b>	<b>(88,819.09)</b>
<b>Cash Flow from Financing Activities</b>		
Received/(Repayment) of Current Borrowing (Net)	(20,004.94)	25,011.10
<b>Net cash from Financing Activities - (C)</b>	<b>(20,004.94)</b>	<b>25,011.10</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(21,843.03)</b>	<b>724.34</b>
Cash and Cash Equivalents at Beginning of the year	<b>26,439.15</b>	<b>25,714.81</b>
<b>Cash and Cash Equivalents at End of the year</b>	<b>4,596.12</b>	<b>26,439.15</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash on Hand	725.57	375.69
Balances with Scheduled Banks - In Current Accounts	2,544.42	21,670.89
Cheques on Hand	1,326.13	4,392.57
Fixed Deposits with Banks	7,500.00	7,500.00
	<b>12,096.12</b>	<b>33,939.15</b>
Less: Fixed deposits not considered as cash equivalents	7,500.00	7,500.00
<b>Cash and cash equivalents in cash flow statement</b>	<b>4,596.12</b>	<b>26,439.15</b>

**Cash and Bank Balances**

**Note :**

- All figures in brackets denote outflows.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The Cash Flow Statement is prepared under indirect method as per Indian Accounting Standard -7 " Cash Flow Statement " .

As per our report of even date attached

For GMJ & Co  
Chartered Accountants  
Firm Registration No.103429W

CA Atul Jain  
Partner  
M. No. 037097  
UDIN : 20037097AAAAAR2023  
Place: Mumbai  
Date : 15th June 2020



For and on behalf of the Board

*Banwari Lal Jatia*

Banwari Lal Jatia  
Managing Director  
DIN : 00016823

*Shivani Bhargava*  
Shivani Bhargava  
Chief Financial Officer

*Om Prakash Adukia*

Om Prakash Adukia  
Director  
DIN : 00017001

*Smita Achrekar*  
Smita Achrekar  
Company Secretary

# HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2020

### A Equity Share Capital

Particulars	Notes	(₹ in Hundreds)
As at 01-04-2018		67,947.40
Changes during the year	12	-
As at 31-03-2019		67,947.40
Changes during the year	12	-
As at 31-03-2020		67,947.40

### B Other Equity

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total other Equity
	Securities Premium Reserve	General Reserve	Retained Earnings		
As at April 01, 2018	7,88,528.31	36,97,434.87	(9,25,059.83)	48,457.53	36,09,360.88
Profit for the year	-	-	11,983.34	-	11,983.34
Remeasurement of net defined benefit Obligations, net of taxes	-	-	972.97	-	972.97
Other Comprehensive Income	-	-	-	(9,581.63)	(9,581.63)
<b>Total Comprehensive Income for the year</b>	-	-	12,956.31	(9,581.63)	3,374.68
Transfer to Retained Earnings	-	-	1,119.50	(1,119.50)	-
As at March 31, 2019	7,88,528.31	36,97,434.87	(9,10,984.02)	37,756.40	36,12,735.56
As at April 01, 2019	7,88,528.31	36,97,434.87	(9,10,984.02)	37,756.40	36,12,735.56
Profit for the year	-	-	90,125.60	-	90,125.60
Remeasurement of net defined benefit Obligations, net of taxes	-	-	1,454.31	-	1,454.31
Other Comprehensive Income	-	-	-	(2,62,593.46)	(2,62,593.46)
<b>Total Comprehensive Loss for the year</b>	-	-	91,579.91	(2,62,593.46)	(1,71,013.55)
Transfer to Retained Earnings	-	-	8,749.04	(8,749.04)	-
As at March 31, 2020	7,88,528.31	36,97,434.87	(8,10,655.07)	(2,33,586.10)	34,41,722.01

As per our report of even date attached

For and on behalf of the Board

For GMJ & Co  
Chartered Accountants  
Firm Registration No.103429W

CA Atul Jain  
Partner  
M. No. 037097  
UDIN :20037097AAAAAR2023  
Place: Mumbai  
Date : 15th June 2020



*Banwari Lal Jatia*

Banwari Lal Jatia  
Managing Director  
DIN : 00016823

*Shivani*  
Shivani Bhargava  
Chief Financial Officer

*Om Prakash Adukia*  
Om Prakash Adukia  
Director  
DIN : 00017001

*Smita Achrekar*  
Smita Achrekar  
Company Secretary

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

**1. Corporate Information**

Hardcastle And Waud Mfg Co. Limited is a Public limited company incorporated under the Companies Act 1913, having its registered office at Kalyan. Its shares are listed on BSE Limited. The company is engaged in trading of Industrial Chemicals, Investments and Leasing activity.

**1.A SIGNIFICANT ACCOUNTING POLICIES :****1.01 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which have been measured at fair value.

**1.02 Current & Non-current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in Schedule III to the Act.

**1.03 Use of Estimates**

The estimates and judgments used in preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialized. The said estimates are based on facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**1.04 Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using straight line method at useful lives specified in Schedule II of the Act, pro rata from date of acquisition.

**1.05 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, carrying amount of the replaced part is derecognised.

**Depreciation methods, estimated useful lives and residual value**

Investment properties are depreciated using straight-line method so as to write off cost of the investment property less their residual values over their useful lives specified in Schedule II of the Act, pro rata from the respective date of acquisition.

**1.06 Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

**1.07 Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in Statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

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.

**1.08 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 continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects 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.

**1.09 Inventories**

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

**1.10 Foreign Currency Transactions**

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of 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.



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

**1.11 Revenue Recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

**Sale of Goods**

Revenue from sale of Goods is recognized when the control on the goods have been transferred to the customer. Sales are shown net of Tax, returns and trade discounts.

**Rendering of services**

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.

**1.12 Employee Benefits**

Short-term employee benefits based on actuarial valuation made at end of the year are recognised as expense at the undiscounted amount in the year in which the related service is rendered.

Post-employment employee benefits are recognised as expense in the year in which the employee has rendered services. The expense is recognised at 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 Statement of Profit and Loss. Re-measurement arising because of change in effect of asset ceiling is recognised in the period in which they occur directly in Other Comprehensive Income. Re-measurement is not reclassified to profit or loss in subsequent periods.

**1.13 Taxation on Income**

Tax on income for the current period is determined on the basis of taxable income and tax rates computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognized for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation / business losses / losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available.

Measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

**1.14 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**1.15 Segment Reporting**

The Company's chief operating decision making (CODM), examines the Company's performance from business perspective and has identified three reportable business segments viz. Industrial Chemicals, Leasing and Investing. Segment disclosures are consistent with the information provided to CODM which primarily uses operating profit/loss of the respective segments to assess their performance. CODM also periodically receives information about segment revenues and assets. The Company has disclosed Business Segments as the primary segment. Segments have been identified taking into account nature of the products & services, the differing risks and returns, the organisation structure and internal reporting system.

