

54TH
ANNUAL REPORT
1999 - 2000



**HARDCASTLE
& WAUD
MANUFACTURING
COMPANY LIMITED**



HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

BOARD OF DIRECTORS

B. L. JATIA, *Chairman & Managing Director*
O. P. ADUKIA, *Executive Director*
N.M. BHANDARI
N.S. KARNAVAT
A. JATIA

COMPANY SECRETARY

P. F. FERNANDES

BANKERS

THE UNITED WESTERN BANK LIMITED
BANK OF INDIA
UTI BANK LTD

AUDITORS

MESSRS KHARE & CO.

LEGAL ADVISORS

KANGA & COMPANY
ADVOCATES, SOLICITORS & NOTARY

REGISTERED OFFICE

NETIVALI BAUG, KALYAN - 421 306

HEAD OFFICE

BRABOURNE STADIUM,
87, VEER NARIMAN ROAD,
MUMBAI - 400 020

WORKS

NETIVALI BAUG, KALYAN - 421 306
DIST THANE (MAHARASHTRA)

REGISTRAR & TRANSFER AGENTS

SHAREPRO SERVICES
912, RAHEJA CENTRE,
FREE PRESS JOURNAL ROAD,
NARIMAN POINT,
MUMBAI - 400 021.

Fifty-Fourth Annual Report 1999-2000

NOTICE

Notice is hereby given that the 54th Annual General Meeting of Hardcastle & Waud Mfg Co. Ltd will be held at Geeta Hall, Opp. Krishna Talkies, Shivaji Chowk, Kalyan - 421304 on Friday, the 4th August, 2000 at 11 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr N.M. Bhandari who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxy, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 3rd August, 2000 to Friday 4th August, 2000 (both days inclusive).
3. Pursuant to Section 205A of the Companies Act, 1956, as it stood prior to the amendment of the Companies Act, 1956, by the Companies (Amendment) Act, 1999, all unclaimed dividends upto the year ended 31st March, 1994, have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra.

Registered Office:
Netivali Baug, Kalyan - 421 306
Dist Thane
Maharashtra
Date: 29th July, 2000

By Order of the Board of Directors

P. F. Fernandes
Company Secretary



DIRECTORS' REPORT

Your Directors present the 54th Annual Report of the Company, together with the audited Statements of Accounts for the year ended 31st March, 2000.

1. Business Restructuring

For enhancing shareholder value through the creation of focussed companies, the Company's business was restructured during the year by demerger of the Sarigam Unit and transferring the same to Hawcoplast Chemicals Ltd as a going concern effective 1st April, 1999. The Scheme of Arrangement, after receipt of requisite approvals, has become effective on the 28th January, 2000. Most of the formalities relating to the demerger are complete, barring some administrative issues which are expected to be sorted out in due course. The results for the year as brought out in the attached Statements of Accounts are after considering the demerger and are therefore not comparable with the figures shown against the previous year.

2. FINANCIAL RESULTS AND APPROPRIATIONS

	Year ended 31st March, 2000 (Rs Lacs)	Year ended 31st March, 1999 (Rs Lacs)
Profit before interest and depreciation	73.65	268.62
Less: Interest	136.39	204.40
Depreciation	50.22	62.98
	186.61	267.38
Add: Prior year Adjustments	6.88	12.65
Profit brought forward	13.89	—
	20.77	12.65
Amount available to be appropriated as under:-	(92.19)	13.89
Transfer (from)/ to General Reserve	(92.19)	—
Carried Forward	—	13.89
	(92.19)	13.89

3. OPERATIONS

The country has started coming out of the recession and political stability and a near consensus on need for economic reforms has imparted confidence and comfort to business. However, the bringing down of tariff and other barriers as a part of globalisation of the economy have placed new challenges for indigenous industry and trade to compete against foreign competitors who have better resources and muscle. As a result margins are under constant pressure. On the other hand, costs of transactions and overheads are continuously rising.

The turnover during the year after transfer of the Sarigam Unit was Rs 3024.21 lacs. The year's working has resulted in a loss of Rs 62.74 lacs before depreciation. Your directors are hopeful of better working during the current year.

4. PUBLIC DEPOSITS

No deposits were accepted during the year. There are no outstanding deposits.

5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Mr N.M. Bhandari retires by rotation but being eligible, offers himself for reappointment. During the year Mr S.C. Kothari resigned as a Director. The Board places on record its appreciation of the valuable services rendered by Mr Kothari as a director.

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6 AUDITORS

Members are requested to appoint auditors to hold office from the conclusion of the 54th Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

7. Y2K COMPLIANCE

The transition into the new millenium caused no problems in any systems or other areas of your Company's operations.

8. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation, technology absorption and foreign exchange earnings and outgo as required by Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 appear in the Annexure to this Report.

9. PARTICULARS OF EMPLOYEES

Particulars of employees covered by Section 217 (2 A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are as under :

Name & Age	Designation	Total Remuneration Rs	Qualifications & Experience	Date of Commencement of Employment	Previous Employment	Percentage of Equity Shares held
Mr B.L. Jatia (56 Years)	Chairman & Managing Director	6,78,000	B.Com. LLB 32 Years	26.05.1994	Houghton Hardcastle (India)Ltd -Managing Director	0.02

Notes: 1. Remuneration includes salary, company's contribution to provident fund, house rent allowance and monetary value of perquisites. The Managing Director discontinued drawing any remuneration with effect from 1st February 2000.

2. The employment of the Managing Director is contractual.

3. Mr B.L. Jatia is a relative of Mr A. Jatia, Director.

10. EMPLOYEE RELATIONS

Relations with employees during the year were cordial.

11. ACKNOWLEDGEMENTS

The Board sincerely thanks the Government, Financial Institutions, Banks, Overseas Collaborators, valued customers and the employees for their continued support.

On Behalf of the Board

Mumbai, 29th June, 2000

B.L.Jatia
Chairman & Managing Director



HARDCASTLE & WAUD MANUFACTURING COMPANY LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2000.

A. CONSERVATION OF ENERGY

- a. The Company continued to adopt appropriate measures to derive maximum benefit from energy-saving equipment and energy-efficient technology for the production processes.

	1999-2000	1998-99
b. Power & Fuel Consumption		
i) Electricity		
(a) Purchased -		
Units(000s)	760	1449
Total Amount (Lac Rs)	37.44	64.23
Average Rate(Rs per Unit)	4.93	4.43
(b) Own generation		
(i) Through Diesel Generator		
Units(000s)	NIL	5.39
Units per litre of diesel oil	NIL	1.71
Cost/Unit (Rs)	NIL	6.45
(ii) Through Steam Turbine/Generator	NIL	NIL
ii) Coal	NIL	NIL
iii) Furnace Oil		
Quantity (Kilolitres)	107	161
Total Amount (Lac Rs)	8.82	10.08
Average Rate (Rs per kilolitre)	8243	6244
iv) Others		
Quantity (Kilolitres)	5.46	1.47
Total Amount (Lac Rs)	2.43	0.65
Average Rate (Rs per kilolitre)	44809	44461

c. Consumption per unit of production

Since the Company has different product lines with several formulations, it is not feasible to compute this figure.

B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D is carried on by the Company:

The Company's R & D activities are targeted for new products/process development, product upgradation and cost reduction.