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 weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.17 Financial instruments****Financial assets**

(i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.



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

## (ii) Subsequent measurement

Financial assets are subsequently classified and measured at

- amortised cost,
- fair value through profit and loss (FVTPL), and
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

## (iii) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through expected life of a financial instrument.

## (iv) Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing financial assets and (ii) contractual cash flow characteristics of the financial asset.

(a) Measurement of amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. Amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss.

(b) Measurement of fair value through other comprehensive income: Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the Statement of Profit and Loss.

(c) Measurement at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income, if any, recognised as 'Other Income' in the Statement of Profit and Loss.

## (v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes election at FVOCI basis. Fair value changes excluding dividends, on equity instruments measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on investments in equity instruments are recognised as 'other income' in Statement of Profit and Loss.

## (vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

## (vii) Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

**Financial Liabilities**

## (i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to contractual provisions of an instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

## (ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

## (iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**1.18 Provisions**

A provision is recognised for a present obligation as a result of past event; if it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimated amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

**1.19 Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



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

**1.20 Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the underlying asset to the condition required by the terms and conditions of the lease, or restoring the site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised insubstance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

**Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and awards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not then it is an operating lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 - Leases which replaces the existing lease standard, Ind AS 17, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively. Since all the Contracts of Lease entered into by the Company are less than 12 months, therefore there is no impact of the transition to Ind AS 116 and the Company meets the disclosure requirement as specified in the Ind AS.

In the previous year under Ind AS 17, Rental expenses pertaining to properties taken on operating leases were generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases were recognised in the year in which such benefits accrue.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**2 - Property, Plant and Equipments**

(₹ in Hundreds)

	Plant & Equipment	Leasehold Land	Electrical Installations	Furniture & Fixtures	Vehicles	Computers	Office Equipment	Water Supply Equipment	Laboratory Equipment	Buildings	Total
<b>Gross Block</b>											
As at 01.04.2019	2,25,674.50	9,810.29	5,558.05	13,620.01	48,297.32	4,336.67	4,962.04	230.18	41.77	1,39,541.67	4,52,072.50
Additions during the year	11,557.84	-	-	-	-	-	350.36	-	-	-	11,908.20
Deductions / Adjustments for the year	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31.03.2020</b>	<b>2,37,232.34</b>	<b>9,810.29</b>	<b>5,558.05</b>	<b>13,620.01</b>	<b>48,297.32</b>	<b>4,336.67</b>	<b>5,312.40</b>	<b>230.18</b>	<b>41.77</b>	<b>1,39,541.67</b>	<b>4,63,980.70</b>
<b>Accumulated Depreciation</b>											
As at 01.04.2019	26,548.26	434.88	2,663.14	10,317.09	20,630.28	1,361.88	2,461.31	-	-	10,788.44	75,205.28
Depreciation for the year	15,466.45	144.96	189.46	173.82	6,264.32	-	618.41	-	-	5,508.54	28,365.96
Deductions / Adjustments for the year	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation As at 31.03.2020</b>	<b>42,014.71</b>	<b>579.84</b>	<b>2,852.60</b>	<b>10,490.91</b>	<b>26,894.60</b>	<b>1,361.88</b>	<b>3,079.72</b>	<b>-</b>	<b>-</b>	<b>16,296.98</b>	<b>1,03,571.24</b>
<b>Net Carrying amount As at 31.03.2020</b>	<b>1,95,217.63</b>	<b>9,230.45</b>	<b>2,705.45</b>	<b>3,129.10</b>	<b>21,402.72</b>	<b>2,974.79</b>	<b>2,232.68</b>	<b>230.18</b>	<b>41.77</b>	<b>1,23,244.69</b>	<b>3,60,409.46</b>
<b>Gross Block</b>											
As at 01.04.2018	1,54,911.59	9,810.29	5,558.05	13,620.01	48,297.32	4,336.67	4,211.16	230.18	41.77	78,074.41	3,19,091.45
Additions during the year	72,057.72	-	-	-	-	-	750.88	-	-	61,467.26	1,34,275.86
Deductions / Adjustments for the year	1,294.81	-	-	-	-	-	-	-	-	-	1,294.81
<b>As at 31.03.2019</b>	<b>2,25,674.50</b>	<b>9,810.29</b>	<b>5,558.05</b>	<b>13,620.01</b>	<b>48,297.32</b>	<b>4,336.67</b>	<b>4,962.04</b>	<b>230.18</b>	<b>41.77</b>	<b>1,39,541.67</b>	<b>4,52,072.50</b>
<b>Accumulated Depreciation</b>											
As at 01.04.2018	16,200.90	289.92	2,085.45	8,677.18	13,999.32	907.92	1,646.10	-	-	7,042.31	50,849.10
Depreciation for the year	11,560.14	144.96	577.69	1,639.91	6,630.96	453.96	815.21	-	-	3,746.13	25,568.96
Deductions / Adjustments for the year	1,212.78	-	-	-	-	-	-	-	-	-	1,212.78
<b>Accumulated Depreciation As at 31.03.2019</b>	<b>26,548.26</b>	<b>434.88</b>	<b>2,663.14</b>	<b>10,317.09</b>	<b>20,630.28</b>	<b>1,361.88</b>	<b>2,461.31</b>	<b>-</b>	<b>-</b>	<b>10,788.44</b>	<b>75,205.28</b>
<b>Net Carrying amount As at 31.03.2019</b>	<b>1,99,126.24</b>	<b>9,375.41</b>	<b>2,894.91</b>	<b>3,302.92</b>	<b>27,667.04</b>	<b>2,974.79</b>	<b>2,500.73</b>	<b>230.18</b>	<b>41.77</b>	<b>1,28,753.23</b>	<b>3,76,867.22</b>

**Notes:**

**Leased Assets**

Property, Plant and Equipment includes the following assets where the company is a lessee:

Particulars	March 31, 2020	March 31, 2019
<b>Leasehold Land</b>		
Gross Block	9,810.29	9,810.29
Accumulated Depreciation	579.84	434.88
<b>Net carrying amount</b>	<b>9,230.45</b>	<b>9,375.41</b>

The Company has entered into long term Leasing arrangement for land with Government authorities which is in the nature of finance lease. These arrangement do not involve any recurring payment hence other disclosure not given.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**

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

**3 Investment property i.e. Buildings**

Particular		(₹ in Hundreds)
<b>Gross Block</b>		
As at 01.04.2019		6,97,010.05
Additions		1,55,166.22
Deductions / Adjustments		63,575.08
As at 31.03.2020		<b>7,88,601.19</b>
<b>Accumulated Depreciation</b>		
As at 01.04.2019		36,298.82
Depreciation for the year		12,080.65
Deductions / Adjustments		11,461.73
<b>As at 31.03.2020</b>		<b>36,917.74</b>
<b>Net Carrying amount As at 31.03.2020</b>		<b>7,51,683.45</b>
<b>Gross Block</b>		
As at 01.04.2018		6,97,010.05
Additions		-
Deductions / Adjustments		-
As at 31.03.2019		<b>6,97,010.05</b>
<b>Accumulated Depreciation</b>		
As at 01.04.2018		24,128.54
Depreciation for the year		12,170.28
Deductions / Adjustments		-
<b>As at 31.03.2019</b>		<b>36,298.82</b>
<b>Net Carrying amount As at 31.03.2019</b>		<b>6,60,711.23</b>

**Notes :**

**(a) Amount recognised in the Statement of Profit and Loss for Investment Properties**

Particulars	Current Year	Previous Year
Rental Income	90,047.50	89,880.00
Direct Operating expenses from property that generated rental income	11,335.75	9,260.21
Direct Operating expenses from property that did not generate rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>78,711.75</b>	<b>80,619.80</b>
Depreciation	12,080.65	12,170.28
<b>Profit from investment properties</b>	<b>66,631.10</b>	<b>68,449.52</b>



**(b) Fair Value**

Fair Value of investment property: Rs 11,23,251.02 hundred as at March 31,2020 ( Rs 12,90,227.01 hundred as at March 31,2019)

The fair values of investment properties have been determined on the basis of stamp duty value assessable by Government authority for the purpose of payment of stamp duty in respect of the Properties.

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in Hundreds)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>4 Non-current Investments</b>		
<b>Investment in Equity Instruments (At Fair value through other comprehensive income)</b>		
<b>Quoted</b>		
1,500 (March 31, 2019: 1,500) Equity Shares of ₹ 2 each, fully paid up in Ambuja Cements Ltd	2,335.50	3,525.75
10 (March 31,2019:10) Equity Shares of ₹ 10 each, fully paid up in Winmore Leasing & Holdings Ltd	0.92	0.94
3 (March 31,2019:3) Equity Shares of ₹ 10 each, fully paid up in Sanathnagar Enterprises Ltd	0.21	0.41
1 (March 31, 2019:1) Equity Share of ₹ 2 fully paid up in Westlife Development Ltd	3.20	4.29
	<b>2,339.83</b>	<b>3,531.39</b>
<b>Unquoted</b>		
NIL (March 31,2019:1,80,300) Equity Shares of ₹ 10 each, fully paid up in Houghton Hardcastle (India) Pvt. Ltd	-	1,03,433.20
4,38,948 (March 31,2019:4,38,948) Equity Shares of ₹ 10 each, fully paid up in Hawcoplast Investments & Trading Limited	84,770.06	82,411.05
150 (March 31,2019:150 ) Equity Shares of ₹ 10 each, fully paid up in Deve Paints Limited	-	-
NIL (March 31,2019 NIL) Equity Shares of ₹ 10 each, fully paid up in Bakelite Hylam Ltd	-	0.99
5 (March 31,2019: 5) Equity Shares of ₹ 10 each, fully paid up in Panel Boards & Laminates Ltd	-	-
150 (March 31,2019:150) Equity Shares of ₹ 10 each, fully paid up in Swastik Rubber Products Limited	-	-
8,33,000 (March 31,2019:8,33,000) Equity Shares of ₹ 10 each, fully paid up in West Pioneer Properties ( India ) Pvt. Ltd	12,53,165.20	16,22,434.10
	<b>13,37,935.26</b>	<b>18,08,279.34</b>
<b>Investment in Preference Shares -, fully paid up (At Fair value through profit and loss)</b>		
<b>Unquoted</b>		
15,50,000 (March 31,2019:20,50,000) 8% Redeemable Non-Cumulative Preference Shares of ₹ 10 each, fully paid up in Anand Veena Twisters Private Limited	1,42,755.00	1,79,170.00
	<b>1,42,755.00</b>	<b>1,79,170.00</b>
	<b>14,83,030.09</b>	<b>19,90,980.73</b>
Aggregate amount of quoted investments - At market Value	2,339.83	3,531.39
Aggregate amount of quoted investments - At Cost	13.42	13.80
Aggregate amount of unquoted investments - At fair Value	14,80,690.26	19,87,449.34
Aggregate amount of unquoted investments - At Cost	18,33,950.32	19,90,593.90
Investments carried at fair value through other comprehensive income	13,40,275.09	18,11,810.73
Investments carried at fair value through profit and loss	1,42,755.00	1,79,170.00



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in Hundreds)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>5 Deferred tax asset (Net)</b>		
<b>A) Deferred tax assets</b>		
Provision for expense allowed for tax purpose on payment basis	3,483.61	3,112.58
Long-term Capital Assets	1,63,476.76	76,064.50
Business losses carried forward under Income Tax Act, 1961	3,391.79	8,113.89
Short-term Capital Assets	-	1,581.03
<b>Sub Total (A)</b>	<b>1,70,352.16</b>	<b>88,872.00</b>
<b>B) Deferred tax liabilities</b>		
Related to Fixed Assets	1,17,678.13	94,515.04
Remeasurement benefit of defined benefit plans through OCI	510.97	341.85
Short-term Capital Liabilities	5.78	-
<b>Sub Total (B)</b>	<b>1,18,194.88</b>	<b>94,856.89</b>
<b>C) MAT Credit Entitlement</b>	40,436.29	27,265.84
<b>Total (A-B+C)</b>	<b>92,593.58</b>	<b>21,280.95</b>
<b>Movement in deferred tax liabilities / (assets)</b>		
<b>Opening Balance</b>	<b>21,280.95</b>	<b>22,199.85</b>
<b>Tax (income / (Expenses) during the period recognised in:</b>		
Statement of Profit and Loss	(21,725.58)	(6,232.10)
Other Comprehensive Income	93,038.21	5,313.20
<b>Closing Balance</b>	<b>92,593.58</b>	<b>21,280.95</b>
<b>6 Other non-current assets</b>		
Capital Advances (Refer Note No. 27.01)	7,78,087.64	7,65,855.82
Security Deposits	6,987.03	6,567.20
Advance Income Tax (Net of provision for taxation)	11,092.95	23,732.87
Others (including receivables from Govt. Authorities)	21,697.96	31,670.18
	<b>8,17,865.58</b>	<b>8,27,826.07</b>
<b>7 Inventories</b>		
Stock of Finished Goods	26,409.06	2,935.06
	<b>26,409.06</b>	<b>2,935.06</b>
<b>8 Current Investments (At Fair value through profit and loss)</b>		
4118.356 (March 31,2019:NIL) Units of ₹ 1000 each - fully paid up in HDFC Overnight Fund Direct Plan (Growth)	1,22,278.85	-
	<b>1,22,278.85</b>	<b>-</b>
Aggregate amount of Net Asset Values of investment in units - At market Value	1,22,278.85	-
Aggregate amount of investment in units - At Cost	1,22,256.63	-
Investments carried at fair value through profit and loss	1,22,278.85	-
<b>9 Trade Receivables</b>		
a) Considered good-Secured	-	-
b) Considered good-Unsecured	26,080.52	36,236.95
c) Which have significant increase in credit risk	-	-
d) Credit impaired	-	-
	<b>26,080.52</b>	<b>36,236.95</b>



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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(₹ in Hundreds)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>10 a) Cash and Cash Equivalents</b>		
Balance with Banks -in Current Accounts	2,544.42	21,670.89
Cheques on Hand	1,326.13	4,392.57
Cash on hand	725.57	375.69
	<b>4,596.12</b>	<b>26,439.15</b>
<b>b) Other Bank Balances</b>		
Fixed Deposit with Bank	7,500.00	7,500.00
	<b>7,500.00</b>	<b>7,500.00</b>
<b>Total</b>	<b>12,096.12</b>	<b>33,939.15</b>
Fixed Deposit is held by bank as security against a guarantee issued.		
<b>11 Other current assets</b>		
Amounts Receivable	40,317.50	-
Loans and Advances	5,318.86	2,834.20
	<b>45,636.36</b>	<b>2,834.20</b>



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	(₹ in Hundreds)	No. of Shares	(₹ in Hundreds)
<b>12 SHARE CAPITAL</b>				
<b>Authorised:</b>				
Equity Shares of ₹ 10 each	50,00,000	5,00,000.00	50,00,000	5,00,000.00
<b>Issued, Subscribed and Paid Up:</b>				
Equity Shares of ₹ 10 each, fully paid up	6,79,474	67,947.40	6,79,474	67,947.40
<b>Reconciliation of number of Equity Shares outstanding:</b>				
Equity Shares at beginning of the year	6,79,474	67,947.40	6,79,474	67,947.40
Issued during the year	-	-	-	-
<b>Equity Shares at end of the year</b>	<b>6,79,474</b>	<b>67,947.40</b>	<b>6,79,474</b>	<b>67,947.40</b>

**Details of Shareholders holding more than 5% shares :**

	No. of Shares	% held	No. of Shares	% held
<b>Name of Shareholder</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
Bay Capital Advisors Pvt. Ltd	48,975	7.21	48,975	7.21

**Terms/Rights attached to equity shares:**

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.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in Hundreds)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>13 Other Equity</b>		
<b>Securities Premium Reserve</b>		
Opening Balance	7,88,528.31	7,88,528.31
Change during the year	-	-
<b>Closing Balance</b>	<b>7,88,528.31</b>	<b>7,88,528.31</b>
<b>General Reserve</b>		
Opening Balance	36,97,434.87	36,97,434.87
Change during the year	-	-
<b>Closing Balance</b>	<b>36,97,434.87</b>	<b>36,97,434.87</b>
<b>Equity Instruments through Other Comprehensive Income</b>		
Opening Balance	37,756.40	48,457.53
Other Comprehensive Income during the year	(2,62,593.46)	(9,581.63)
Transfer to retained earnings on disposal of FVOCI equity instruments	(8,749.04)	(1,119.50)
<b>Closing Balance</b>	<b>(2,33,586.10)</b>	<b>37,756.40</b>
<b>Retained Earnings</b>		
Opening Balance	(9,10,984.02)	(9,25,059.83)
Profit during the year as per Statement of Profit and Loss	90,125.60	11,983.34
Remeasurement of the net defined benefit obligations, net of taxes	1,454.31	972.97
Transfer from OCI on disposal of FVOCI equity instruments	8,749.04	1,119.50
<b>Closing Balance</b>	<b>(8,10,655.07)</b>	<b>(9,10,984.02)</b>
<b>Total Other Equity</b>	<b>34,41,722.01</b>	<b>36,12,735.56</b>
<b>Nature and Purpose of Reserves</b>		
<b>Securities Premium Reserve</b> : The amount received from shareholder against the issue of shares in excess of face value of the equity shares is recognised in Securities Premium Reserve.		
<b>General Reserve</b> : General reserve is created from time to time by way of appropriation of retained earnings.		
<b>Retained Earnings</b> : Retained earnings are profits that the Company has earned till date, less any appropriations.		
<b>Equity instruments through other comprehensive income</b> : This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.		
<b>14 Borrowings</b>		
Unsecured & Repayable on demand	5,006.16	25,011.10
Loan from a Director	<b>5,006.16</b>	<b>25,011.10</b>
<b>15 Trade Payables</b>		
(i) Micro & Small Enterprise (refer note no. 27.04)	6,346.39	-
(ii) Other than Micro & Small Enterprise	1,179.34	3,171.67
	<b>7,525.73</b>	<b>3,171.67</b>
<b>16 Current - Other financial liabilities</b>		
Security Deposits	2,20,000.00	2,20,000.00
Others	9,245.64	12,774.37
	<b>2,29,245.64</b>	<b>2,32,774.37</b>
<b>17 Current - Provisions</b>		
Provision for Gratuity (refer note no. 27.07)	9,085.70	8,255.54
Provision for Leave Encashment (refer note no. 27.07)	4,312.80	3,715.92
	<b>13,398.50</b>	<b>11,971.46</b>



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
(₹ in Hundreds)

Particulars	Current Year	Previous Year
<b>18 Revenue From Operations</b>		
<b>Sale of Traded Goods</b>		
Industrial Chemicals	1,15,034.06	1,50,506.54
<b>Investment Activities</b>		
Net gain /(loss) on fair valuation of investments	7,307.22	3,690.00
Net gain /(loss) on sale of investments	4,806.63	3,422.54
Dividend income	22.52	30.02
	<b>12,136.37</b>	<b>7,142.56</b>
<b>Leasing Activities</b>		
Rent Received	1,43,447.50	1,29,280.00
Profit/(Loss) on Sale/Discard of Fixed Assets	81,386.65	1,707.97
	<b>2,24,834.15</b>	<b>1,30,987.97</b>
	<b>3,52,004.58</b>	<b>2,88,637.07</b>
<b>19 Other Income</b>		
Interest Income	974.46	584.94
Interest on Income Tax Refund	1,539.44	7,389.10
<b>Other Non-Operating Income</b>		
Service Charges Income	12,000.00	12,000.00
Sundry Income	1,994.13	-
	<b>16,508.03</b>	<b>19,974.04</b>
<b>20 Purchase of Traded Goods</b>		
Cost of traded goods	94,772.27	1,12,895.20
	<b>94,772.27</b>	<b>1,12,895.20</b>
<b>21 Change in Inventories of Stock-in Trade</b>		
Inventory at beginning of the year	2,935.06	1,240.43
Inventory at end of the year	26,409.06	2,935.06
<b>(Increase)/Decrease in inventories</b>	<b>(23,474.00)</b>	<b>(1,694.63)</b>
<b>22 Employee Benefit Expenses</b>		
Salaries and Wages	54,081.56	58,431.23
Contribution to Provident and Other Funds	5,810.69	5,505.29
Staff Welfare Expenses	888.84	138.87
	<b>60,781.09</b>	<b>64,075.39</b>
<b>23 Finance Cost</b>		
Interest on Loan	49.30	309.70
	<b>49.30</b>	<b>309.70</b>
<b>24 Depreciation and Amortisation Expenses</b>		
On Property Plant and Equipments	28,365.96	25,568.96
On Investment property	12,080.64	12,170.28
	<b>40,446.60</b>	<b>37,739.24</b>



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
(₹ in Hundreds)

Particulars	Current Year	Previous Year
<b>25 Other Expenses</b>		
Electricity Expenses	9,809.50	8,841.90
Rent, Rates and taxes	10,524.18	10,615.92
Travelling and Conveyance	4,397.54	17,504.82
Service charges	5,340.00	5,640.00
Payment to Auditor (Refer note no. 27.03)	1,550.00	1,550.00
Insurance	1,431.89	1,420.03
Legal and professional Fees	12,651.00	4,907.35
Share Dept Expenses	1,469.59	1,387.82
Directors' Sitting Fees	600.00	580.00
Membership & Subscription	3,010.00	2,510.00
Communication and Printing Expenses	1,308.52	1,360.99
Repairs & Maintenance	9,244.95	6,639.63
Vehicle Expenses	7,975.06	5,278.28
Miscellaneous Expenses	2,975.58	8,318.95
	<b>72,287.81</b>	<b>76,555.69</b>
<b>26 Income Tax Expenses</b>		
This Note provides an analysis of the Company's income tax expense and how the tax expenses is affected by non-assessable and non-deductible items.		
(a) <b>Income tax recognised in profit or loss</b>		
<b>Tax Expenses</b>		
Current Tax	15,125.11	-
Deferred Tax	21,725.58	6,232.10
Income tax for earlier years	(3,326.75)	515.08
<b>Income tax expense recognised in profit or loss</b>	<b>33,523.94</b>	<b>6,747.18</b>
(b) <b>Income tax recognised in OCI</b>		
Unrealised (gain)/loss on FVTOCI equity securities	93,549.18	5,655.05
Net loss/(gain) on remeasurements of defined benefit plans	(510.97)	(341.85)
<b>Income tax expense recognised in OCI</b>	<b>93,038.21</b>	<b>5,313.20</b>
(c) <b>Reconciliation of tax expense and the accounting profit multiplied by Income tax rate under Normal provision:</b>		
Profit before income tax	1,23,649.54	18,730.52
Enacted Tax rates as per Income tax Act, 1961	26.00%	26.00%
<b>Computed expected tax expenses</b>	32,148.88	4,869.94
Effect of non-deductible expenses	11,633.37	1,285.28
Tax effect due to non-taxable income	(13,494.43)	(2,005.27)
Tax effect on Business Losses	(3,391.79)	-
Effect of MAT adjustment	(4,270.99)	-
Tax on income at differential tax rates	15,697.47	-
Tax effect on various other items	(1,471.82)	2,082.15
Income tax for earlier years	(3,326.75)	515.08
<b>Income Tax Expenses</b>	<b>33,523.94</b>	<b>6,747.18</b>



The applicable statutory tax rate for the year ended March 31, 2020 is 26.00% and March 31, 2019 is 26%.

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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27.01	<b>CONTINGENT LIABILITIES AND COMMITMENTS (Not Provided for)</b>	As at 31-03-2020 (₹ in Hundreds)	As at 31-03-2019 (₹ in Hundreds)
	<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 get crystallised.	29,527.37	35,559.74
	*out of above Rs 3,519.52 hundred (Previous Year Rs 11,485.13 hundred) paid under protest		
	<b>2) COMMITMENTS</b>		
	Estimated amount of contracts remaining to be executed on Capital Account	28,844.64	19,971.90
		<b>Current Year</b>	<b>Previous Year</b>
27.02	<b>Expenditure in Foreign Currency :</b>		
	Travelling Expenses	-	7,342.76
		-	<b>7,342.76</b>
		<b>Current Year</b>	<b>Previous Year</b>
27.03	<b>Payment to Auditors :</b>		
	Audit Fees	950.00	950.00
	Tax Audit Fees	150.00	150.00
	Limited Review Fees	450.00	450.00
		<b>1,550.00</b>	<b>1,550.00</b>
		<b>Current Year</b>	<b>Previous Year</b>
27.04	<b>MICRO AND SMALL ENTERPRISES :</b>	As at 31-03-2020	As at 31-03-2019
	Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 "(MSMED Act, 2006)" are provided as under for the year 2019-20, to the extent the company has received intimation from the "supplier" regarding their status under the act.	(₹ in Hundreds)	(₹ in Hundreds)
	(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to Micro and small enterprises	6,346.39	-
	Interest due on above	-	-
	(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	(iii) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
	(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
	(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	Dues to Micro and small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by Management. This has been relied upon by Auditors.		
	In case of previous year the Company had not received any intimation from its creditors regarding their respective status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence all the payable are considered as "other than Micro and Small Enterprise"		
		<b>Current Year</b>	<b>Previous Year</b>
27.05	<b>EARNING PER SHARE (EPS)</b>		
	<b>Basic and Diluted</b>		
	a) Net Profit/(loss) after taxation (₹ in 100)	90,125.60	11,983.34
	b) No. of Equity Shares of ₹10 each	6,79,474	6,79,474
	c) Basic and Diluted Earning Per share (₹)	13.26	1.76
27.06	<b>RELATED PARTY DISCLOSURES ( As per Ind AS 24 ) :</b>		
	<b>(as identified by the management and relied upon by the auditors)</b>		
	<b>A) Related Parties and Nature of Relationship</b>		
	<b>i) Person having control :</b>		
	Shri Banwari Lal Jatia, Managing Director		
	<b>ii) Key Management Personnel :</b>		
	Smt Smita Acherkar - Company Secretary		
	Shri Narendra Abhichandani - Chief Financial Officer		(Upto 31.12.2018)
	Ms Shivani Bhargava - Chief Financial Officer		(w.e.f. 22.04.2019)
	Shri Om Prakash Adukia - Non-Executive Director		
	Shri Sunil Kantilal Trivedi - Independent - Non-Executive Director		
	Smt Rekha Pacheria - Independent - Non-Executive Director		
	Shri Govind Prasad Goyal - Independent - Non-Executive Director		(Upto 11.07.2018)



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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iii) Enterprises over which person having control and / or his relative(s) and/or key management personnel are able to exercise significant influence and with whom transactions have taken place during the year :

Hardcastle Petrofer Pvt. Ltd	West Pioneer Properties (India) Pvt. Ltd
Saubhagya Impex Pvt. Ltd	Hawco Petrofer LLP
Vishwas Investment & Trading Co. Pvt. Ltd	Hardcastle Restaurants Pvt. Ltd
Winmore Leasing & Holdings Ltd	Houghton Hardcastle (India) Pvt Ltd
Horizon Impex Pvt Ltd	

iv) Relative of Person having Control :

Mrs Lalita Devi Jatia

All the above entities are incorporated in India.

				(₹ in Hundreds)
B) Material transactions during the year :				
	Person having control	Key Management Personnel	Enterprises over which persons having control and / or their relative(s) and /or key management personnel are able to exercise significant influence	Relative of Person having Control
a) Rent Income	-	-	1,32,612.50	-
	-	-	(1,18,480.00)	-
b) Service Charges Income	-	-	12,000.00	-
	-	-	(12,000.00)	-
c) Rent Paid	-	-	3,000.00	-
	-	-	(3,000.00)	-
d) Service Charges Paid	-	-	5,340.00	-
	-	-	(5,640.00)	-
e) Purchase of Investments	-	-	-	-
	-	-	(1,136.10)	-
f) Sale of Investments	-	-	44,250.00	1,15,392.00
	-	-	-	(6,460.00)
g) Purchase of Trade Goods	-	-	92,078.75	-
	-	-	(1,09,350.00)	-
h) Purchase of Fixed Assets	-	-	8,500.00	-
	-	-	-	-
i) Purchase of Immovable Properties	-	-	1,45,900.00	-
	-	-	-	-
j) Remuneration paid :				
i) Short term employee benefits	-	15,372.19	-	-
	-	(18,808.85)	-	-
ii) Post-employment benefits	-	1,592.31	-	-
	-	(1,326.92)	-	-
k) Director Sitting Fees	-	600.00	-	-
	-	(580.00)	-	-
l) Loan Received	5,000.00	-	-	-
	(50,000.00)	-	-	-
m) Loan Repayment made	25,000.00	-	-	-
	(25,000.00)	-	-	-
n) Interest Paid	11.10	-	-	-
	(298.60)	-	-	-
<b>Figures in ( ) represent previous year figures.</b>				
<b>C) Balance Outstanding as at :</b>				
	5,006.16	-	-	-
	25,011.10	-	-	-

**Note:** All related party transactions entered during the year were in ordinary course of business and were on arm's length basis.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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**27.07 EMPLOYEE BENEFITS (Information as required under Ind AS - 19)**

**DEFINED BENEFIT : GRATUITY PLAN**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the company makes contributions to LIC of India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the Company's financial statements as at the year end are as under

	2019-20	2018-19
	(₹ in Hundreds)	(₹ in Hundreds)
Obligations at beginning of the year	33,577.88	35,928.02
Interest Cost	2,350.45	2,694.60
Service Cost	2,249.22	2,177.43
Benefits Paid during the year	-	(5,965.38)
Actuarial (Gain)/Loss	(1,905.58)	(1,256.79)
Obligations at end of the year	36,271.97	33,577.88
<b>Change in Plan Assets</b>		
Fair Value of Plan Assets at beginning of the year	25,322.34	28,669.17
Expected Return on Plan Assets	1,772.56	2,150.19
Expected Return on Plan Assets not included in interest Income	59.70	58.03
Contributions	31.67	410.33
Benefits Settled	-	(5,965.38)
Actuarial Gain/(Loss)	-	-
Fair Value of Plan Assets at end of the year	27,186.27	25,322.34
<b>Reconciliation of Present Value of Obligations and Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at end of year	(27,186.27)	(25,322.34)
Present Value of defined benefit obligations at end of year	36,271.97	33,577.88
Liability/(Asset) recognised in Balance Sheet	9,085.70	8,255.54
<b>Gratuity Cost for the year</b>		
<b>Amount recognised in Statement of Profit &amp; Loss</b>		
Service Cost	2,249.22	2,177.43
Interest Cost	2,350.45	2,694.60
Expected Return on Plan Assets	(1,772.56)	(2,150.19)
	2,827.11	2,721.84
<b>Net Cost Incurred in Employee Benefit Expense</b>		
<b>Amount recognised in Other Comprehensive Income</b>		
Actuarial (Gain)/Loss	(1,905.58)	(1,256.79)
Expected return on plan assets not included in the interest income	(59.70)	(58.03)
<b>Net (Income) / Expense for the Period Recognised in OCI</b>	(1,965.28)	(1,314.82)
<b>Assumptions</b>		
Interest Rate	6.50%	7.00%
Expected Return on Plan Assets	6.50%	7.00%
Expected Rate of Salary Increase	7.00%	7.00%
Attrition Rate	1.00%	1.00%
Retirement Age	55-58 years	55-58 years

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is shown below:

Assumptions	Discount rate		Salary growth rate	
	1% increase	1% decrease	1% increase	1% decrease
<b>March 31, 2020</b>				
Impact on defined benefit obligation	-47,930	56,639	55,783	-48,138
% Impact	-1.32%	1.56%	1.54%	-1.33%
<b>March 31, 2019</b>				
Impact on defined benefit obligation	-380.79	442.21	437.79	-384.13
% Impact	-1.13%	1.32%	1.30%	-1.14%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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**Expected future benefit payments of Gratuity**

Year	(₹ in Hundreds)
March 31, 2021	24,500.00
March 31, 2022	5,550.01
March 31, 2023	4,961.54
March 31, 2024	2,700.00
March 31, 2025	1,384.62
Thereafter	4,038.47
<b>Total expected payments</b>	<b>43,134.64</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 52 years (March 31, 2019 : 53 years)

**DEFINED CONTRIBUTION PLANS**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 2,795.44 hundreds (March 31, 2019: Rs. 2,322.10 hundreds).

**LEAVE OBLIGATIONS**

The leave obligations cover the company's liability for earned leave.

The amount of the provision of Rs 4,315.80 hundreds (March 31, 2019 : Rs 3,715.92 hundreds) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

**27.08 SEGMENT INFORMATION ( As per Ind AS 108 ) :**

Primary Segment reporting - Business Segments	Current Year	Previous Year
	(₹ in Hundreds)	(₹ in Hundreds)
<b>SEGMENT REVENUE</b>		
Industrial Chemicals	1,15,034.06	1,50,506.54
Investments	12,136.37	7,142.56
Leasing Activities	2,24,834.15	1,30,987.97
<b>Total</b>	<b>3,52,004.58</b>	<b>2,88,637.07</b>
<b>SEGMENT EXPENSES</b>		
Industrial Chemicals	72,277.22	1,12,978.89
Investments	-	5.18
Leasing Activities	42,556.76	32,526.94
<b>Total</b>	<b>1,14,833.98</b>	<b>1,45,511.01</b>
<b>SEGMENT RESULT</b>		
Industrial Chemicals	42,756.84	37,527.65
Investments	12,136.37	7,137.38
Leasing Activities	1,82,277.39	98,461.03
<b>Total</b>	<b>2,37,170.60</b>	<b>1,43,126.06</b>
<b>RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX</b>		
<b>SEGMENT RESULT</b>	<b>2,37,170.60</b>	<b>1,43,126.06</b>
Unallocated Corporate (Expenses)/Income	(1,13,521.06)	(1,24,395.54)
<b>Operating Profit/(Loss)</b>	<b>1,23,649.54</b>	<b>18,730.52</b>
Income Tax (including Deferred Tax)	33,523.94	6,747.18
<b>Net Profit/(Loss) After Tax</b>	<b>90,125.60</b>	<b>11,983.34</b>
<b>Other Comprehensive Income</b>	<b>(2,61,139.15)</b>	<b>(8,608.66)</b>
<b>Total Comprehensive (Loss)/ Income for the year (Comprising Profit / (Loss) and other Comprehensive Income for the year)</b>	<b>(1,71,013.55)</b>	<b>3,374.68</b>
	<b>As at</b>	<b>As at</b>
	<b>31-03-2020</b>	<b>31-03-2019</b>
	<b>(₹ in Hundreds)</b>	<b>(₹ in Hundreds)</b>
<b>OTHER INFORMATION</b>		
<b>Total carrying amount of Segment Assets</b>		
Industrial Chemicals	64,086.84	72,152.30
Investments	16,05,308.94	19,90,980.73
Leasing Activities	19,47,956.90	16,43,687.79
Unallocated Corporate Assets	1,47,492.76	2,46,790.74
<b>Total Assets</b>	<b>37,64,845.44</b>	<b>39,53,611.56</b>
<b>Total carrying amount of Segment Liabilities</b>		
Industrial Chemicals	1,164.90	107.33
Investments	-	-
Leasing Activities	2,24,172.85	2,20,000.00
Unallocated Corporate Liabilities	29,838.28	52,821.27
<b>Total</b>	<b>2,55,176.03</b>	<b>2,72,928.60</b>
Capital Expenditure incurred during the year	1,67,074.42	1,34,275.86
Depreciation & Amortization Expenses	40,446.60	37,739.24
Other Material Non-Cash Expenditure	-	-



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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Transaction with external customers 10 % or more of company's revenue 3,12,013.70 2,35,385.29

**NOTES :**

Entire Business Activities being in India, there are no reportable Geographical Segments.

27.09	LEASES :	As at	As at
		31-03-2020	31-03-2019
		(₹ in Hundreds)	(₹ in Hundreds)
	<b>i) Non-cancellable operating leases taken :</b>		
	Less than one year	1,086.75	1,207.50
	One to five years	Nil	Nil
	More than five years	Nil	Nil
	<b>Total minimum lease rental obligations</b>	1,086.75	1,207.50
	<b>ii) Non-cancellable operating leases granted :</b>		
	Less than one year	91,200.00	61,450.00
	One to five years	Nil	Nil
	More than five years	Nil	Nil
	<b>Total minimum lease rental</b>	91,200.00	61,450.00



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**27.10 FAIR VALUE MEASUREMENTS**

Fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**1. Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows.

	Carrying amount			Total	Fair Value			Total
	FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	
(₹ in Hundreds)								
<b>March 31, 2020</b>								
<b>Financial Assets</b>								
<b>Non-current</b>								
<b>Investments</b>								
Quoted	-	2,339.83	-	2,339.83	2,339.83	-	-	2,339.83
Unquoted	-	13,37,935.26	-	13,37,935.26	-	12,53,165.20	84,770.06	13,37,935.26
Preference Shares - Unquoted	1,42,755.00	-	-	1,42,755.00	-	1,42,755.00	-	1,42,755.00
<b>Current</b>								
<b>Investments</b>								
Mutual Fund units	1,22,278.85	-	-	1,22,278.85	1,22,278.85	-	-	1,22,278.85
Trade Receivables	-	-	26,080.52	26,080.52	-	-	-	-
Cash and Cash Equivalents	-	-	12,096.12	12,096.12	-	-	-	-
	<b>2,65,033.85</b>	<b>13,40,275.09</b>	<b>38,176.64</b>	<b>16,43,485.58</b>	<b>1,24,618.68</b>	<b>13,95,920.20</b>	<b>84,770.06</b>	<b>16,05,308.94</b>
<b>Financial liabilities</b>								
<b>Current</b>								
Borrowings	-	-	5,006.16	5,006.16	-	-	-	-
Trade Payables	-	-	7,525.73	7,525.73	-	-	-	-
Security Deposits	-	-	2,20,000.00	2,20,000.00	-	-	-	-
Others	-	-	9,245.64	9,245.64	-	-	-	-
	-	-	<b>2,41,777.53</b>	<b>2,41,777.53</b>	-	-	-	-
<b>March 31, 2019</b>								
<b>Financial Assets</b>								
<b>Non-current</b>								
<b>Investments</b>								
Quoted	-	3,531.39	-	3,531.39	3,531.39	-	-	3,531.39
Unquoted	-	18,08,279.34	-	18,08,279.34	-	16,22,434.10	1,85,845.24	18,08,279.34
Preference Shares - Unquoted	1,79,170.00	-	-	1,79,170.00	-	1,79,170.00	-	1,79,170.00
<b>Current</b>								
<b>Investments</b>								
Mutual Fund units	-	-	-	-	-	-	-	-
Trade Receivables	-	-	36,236.95	36,236.95	-	-	-	-
Cash and Cash Equivalents	-	-	33,939.15	33,939.15	-	-	-	-
	<b>1,79,170.00</b>	<b>18,11,810.73</b>	<b>70,176.10</b>	<b>20,61,156.83</b>	<b>3,531.39</b>	<b>18,01,604.10</b>	<b>1,85,845.24</b>	<b>19,90,980.73</b>
<b>Financial liabilities</b>								
Borrowings	-	-	25,011.10	25,011.10	-	-	-	-
Trade Payables	-	-	3,171.67	3,171.67	-	-	-	-
Security Deposits	-	-	2,20,000.00	2,20,000.00	-	-	-	-
Others	-	-	12,774.37	12,774.37	-	-	-	-
	-	-	<b>2,60,957.14</b>	<b>2,60,957.14</b>	-	-	-	-



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The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

**2.Measurement of fair values**

The Company uses the following hierarchy for determining and disclosing fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

**The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.**

Type	Valuation technique
Preference Shares	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Unquoted Equity Investments	As the fair value in respect of unquoted equity investment in some unquoted investment investee Company could not be reliably estimated, the Company has valued such investment at net asset value as per the latest audited financial statements available

**3. Reconciliation of fair value measurement of financial assets classified as FVTOCI : (Level 3)**

Particulars	Unquoted equity shares
<b>As at March 31, 2018</b>	<b>1,88,815.13</b>
Remeasurement recognised in OCI	2,395.20
Purchases	1,139.10
Sales	(6,504.19)
<b>As at March 31, 2019</b>	<b>1,85,845.24</b>
Remeasurement recognised in OCI	2,359.01
Purchases	
Sales	(1,03,434.19)
<b>As at March 31, 2020</b>	<b>84,770.06</b>



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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**27.11 FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the Company's risk management, if any.

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's Receivables from customers and investment securities.

**Trade Receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Based on historical information about customer default rates management considers credit quality of trade receivables.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
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**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has not obtained any fund and non-fund based working capital limits from banks.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude impact of netting agreements.

(₹ in Hundreds)

Particulars	Contractual cash flows					Total
	Carrying amount	Upto 1 year	1-3 years years	3-5 years years	More than 5 years 5 years	
<b>As at 31st March 2020</b>						
<b>Financial liabilities</b>						
Borrowings	5,006.16	5,006.16	-	-	-	5,006.16
Trade Payables	7,525.73	7,525.73	-	-	-	7,525.73
Security Deposits	2,20,000.00	2,20,000.00	-	-	-	2,20,000.00
Others	9,245.64	9,245.64	-	-	-	9,245.64
	<b>2,41,777.53</b>	<b>2,41,777.53</b>	-	-	-	<b>2,41,777.53</b>
<b>As at 31st March 2019</b>						
<b>Financial liabilities</b>						
Borrowings	25,011.10	25,011.10	-	-	-	25,011.10
Trade Payables	3,171.67	3,171.67	-	-	-	3,171.67
Security Deposits	2,20,000.00	2,20,000.00	-	-	-	2,20,000.00
Others	12,774.37	12,774.37	-	-	-	12,774.37
	<b>2,60,957.14</b>	<b>2,60,957.14</b>	-	-	-	<b>2,60,957.14</b>

**(c) Market Risk**

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of change in market prices.

**(i) Price risk**

The Company is not significantly exposed to changes in the prices of equity instruments.

**(ii) Foreign currency risk**

The Company does not have any foreign Currency exposure.



**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**27.12 Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2020, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

**27.13** Other Non-Current Assets include deposits of ₹ 13,003.03 hundreds (Previous Year ₹ 15,177.53 hundreds) 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.

**27.14** Sales excludes GST amounting to ₹ 20,706.17 hundreds (Previous Year ₹ 27,091.30 hundreds) collected from customers and paid to the concerned Goods and Service Tax Department.

**27.15 Disclosure required under Section 186 (4) of Companies Act, 2013**

Details of Investment made appear under the respective heads (refer note no. 4 & 8)

**27.16** An eviction case is filed against the company by The Cricket Club of India Ltd (Landlord) for the leasehold premises at Brabourne Stadium, the quantum of liabilities is uncertain. The Company has been advised that it has an arguable case.

**27.17** There are six labour cases pending before a court of law, which the Company is contesting.

**27.18** Activities pertaining to sale of traded goods and investments have been impacted due to present crises of COVID-19 and accordingly the profitability of the Company also have been impacted. Further the Company has made investment in an entity engaged in Operating Commercial mall and construction & development of Real Estate Projects. Due to impact of Covid - 19 on this sector, there is impact on the value of such Investment made by the Company. The Company has assessed fair value of its Investments and the impact has been accounted for by the Company. However, this has no impact on the cash flows of the Company.

**27.19** 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 27**

As per our report of even date attached

For GMJ & Co

Chartered Accountants

Firm Registration No.103429W

CA Atul Jain

Partner

M. No. 037097

UDIN : 20037097AAAAAR2020

Place: Mumbai

Date : 15th June 2020



For and on behalf of the Board

*Banwari Lal Jatia*

Banwari Lal Jatia

Managing Director

DIN : 00016823

*Shivani Bhargava*

Shivani Bhargava

Chief Financial Officer

*Om Prakash Adukia*

Om Prakash Adukia

Director

DIN : 00017001

*Smita Achrekar*

Smita Achrekar

Company Secretary

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**

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

Tel No. 022-22837658-63 Fax No. 022-22873176

CIN No.: L99999MH1945PLC004581 E-Mail Id: ho@hawcoindia.com Website: www.hawcoindia.in

**PROXY FORM**

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

Name(s) of the member(s): .....
Registered address: .....
E-mail Id: .....
Folio No / Client No: .....
DP Id:.....

I/We, being member(s) of ..... equity shares of the above 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 for me / us and on my / our behalf at the 74th Annual General Meeting of the Company to be held on Tuesday, the 22nd September, 2020 at 10.30 a.m. at Club House, Residency Gate, Next to Tower-A, Near Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) - 421306 and at any adjournment thereof in respect of the following:

Table with 2 columns: Resolution No. and Description. Contains 5 resolutions regarding financial statements, director appointments, and retirements.

Signed this ..... day of ..... 2020.



Signature of shareholder Signature of Proxy holder(s)

Notes:

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

**HARDCASTLE AND WAUD MANUFACTURING COMPANY LIMITED**

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

**Tel No. :** 022-22837658-63 **Fax No. :** 022-22873176

**CIN No.:** L99999MH1945PLC004581 **E-Mail Id:** [ho@hawcoindia.com](mailto:ho@hawcoindia.com) **Website:** www.hawcoindia.in

**ATTENDANCE SLIP**

**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND  
HAND IT OVER AT THE ENTRANCE**

Sr No.:

<b>Regd. Folio/DP ID &amp; Client ID</b>	
<b>Name and Address of the Shareholder</b>	
<b>Name of Joint Holder(s), If any (In Block Letters)</b>	
<b>No. of shares held</b>	

I/We hereby record my/our presence at the 74<sup>th</sup> Annual General Meeting (AGM) of the Company held at Club House, Residency Gate, Next to Tower-A, Near Metro Junction Mall of West Pioneer Properties (I) Pvt Ltd, Netivali, Kalyan (E) - 421306 on Tuesday, the 22nd September, 2020 at 10.30 a.m.

\_\_\_\_\_  
**Name of Attendee**

\_\_\_\_\_  
**Signature of Shareholder/ Proxy/ Representative**

# ROUTE MAP

## Kalyan Station Road to Metro Residency A-Tower

Prominent Land Mark: Next to Metro Junction Mall, Kalyan

